

<b>Policy Name:</b>	Gift Acceptance Policy		
<b>Policy No:</b>	7.1	<b>Approval Authority:</b>	Board of Governors
<b>Volume</b>	7, Office of University Relations	<b>Responsible Party:</b>	Vice-President Finance; Associate Vice-President University Relations
<b>Chapter</b>	1, Gift Acceptance Policy	<b>Responsible Office:</b>	Office of University Relations
<b>Originally issued:</b>	February, 2013	<b>Revisions:</b>	October 2015

### Policy Statement

The policy is designed to comply with current laws and regulations established by the Canada Revenue Agency (CRA). The Office of University Relations ensures consistent and equitable relations with donors to NSCAD University.

### Reason for Policy

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.

The guidelines outlined in this policy have been designed to 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. Ensure that efficient administrative, legal and accounting practices and procedures are followed. Enable accurate reporting of gifts bestowed upon NSCAD University and build consistent, equitable relations with donors.

### Policy Applies to

- All units of the University

### Who Should Read this Policy

- All regular staff members

### Contacts

Approval Authority: Board of Governors, c/o Governance Office, 902-494-8114, [governance@nscad.ca](mailto:governance@nscad.ca)

Detail on policy meanings: Associate Vice-President University Relations, University Relations Office, 902-494-8175, [universityrelations@nscad.ca](mailto:universityrelations@nscad.ca),  
<http://nscad.ca/en/home/abouttheuniversity/administration/officeofuniversityrelations.aspx>

OR

Vice-President, Finance and Administration, 902-494-8219,  
<http://nscad.ca/en/home/abouttheuniversity/administration/officeoffinanceandadministration/default.aspx>

Application of policy: Manager, Stewardship and Advancement Services, 902-494-8175,  
universityrelations@nscad.ca,  
<http://nscad.ca/en/home/abouttheuniversity/administration/officeofuniversityrelations.aspx>

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Controller, Office of Finance and Administration, 902-494-8219  
<http://nscad.ca/en/home/abouttheuniversity/administration/officeoffinanceandadministration/default.aspx>

### **Definitions**

**CRA:** Canada Revenue Agency

**Designated gifts:** Gifts, given to the University, where the donor has specified where in the University the support is to be directed. Gifts may be “designated”, for instance, to a particular department or division.

**Endowment:** Generally a donation made on the understanding that the “capital” or “principal” amount of the donation 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. 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. (See Gifts-in-Kind Policy 7.3)

**Independent:** A neutral or uncommitted person

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

<b>Official charitable receipt:</b>	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.”
<b>Planned gifts:</b>	Gifts received through a fundraising program that involves arranging donations to serve the interests of a registered charity and 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, and residual interests or charitable remainder trusts.
<b>Pledges:</b>	A promise to give gifts over a period of time.
<b>Restricted gifts:</b>	Gifts, given to the University, where the donor has specified that the gift is to be used to support a particular purpose.
<b>Tax credit:</b>	A non-refundable and non-transferable federal tax credit deductible against income tax payable.
<b>The University:</b>	NSCAD University
<b>Transfer of ownership of shares:</b>	Transfer of ownership of shares occurs on the date the physical share certificate is issued or the date the shares are received electronically.
<b>Undesignated gifts:</b>	Gifts, given to the University, where the donor has not specified where in the University the support is to be directed.
<b>Unrestricted gifts:</b>	Gifts, given to the University, where the donor has not specified the purpose for which the gift is to be used.

**The Policy**

1. Principles

- 1.1. Through promotion of voluntarism and philanthropy, the Office of University Relations provides central fund-raising support to assist the University.
- 1.2. Federal and provincial governments encourage voluntary gift support of charitable organizations such as NSCAD, and allow substantial tax relief to donors. The significance of these tax laws makes it an important obligation of the University to record and acknowledge all gifts received.
- 1.3. The Office of University Relations is responsible for issuing official charitable receipts for all charitable gifts received by NSCAD University in compliance with the requirements of the Income Tax Act, and in accordance with procedures established by the University.
- 1.4. NSCAD University is a registered charity under CRA guidelines. NSCAD encourages and solicits contributions by multiples sources that are acceptable to Canada Revenue Agency and the laws of the Province of Nova

Scotia. While NSCAD University invites private donations, it may elect to accept or decline any gift. The final decision to accept or decline a gift rests with the Board of Governors, hereinafter “the Board”.

