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| <b>TYPE:</b>            | Administrative   |
| <b>TITLE:</b>           | Gift Acceptance, Receipt, and Acknowledgement                        |
| <b>NO.:</b>             | ADMIN-217  |
| <b>RESPONSIBILITY:</b>  | President & Associate Vice-President, Development and Alumni Affairs |
| <b>APPROVED BY:</b>     | Durham College Leadership Team                                       |
| <b>EFFECTIVE DATE:</b>  | November 2020  |
| <b>REVISED DATE(S):</b> |  |
| <b>REVIEW DATE:</b>     | November 2023  |

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## 1. Introduction

Durham College welcomes gifts that enable it to fulfil its mission and support students. Through the promotion of voluntarism and philanthropy, the College Foundation provides central fundraising support to assist the College. Federal and provincial governments encourage donations to charitable organizations such as Durham College and allow substantial tax relief to donors.

The significance of these tax laws makes it an important obligation of the College to record and acknowledge all gifts received. The Durham College Foundation is responsible for issuing official charitable receipts for all charitable gifts received, in compliance with the requirements of the *Income Tax Act*, and in accordance with the procedures established by the College. The Durham College Foundation is a registered charity under Canada Revenue Agency (CRA) guidelines.

## 2. Purpose

This policy and procedure provides guidelines to ensure the orderly acceptance, processing, tax receipting (where appropriate), and acknowledging all gifts to the College, whether they are a one-time gift or gifts in perpetuity.

The guidelines are established to ensure that:

- Informed decisions are made on the acceptance of gifts and that such gifts are receipted following the requirements of the *Income Tax Act*;
- Efficient administrative, legal, and accounting practices and procedures are followed; and
- An accurate reporting of gifts given to the College is prepared.

## 3. Definitions

Refer to [Durham College's Standard Definitions](#).

## 4. Policy statements

4.1. Durham College has the right to decline any gift.

4.2. Gift eligibility

The following gifts are eligible for acceptance by Durham College:

- annuity contracts;
- bequests;
- gifts-in-kind;
- real estate;
- retirement benefits;
- life insurance;
- outright gifts of cash or cheques;
- publicly listed securities
- shares in privately-owned companies;
- trust agreements.

4.3. Gift limitations

4.3.1. When conditions are placed on a gift that is judged not to be in the College's best interest or do not align with the College's mission, vision, and values, Durham College may request that the terms of the gift be revised or recommend the gift be declined.

4.3.2. The most desirable gifts are unrestricted gifts, as those funds allow the College to address its most pressing needs.

4.3.3. The following gifts, whether outright or deferred, must be reviewed and approved by the Durham College Leadership Team: gifts of real estate and gifts derived from questionable sources as determined by the President or designate.

4.4. Responsibility to donors

While Durham College is continuously seeking donations, it has an ethical responsibility to the donor. In all matters involving a donor, the interest of the donor will be taken into account.

#### 4.5. Conflict of interest

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

#### 4.6. Ethics

All professional staff, volunteers, and fundraising volunteers will conduct themselves in accordance with the Association of Fundraising Professionals Donor Bill of Rights.

### 5. Procedure

#### 5.1. Legal and other professional counsel

- 5.1.1. Where gifting provides significant tax implications, donors will always be encouraged to discuss proposed gifts with an independent financial planner, legal adviser and/or tax adviser at the donor's expense to ensure that the donor receives a full and accurate explanation of all aspects of the proposed charitable gift.
- 5.1.2. As a service to the donor, Durham College's legal counsel may draft the gift agreement or other legal documents providing for a gift to Durham College or assist the donor's legal counsel in drafting such documents. In these cases, Durham College will accept the responsibility for the fees incurred by its legal counsel. If a potential conflict of interest exists, Durham College's legal counsel shall declare such conflict to the donor before proceeding. In the case of instruments drafted solely by the donor's lawyer, counsel for Durham College may review such documents before they are accepted.

#### 5.2. Documentation

Pledge commitments will be confirmed by the donor through a written donor agreement to capture both parties' mutual understanding of the gift (e.g., a scholarship or bursary donor requesting special criteria for awarding the gift).

### 5.3. Gift acceptance

5.3.1. 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 any special approval.

