



POLICIES AND PROCEDURES

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| Responsible Unit | Office of Advancement |
| Policy Number | G-1 |
| Oversight | Vice President, Advancement; Advancement Committee |
| Approving Body | Approved by the Board of Governors 17 April 2015 |
| Policy | GIFT ACCEPTANCE |

The following provides information on the gift acceptance policies for Acadia University, hereinafter “the University”. The policy is designed to comply with current laws and regulations established by the Canada Revenue Agency (CRA).

The policy is intended to provide guidelines to ensure the orderly acceptance, processing, tax receipting (where appropriate), acknowledgement and recognition of all gifts to the University, whether such gifts are *inter vivo* (lifetime) gifts or gifts from estates.

Federal and provincial governments encourage voluntary support of charitable organizations such as Acadia, and allow substantial tax relief to donors. Acadia University is a registered charity under CRA guidelines. The Office of Advancement is responsible for issuing official charitable receipts for all charitable gifts received by Acadia University in compliance with the requirements of the Income Tax Act, and in accordance with procedures established by the University.

This policy does not apply to any building, garden, room, hall, collection or other facility or component of the K.C. Irving Environmental Science Centre and the Harriet Irving Botanical Gardens ("The K.C. Irving"). Terms related thereto are as set out in the Donation Agreement dated September 14, 2002 between Arthur Irving and the University and the related Charter and Operating Guidelines (as they may be amended from time to time according to their terms).

Gift acceptance guidelines shall be reviewed periodically to ensure they remain consistent with CRA regulations. The Vice President, Advancement, or his/her designate, is responsible for initiating such review.

1. Key Terms

Affiliated Organizations: These include the Acadia University Foundation and Acadia University US Foundation – Nova Scotia.

Contracts: Restricted payments received by the University from various contractors, made in accordance with the terms of contracts entered into by the University to conduct specific programs. These are not considered gifts, and are therefore not subject to this policy.

Designated Gifts: Gifts to the University, the specific use of which has been stipulated by the donor at the time the gift was made. Gifts may be “designated”, for instance, to a particular faculty or school.

Endowment: Generally a donation made on the understanding that the “capital” or “principal” amount of the donation (the “contribution”) will be invested in perpetuity. The investment earnings are used, according to institutional spending policy, to advance purposes specified by the donor.

Fair Market Value: The highest dollar value, expressed in terms of money that the property would bring in an open and unrestricted market between a willing buyer and a willing seller who are knowledgeable, informed, and prudent, and who are acting independently of each other.

Gift: A voluntary, irrevocable transfer of property owned by a donor to a donee, in return for which no benefit flows to the donor beyond the acknowledgment allowed under CRA guidelines. Gifts may be monetary (cash, cheques) or non-monetary (e.g. securities, real property, or personal property).

Gifts-in-Kind: Donated tangible and intangible assets and property such as real estate, notes, mortgages, limited partnerships, royalty or copyright interests, art, books, equipment, automobiles, personal property, securities and other physical assets or materials, which represent value to the University.

Independent: A neutral or uncommitted person.

Official Charitable Receipt: The official charitable receipt is a statement issued by the University to donors that includes the business number issued to the University by the Canada Revenue Agency, a declaration as to the value of the gift, date of the gift and name of the donor. Receipts are normally accepted by the Canada Revenue Agency to support the calculation of the allowable “non-refundable tax credits.”

Planned Gifts: Future gifts arranged to support the goals of a registered charity that best suit the personal, financial and tax situation of an individual donor. Examples of planned giving include bequests, stocks, life insurance policies, real estate, residual interests, and charitable remainder trusts.

Pledges: An undertaking to make (a) gift(s) over a period of time. Pledges are not legally binding but rather constitute an intention and commitment to give in accordance with a mutually agreeable schedule.

Restricted Gifts: Gifts to the University, the specific use of which has been stipulated by the donor at the time the gift was made.

Tax Credit: A non-refundable and non-transferable federal tax credit deductible against income tax payable.

Transfer of Ownership of Shares: Transfer of ownership of shares occurs on the date the physical share certificate is issued or the date the shares are received electronically.

Undesignated Gifts: Gifts to the University, the specific use of which has not been stipulated by the donor, and the allocation of which is at the University's discretion.

Unrestricted Gifts: Gifts to the University, the specific use of which has not been stipulated by the donor, and the allocation of which is at the University's discretion.