- 1.5. The following gifts are deemed eligible for acceptance by NSCAD University. This list is not to be considered exhaustive.
  - 1.5.1. Outright gifts of cash, cheques, or publicly traded securities
  - 1.5.2. Gifts-in-kind (See: Gifts-in-Kind Policy 7.3)
  - 1.5.3. Life insurance
  - 1.5.4. Annuity contracts
  - 1.5.5. Gifts of residual interest
  - 1.5.6. Charitable gift annuities
  - 1.5.7. Trust agreements
  - 1.5.8. Bequests
  - 1.5.9. Charitable remainder trusts
  - 1.5.10. Retirement benefits
  
- 1.6. As a matter of principle, neither the Office of University Relations, nor any other University department, will engage in the following practices:
  - 1.6.1. Accepting gifts that violate federal, provincial or municipal laws.
  - 1.6.2. Accepting gifts that require the University to provide special consideration for admission to the University for the donor or designate.
  - 1.6.3. Accepting gifts that require the University to deviate from its normal hiring and promotion and contracting policies and procedures.
  - 1.6.4. Accepting gifts that in any way limit or compromise University values, integrity, autonomy or academic freedom.
  - 1.6.5. Accepting gifts that violate the Nova Scotia Human Rights Code or NSCAD University’s Policy on Discrimination and Harassment.
  - 1.6.6.** Accept gifts or accept external support that will compromise its public image or commitment to its academic mission and essential values.

## 2. The Office of University Relations

The Office of University Relations will work with all donors and recipients to ensure that the terms of reference for all gifts can be satisfied. The Office of University Relations will ensure relevant Officers are consulted prior to gift acceptance in the light of donor stipulations, fund matching possibilities, ongoing costs including insurance coverage, and other implications.

- 2.1. Whether outright or deferred, gifts of real estate and shares of privately-owned companies must be reviewed and approved by the Assistant Vice-President, University Relations or his/her designate in consultation with the Vice-President Finance.
- 2.2. 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 Assistant Vice-President, University Relations.
- 2.3. When negotiating a gift on behalf of the University, all staff shall consult with the Office of University Relations to ensure due diligence prior to making a decision on gift acceptance.

- 2.4. The University will not accept gifts that may expose the University to a liability or have come from an illegal practice.
- 2.5. The University reserves the right not to accept a gift which is precedent-setting or involves sensitive issues or because of its unusual nature, presents questions as to whether it is within the role and scope of the University.
- 2.6. The University reserves the right not to accept a gift which involves a proposal to name or with specific terms of reference.
3. The Office of University Relations follows the regulations set out by the CRA governing the valuation of gifts-in-kind (See Gifts-in-Kind Policy 7.3). A charitable tax receipt is issued for the fair market value of the gift at the date the ownership is transferred to the University. In most cases, this will require some pre-advice and a planning with the Office of University Relations.
  - 3.1. 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 of fees will be determined by the Director, University Relations or his/her designate. It is NSCAD University's general practice to have the donor pay for appraisals. NSCAD reserves the right to secure and rely on its own appraisal.
4. All assets held by the University are invested in accordance with policies established and approved by the Board of Governors.
  - 4.1. Occasionally, funds sought and contributed for a University purpose are insufficient to make the project viable. If the University is unable to proceed, benefactors will be incited to redirect their contributions to an analogous purpose, and/or curtail future pledged payments.
  - 4.2. 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.
  - 4.3. The University accepts gifts of securities. The University normally liquidates all securities received as donations. However, the University may decide to keep the securities if they are consistent with the University's Annual and Endowment Fund Management and Investment Policies.
  - 4.4. Ultimate authority to accept or decline any proposal to name at the University rests with the Board. Therefore, acceptance of any gift contribution that involves a proposal to name is conditional upon recommendation of the President to the Board.
  - 4.5. 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 University Relations may, at its discretion, bring to the Board other gift agreements, or proposals, as appropriate, or as required by other University policies.

5. Where a charitable tax receipt is not required, the receiving department will still work with the Office of University Relations in accepting the gift. This will ensure that the value of the gift is added to the appropriate records of the University. Sufficient insurance coverage is obtained (where applicable) and that the donor is recognized appropriately.
6. While funds designated to the University's general endowment fund are encouraged, named awards with specific terms of reference are also accepted. The Office of University Relations consults with the appropriate division/departments to ensure the donor's stipulations can be satisfied before the terms of reference are confirmed.
7. While the primary interest of NSCAD's Office of University Relations 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 of accountability, conflict of interest, legal and professional counsel, ethics, privacy, documentation and direction of gifts.
  - 7.1. Gifts to the university shall be reported in a manner consistent with the standards recommended by the Canadian Association of University Business Officers (CAUBO), the Council for the Advancement and Support of Education (CASE) and the Canadian Council for the Advancement of Education (CCAE).
  - 7.2. Gifts to the university and accompanying correspondence are handled with discretion. The Office of University Relations maintains records required by Canada Revenue Agency for Receipting purposes. Access to these records is restricted to appropriate staff in University Relations and the Office Finance and Administration and senior executives of the University.
  - 7.3. The University will not release the names of alumni, friends and donors to unrelated organizations.
  - 7.4. The university will comply with any legal obligation to disclose names of donors and the nature of their gifts (for example, obligations that may arise under the Income Tax Act, the Freedom of Information and Protection of Privacy Act or other relevant statutes).
  - 7.5. In cases of potential conflict of interest, those acting on behalf of NSCAD 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 NSCAD 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 NSCAD, no conflict would exist.
  - 7.6. 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.
  - 7.7. 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 NSCAD University but not pressure or unduly persuade.