5.3.2. When negotiating a gift on behalf of the institution, individuals are to consult with the Associate vice-president of Development and Alumni Affairs and/or the President. Such consultation must always occur when gifts:

- might expose the College to an uncertain and potentially significant liability;
- are precedent-setting or involve sensitive issues;
- are believed to have come from illegal activities;
- involve a proposal to name; and
- because of their unusual nature, present questions as to whether they are within the role and scope of the College.

5.3.3. Charitable gifts to Durham College in any form received by any department in the College will be given, along with related correspondence and any specific instructions to the Office of Development and Alumni Affairs on the day they are received. Cash should not be sent through campus mail but delivered in person.

5.3.4. The Durham College Foundation is responsible for processing donations from bequests. Upon receipt of all related documentation, the Durham College Foundation shall issue an official charitable receipt.

### 5.4. Gift receipting

5.4.1. All eligible and accepted gifts will be acknowledged with an official charitable receipt prepared by the Durham College Foundation.

5.4.2. All charitable receipts will be signed by the Durham College Foundation's Executive Director/Associate vice-president, Development and Alumni Affairs once approved by Durham College Foundation Treasurer/Durham College Chief Financial Officer.

## 5.5. Gifts-in Kind

- 5.5.1. When gifts-in-kind are given to the College, with the donor intent of receiving a tax receipt, it shall be the responsibility of the College to ensure that an appropriate valuation of the gift is obtained.
- 5.5.2. Gift-in-kind tax receipts require valuation documents indicating the fair market value of the item. Fair market value (FMV) can be determined by:
- independent appraisal;
  - the highest price that the item 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;
  - an invoice reflecting the purchase price of the object from the donor specifying the item, the value, and the word donation;
  - a letter verifying that the valuation is based on the depreciated value as logged in an organization's financial statements; or
  - industry equipment catalogues.
- 5.5.3. Gifts-in-kind valued at \$1,000 or less require a written appraisal by a qualified employee of the College.
- 5.5.4. Gifts-in-kind valued at more than \$1,000 require a written appraisal by an independent appraiser and/or one of the other fair market value instruments.

## 5.6. Receipting Gifts-in-Kind

- 5.6.1. Before receipting a gift-in-kind, the Durham College Foundation must have confirmed and received in writing:
- That the item is approved by the receiving department;
  - any costs associated with receiving the gift. In most cases, the donor will be asked to arrange for the shipping and any other transportation costs incurred in delivering the item to the College. Where warranted, the College may assume part or all of the costs;
  - College staff are aware and advised of the date of the delivery;
  - description of the gift-in-kind;
  - appropriate fair market value documentation;
  - the total dollar value of the item(s);
  - confirmation from the donor that the gift-in-kind is intended for Durham College; and

- donor's full name, title, company, address, telephone number(s), and email.

5.6.2. Once these steps are completed, a tax receipt will be issued. The Durham College Foundation will inform Durham College's finance department of the gift-in-kind and provide documentation of the valuation.

## **6. Roles and responsibilities**

- 6.1. The associate vice-president, Development and Alumni Affairs is authorized to negotiate gifts and prepare gift agreements with prospective donors. All gift agreements will be approved by either the President of Durham College (capital) or the Dean, Students.
- 6.2. The Durham College Foundation is responsible for ensuring charitable gifts are acknowledged and receipted, where appropriate.
- 6.3. On an annual basis, the associate vice-president, Development and Alumni Affairs will prepare a summary report of gift activity by the Durham College Foundation for the Board of Governors.

## **7. Accessibility for Ontarians with Disabilities Act considerations**

Accessibility for Ontarians with Disabilities Act (AODA) standards have been considered in the development of this policy and procedure and it adheres to the principles outlined in the College's commitment to accessibility as demonstrated by the Accessibility Plan (ADMIN-203).

## **8. Non-compliance implications**

Non-compliance with this policy could result in reputational harm to the College, financial loss or loss of the Durham College Foundation's charitable status.

## **9. Communications plan**

- A message will be posted on ICE alerting employees when new or revised policies and procedures are added to ICE.

## **10. Related forms, legislation or external resources**

- Association of Fundraising Professionals Donor Bill of Rights