Net Proceeds: The amount of money received from a sale, after subtracting the trading costs.

2. Purpose

The Office of Advancement ensures consistent and equitable relations with donors to Acadia University and its affiliated organizations.

The guidelines outlined in this policy have been designed to:

- (a) Ensure that informed decisions are made on the acceptance of gifts and that such gifts are received in accordance with the requirements of the Income Tax act;
- (b) Ensure that efficient administrative, legal and accounting practices and procedures are followed;
- (c) Enable accurate reporting of gifts bestowed upon Acadia University and its affiliated organizations;
- (d) Ensure consistent, equitable relations with donors.

3. Gift Eligibility

The following gifts are deemed eligible for acceptance by Acadia University. This list is not to be considered exhaustive.

- (e) outright gifts of cash, cheques, or publicly traded securities
- (f) gifts-in-kind (e.g., real estate, works of art)
- (g) life insurance
- (h) annuity contracts
- (i) gifts of residual interest
- (j) charitable gift annuities
- (k) trust agreements
- (l) bequests
- (m) charitable remainder trusts
- (n) retirement benefits

4. Gift Limitations

As a matter of principle, the University will not accept gifts or other forms of support which:

- (a) violate federal, provincial or municipal laws;
- (b) require the University to provide special consideration for admission to the University for the donor or designate;
- (c) require the University to deviate from its normal hiring and promotion and contracting policies and procedures;
- (d) in any way limit or compromise University values, integrity, autonomy or academic freedom;
- (e) violate the Nova Scotia Human Rights Code or Acadia University equity and Human Resource Policies;
- (f) compromise its public image or commitment to its academic mission and essential values.

The interpretation of these considerations rests ultimately with the Board, which has the discretion to accept or decline gifts.

5. Gift Acceptance

The Office of Advancement will work with all donors and recipients to ensure that the terms of reference for all gifts can be satisfied.

Whether outright or deferred, gifts of real estate and shares of privately-owned companies must be reviewed and approved by the Vice President, Advancement or his/her designate.

Outright gifts of cash, publicly-traded securities, life insurance, reinsured gift annuities, gifts of retirement benefits, residual interest gifts and charitable remainder trusts do not require approval by the Vice President, Advancement.

The Vice President, Advancement will be consulted in all instances in which the acceptance of a gift

- (a) could expose the University to uncertain and potentially significant liability;
- (b) is precedent-setting or involves sensitive issues;
- (c) involves a proposal to name and/or has specific terms of reference;
- (d) may have come from illegal activities;
- (e) because of its unusual nature, presents questions as to whether it is within the role and scope of the University.

6. Gift Valuation

The Office of Advancement follows the regulations set out by the CRA governing the valuation of gifts-in-kind. A charitable tax receipt is issued for the fair market value of the gift at the date the ownership is transferred to the University.

Documentation of gifts which are not readily valued must be prepared before acceptance. Relevant information shall be obtained and reviewed, including a copy of any appraisal by an independent qualified appraiser(s) secured by the donor, according to the Canada Revenue Agency guidelines. The responsibility for fees will be determined by the Vice President, Advancement or his/her designate. It is Acadia University's general practice to have the donor pay for appraisals. Acadia reserves the right to secure and rely on its own appraisal.

All assets held by the University or one of its affiliated organizations are invested in accordance with policies established and approved by the respective Board(s).

Occasionally, funds contributed for a University purpose are insufficient to make the project viable. If the University is unable to proceed, benefactors will be invited to redirect their contributions to a comparable purpose, and/or revoke future pledge payments.

Undesignated gifts shall be used for such purposes as the University judges will best advance its mission and academic priorities. Designated gifts shall be used expressly for the purposes for which they were given, which must be consistent with the University's mission and academic priorities.

The University accepts gifts of securities. The University normally liquidates all securities received as donations. However, the University may, in certain circumstances, elect to keep the securities.

Ultimate authority to accept or decline any proposal to name at the University rests with the Board. Therefore, acceptance of any contribution that involves naming rights is conditional upon recommendation of the Vice President, Advancement to the Board.

Any gift entailing potential material financial liability or placing unusual conditions on the University must be referred to the Board for approval. The Office of Advancement may, at its discretion, bring to the Board other gift agreements, or proposals, as appropriate, or as required by other University policies.