- 7.8. The Associate Vice-President, University Relations or his/her designate will develop practices and procedures for documentation of gifts and their designation to ensure that the donor's wishes are articulated and met. Gift agreements or a memorandum of understanding, of outright gifts of \$10,000 or more will be recommended to the donor. Terms of reference will be prepared for all deferred gifts with an estimated value of \$10,000 or more. Gift agreements for pledges shall be developed and required to confirm and acknowledge multi-payment commitments.
- 7.9. 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 Annual and Endowment Fund Management Policy 7.4 and Investment Policy of the University.
- 7.10. NSCAD University and its representatives will protect personal information of all individual donors and adhere to all legislative requirements with respect to protecting privacy.
- 7.11. Naming in recognition of donors will be determined in accordance with the University's Naming Policy 335-105. Anonymity will be granted to any donor who makes this request.
- 7.12. The Office of University Relations 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 Office of University Relations.
8. The Office of University Relations is responsible for generating all official charitable receipts. In order to achieve accurate reporting of all charitable gift contributions to NSCAD and to ensure that donors are recognized for the total of all their charitable gifts, it is vital that the Office of University Relations act as the sole conduit for all receiptable charitable gifts to NSCAD.
  - 8.1. All eligible and accepted gifts will be acknowledged with an official charitable receipt accompanied by correspondence prepared by the Office of University Relations. 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.
  - 8.2. Receipts are issued to the actual donor of the gift. In the case of a gift by cheque or credit card, this is the person whose name appears on the cheque or credit card. In the case of a gift of cash, the University will refer to accompanying documentation to determine to whom to issue the receipt. If a cheque is received from corporations, including holding companies, the receipt must be made out to the corporate name on the cheque. If a cheque or cash is received from a partnership or a proprietorship that is not incorporated, the owner and the company are one and the same for tax purposes; the receipts may be issued in the individuals' names.
  - 8.3. Gifts shall be receipted for the same calendar year in which they are given.
  - 8.4. 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 in the case of acknowledging other transactions that are not eligible for an official tax receipt such as

contributions of service (recognition only) and sponsorship where there has been a clear 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 University Relations and the Office of Finance and Administration.

9. This policy supersedes any previous policies, practices and agreements applied to the gifts to the University, including Fund Development Policy 335-002 and Donations or Gifts to the College Policy.
10. The policy will be reviewed periodically and may be revised to reflect changes in Canada Revenue Agency (CRA) regulations and the policies and procedures of other regulatory bodies.
11. Compliance
  - 11.1. Failure to comply with this policy may result in disciplinary action, up to and including termination, in accordance with the relevant collective agreement or employment guidelines. NSCAD also retains the right to pursue any action, including criminal prosecution and civil remedies, when misuse of its information or resources is suspected either during the course of employment or after the termination of employment.
  - 11.2. This policy is intended to be complementary to other policies and collective agreements governing the conduct of faculty and staff. In situations where this policy may be in conflict with Collective Agreements, the Collective Agreements shall prevail.

## **Forms and Tools**

### **Gift in Kind Policy 7.3**

[http://nscad.ca/site-nscad/media/nscad/UR\\_GiftInKind.pdf](http://nscad.ca/site-nscad/media/nscad/UR_GiftInKind.pdf)

### **Annual and Endowment Fund Management Policy 7.4**

[http://nscad.ca/site-nscad/media/nscad/UR\\_AnnualEndowment.pdf](http://nscad.ca/site-nscad/media/nscad/UR_AnnualEndowment.pdf)

### **Canada Revenue Agency Guide Issuing Receipts**

<http://www.cra-arc.gc.ca/chrts-gvng/chrts/prtng/rcpts/menu-eng.html>

**Gift Acceptance Policy** [http://nscad.ca/site-nscad/media/nscad/UR\\_GiftAcceptancePolicy.pdf](http://nscad.ca/site-nscad/media/nscad/UR_GiftAcceptancePolicy.pdf)

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All policies are subject to amendment. Please refer to the NSCAD University Policy website ([nscad.ca](http://nscad.ca)) for the official, most recent version.