

Policy Name: Gift Acceptance Policy
Originating/Responsible Department: University Advancement
Approval Authority: Senior Management Committee
Date of Original Policy: July 2013
Last Updated: September 2023
Mandatory Revision date: September 2028
Contact: Chief Advancement Officer

Policy:

Carleton University is committed to excellence in teaching and research and to the fundamental principles of academic freedom. As such, we welcome gifts by individuals, corporations and foundations which are in support of our academic mission, and gifts which enhance our programs and our services to students.

The Department of University Advancement is responsible for soliciting, receiving, recording, receipting, acknowledging and recognizing donations to Carleton University. Only the Department of University Advancement may issue official charitable gift tax receipts on behalf of Carleton University.

It is the responsibility of this Department to ensure that the highest standards of professionalism are followed in the development of philanthropic relationships, in the solicitation of gifts and in working with donors and their advisors. The Chief Advancement Officer is required to report to the Board of Governors all gifts over \$1,000,000 that have been accepted by Carleton University, including anonymous gifts (donor ID not revealed).

Purpose:

The purpose of this policy is to ensure that all departments follow applicable tax, charities and other applicable legal requirements and to ensure University Advancement can accept gifts in a consistent manner, ensure accurate reporting and appropriately maintain commitments made to our donors.

Scope:

This policy applies to all departments and units accepting any gifts or sponsorships to Carleton University.

Procedure:

I. GIFT DEFINITION

The Income Tax Act (Canada) encourages taxpayers to support the activities of registered charities and certain other recipients (qualified donees) by allowing gifts to such donees to qualify for special tax treatment. Common law defines a gift as “a voluntary transfer of property owned by a donor to a donee, in return for which no benefit or consideration flows to the donor”. Donors to Carleton University may be eligible for a charitable gift receipt that may be claimed as a non-refundable tax credit on an income tax return.

Gift Receipts

The amount declared on a charitable gift receipt is determined by its fair market value on the date the gift is received by the university. If the donor receives any benefit or consideration (“advantage”) in return for a gift – beyond the *de minimis* benefit allowed– the charitable gift receipt is reduced by the fair market value of the advantage, which cannot exceed 80% of the value of the property transferred. If the value of the advantage cannot be assessed then no gift receipt may be issued.¹

The Canada Revenue Agency (CRA) has determined that the following transactions do not qualify for charitable gift receipts; a gift of service, gift certificates from the issuer, the purchase of an item or service from the University, sponsorship of campus research projects for which the donor retains right of property, including intellectual property, contributions that require advertising a corporate logo and other *quid pro quo* sponsorship arrangements. The University will comply with applicable law and CRA guidance as amended from time to time.

II. TYPES OF GIFTS

Designated Gifts

Designated gifts are for a specific purpose or area at Carleton, chosen by the donor and approved by the University.

Undesignated Gifts

Undesignated gifts are where the donor has not indicated to the University where or how their gift is to be directed. Carleton University allocates these gifts to the areas of greatest need or initiatives that best advance teaching and learning in alignment with Carleton’s mission.

Cash, Credit Card or Cheque

Carleton University may accept gifts made by cash, credit card, pre-authorized chequing, payroll deduction or cheque—whether as a one-time gift, pledge payment, annual gift or monthly gift.

Securities and Mutual Funds

Carleton University may accept gifts of publicly traded securities (stocks, bonds, ETFs, etc.) and mutual funds. These gifts should be made *in specie* to qualify for the maximum tax benefits. The value of the gift receipt will be based on the closing price of the shares on the date they are received in Carleton University’s brokerage account. Normally, shares and securities will be sold immediately. Donations of private securities or other financial assets will be considered on an individual basis.

Bequests

Carleton University may accept gifts made by will or trusts which are in support of the mission of the university.

Direct Beneficiary Designations

Carleton University may accept the residuum of funds held in registered pension funds, RRSP, RRIF, TFSA, brokerage accounts, etc., where the university has been named as a direct beneficiary of the account or where the university is a designated beneficiary of the account specified in a person’s last will and testament.

Life Insurance

Carleton University will consider accepting charitable gifts of life insurance policies on an individual basis where ownership and beneficial status are conferred by the gift. Due to the unique nature of policies, each will be assessed on its own merits. If accepted the value of the gift receipt may be based on fair market value determined through an independent appraisal by a qualified actuary. Ongoing premium payments made by the donor to the insurance company are receiptable annually.

upon confirmation of payment by the insurance company.

Gifts-in-Kind

Carleton University will consider accepting gifts-in-kind (non-cash gifts of property) which are in support of our academic mission, and/or enhance our programs and our services to students.

Gifts of artwork, artifacts, collections, equipment, software, etc., must be pre-approved by the Dean, Director or Department head and suitable for use by the university before transfer of ownership is contemplated.