Where a charitable tax receipt is not required, the receiving department will still work with the Office of Advancement in accepting the gift. This will ensure:

- (a) the value of the gift is added to the capital records of the University;
- (b) sufficient insurance coverage is obtained (where applicable);
- (c) the donor is recognized appropriately.

6. **Responsibility to Donors**

While the primary interest of Acadia's Office of Advancement is to seek donations, it has an ethical responsibility to the donor. In all matters involving the donor, the interest of the donor will be taken into account. Accordingly, professional staff, volunteers and members of the Board will adhere to the following principles:

(a) **Conflict of Interest**

In cases of potential conflict of interest, those acting on behalf of Acadia must declare the conflict and allow an impartial individual to act for the University. A conflict of interest is deemed to occur when individuals who present themselves as representatives of Acadia University attempt to sell their own product to the donor; however, if the individuals present themselves as representatives of an outside firm and part of their financial counseling involves arranging gifts for Acadia, no conflict would exist.

(b) **Legal and Other Professional Counsel**

Professional staff and members of the Board shall in all cases encourage the donor to discuss proposed gifts with an independent financial planner, legal advisor and/or tax advisor of the donor's choice and at the donor's expense, to ensure that the donor receives a full and accurate explanation of all aspects of the proposed charitable gift.

(c) **Ethics**
All professional staff, volunteers and members of the Board will conduct themselves in accordance with accepted professional standards of accuracy, truth and integrity. They will inform, serve, guide and otherwise assist donors who wish to support Acadia University but not pressure or unduly persuade.

(d) **Documentation**
The Vice President, Advancement or his/her designate will develop practices and procedures for documentation of gifts and their designation to ensure that the donor's wishes are accurately recorded and met.

Gift agreements for gifts and/or pledges of \$25,000 or more will be recommended to the donor. For gifts under \$25,000 which involve naming and/or specific terms of reference, a statement of gift will be prepared.

(e) **Direction of Gifts**
All donors can choose to have their gift fully expended or endowed, and can direct their gift to a specific faculty, department or project. The use and amount of the gift may affect whether it can be expended or endowed. On rare occasions, a gift may be declined as a result of the restrictions on the gift.

All endowments will be governed by the *Investment Policy* of the University.

(f) **Privacy**
Acadia University and its representatives will protect personal information of all individual donors and adhere to all legislative requirements with respect to protecting privacy.

Naming in recognition of donors will be determined in accordance with the *University's Naming Policy*. Anonymity will be granted to any donor who makes this request.

The Vice President, Advancement is responsible for ensuring that the University abides by these procedures. Should any member of the University or community question the appropriateness of a proposed gift, they may ask for clarification from the Vice President, Advancement.

7. **Gift Receipting**

As indicated by the *Fundraising Policy*, the Office of Advancement is responsible for generating all official charitable receipts. In order to achieve accurate reporting of all charitable gift contributions to Acadia and its affiliated organizations and to ensure that donors are recognized for the total of all their charitable gifts, it is vital that the Office of

Advancement act as the sole conduit for all receipt-able charitable gifts to Acadia. As such, the department will uphold the following procedures:

- (a) All eligible and accepted gifts will be acknowledged with an official charitable receipt accompanied by correspondence prepared by the Office of Advancement. These documents are deemed to be the official acceptance of the gift and its related terms and conditions, as well as official certification of the donation for income tax purposes. Cash gifts of \$10.00 or more will be receipted.
- (b) Gifts shall be receipted for the same calendar year in which they are given.
- (c) The provision of the Income Tax Act and/or the Canadian Association of University Business Officers (CAUBO) shall be consulted for unique gifts or for clarification regarding receipting.

Business receipts can be issued to acknowledge other contributions that are not eligible for an official tax receipt, such as sponsorships and donated services where there has been a clear commercial or other advantage to the business. Determining whether a business receipt or official charitable receipt will be issued must be discussed in advance with the Office of Advancement.

8. Related Policies

Fundraising (F-6)
Gift Acceptance Procedure
Gifts-in-Kind (G-2)
Naming Policy (N-1)
Investment Policy

9. Related Forms

Sample Gift Agreement
Sample Statement of Gift

10. Contacts

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| Rod Morrison | Vice President, Advancement |
| Nancy Handrigan | Executive Director, Philanthropy |
| Cassandra Tremain | Manager, Systems and Stewardship |

11. Reference Sources

Canada Revenue Agency www.cra-arc.gc.ca