Gifts of Canadian Cultural property will be considered on an individual basis and must comply with the rules determined by the Canadian Cultural Property Review Board (CCPERB) as amended from time to time. Gifts in kind that have certain caveats (e.g., "on permanent display in the art gallery") will likely be declined. In general, value of gift receipts will be determined by an independent, qualified appraiser or by the CCPERB in the case of cultural property gifts.

Gift in kind donations of Real Estate will be considered on an individual basis. In most cases the property will be sold and the net proceeds of sale will be applied to the pre-approved purpose for the donation. Value of gift receipts will be determined by an independent, qualified appraiser. Carleton University is not an eligible recipient for the Canadian Ecological Gifts Program.

Gifts of Residual Interest

Gifts of residual interest will be considered on an individual basis. This gift plan requires irrevocable transfer of ownership of property and a registered agreement describing the donor's life interest remaining in the property. In general, the value of the gift receipt is based on an actuarial calculation of the donors' life interest(s) deducted from the fair market appraisal of the current and/or future values of the property.

Charitable Remainder Trust (CRT)

Gifts made in the form of charitable remainder trusts will be considered on an individual basis. This gift plan requires an irrevocable transfer of property into a trust by deed of gift and must be pre-approved by the University. If accepted, Carleton University shall be named as the capital beneficiary (i.e., the 'charitable remainder') of the property. Value of the gift receipt is determined by an actuarial calculation of the donors' life interest(s) deducted from a fair market appraisal of the current value of the property by a qualified appraiser. It is normally the donor's responsibility to arrange and pay for the creation of a Charitable Remainder Trust while working with qualified Advancement staff.

Charitable Gift Annuity

Charitable gift annuities will be considered on an individual basis. Carleton University may accept charitable gift annuities by utilizing a third-party insurer to guarantee payments to the annuitant. A charitable gift annuity is an arrangement that enables donors to make an immediate gift and receive tax advantaged income for life for either themselves or a designated beneficiary. In general, the value of the gift receipt is determined by the full amount of the annuity agreement minus the cost of servicing the lifetime income through a commercial annuity contract.

Roles and Responsibilities

I. PRINCIPLES OF GIFT ACCEPTANCE

The following principles will be considered before a gift is accepted by Carleton University. The Department of University Advancement is responsible for ensuring that the University abides by these principles. To be considered for acceptance, a gift:

- a. Must be given with charitable intent;
- b. Must not compromise the credibility, integrity or reputation of Carleton University;
- c. Must further and not conflict with the charitable mission and purposes of Carleton University;
- d. Must comply with federal, provincial and municipal laws, the Ontario Human Rights Code, Carleton University's Equity and Human Rights Policies and must not jeopardize the University's status as a registered charity;
- e. Must not in any way limit or impose conditions on academic freedom;
- f. Must not result in unwarranted or unmanageable expense or risk to the University or be difficult to administer;
- g. Must not require the University to provide any special consideration, including but not limited to admission to the University;
- h. Must not improperly benefit any individual, including the donor, nor require that Carleton University deviate from its hiring, promotion, contracting procedures and applicable legal obligations.
- i. Must not have come from illegal, criminal or disreputable activities.

When an offer of a charitable gift is considered by the Department of University Advancement to be contrary to the University's best interests, to be contentious or unusual, the Chief Advancement Officer will provide a report to the President and Vice-Chancellor. The President and Vice-Chancellor will provide this information to the Executive Committee of the University's Board of Governors. The final decision to accept or decline any such gift rests with the Executive Committee of the University's Board of Governors.

II. APPROVALS FOR GIFT ACCEPTANCE

The approval of gifts shall be as follows:

- Gifts under \$100,000 must be approved by the Chief Advancement Officer and appropriate Dean or equivalent. The Dean must inform the Provost of all gifts prior to acceptance;
- Gifts over \$100,000 but under \$1 million dollars must be approved by the Provost and VP Academic, Chief Advancement Officer and the appropriate Dean;
- Gifts of \$1 million dollars and over must be approved by the Chief Advancement Officer, the appropriate Dean, the Provost and VP Academic, the President and Vice-Chancellor and the Chair of the Board of Governors.

III. RESPONSIBILITY TO DONORS

Carleton University holds all donors in high esteem. Without exception, the University's donor relationships are of utmost priority.

The Department of University Advancement helps donors and their advisors to design gifts that meet each donor's philanthropic and financial objectives within the context of the University's needs, priorities, mission and legal obligations.

The University has an ethical responsibility to every donor. All staff, volunteers and professional representatives acting on behalf of the University will conduct themselves in accordance with accepted professional standards of accuracy, truth and integrity.

At all times, advisors working with donors or prospective donors to the University will keep all information, data, or other communications strictly confidential. The professional standards and code of behaviours set out by the Association of Fundraising Professionals (AFP) and the Canadian

Association of Gift Planners (CAGP) will serve as the ethical guidelines when raising funds for the University.

Contacts:

Chief Advancement Officer
Director, Advancement Services and Annual Giving
General Counsel
University Secretary

Related Policies:

Gift In Kind Policy
Philanthropic Naming Policy
Signing Authorities Policy