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| Policy Title: | Acceptance of Gifts | | |
| Category: | <input type="checkbox"/> Institutional - Board | <input type="checkbox"/> Academic - Administrative | |
| | <input checked="" type="checkbox"/> Institutional - Administrative | <input type="checkbox"/> Employment - Administrative | |
| Approved by: | <input type="checkbox"/> Board | <input checked="" type="checkbox"/> President | |
| Date approved: | September 27, 2018 | Effective date: | September 27, 2018 |
| Policy Sponsor: | Associate Vice President, Institutional Advancement and Communications | Date last reviewed: | September 27, 2018 |
| Date of Mandatory Review (expiry date) | September 2023 | Date of last revision of Procedures | September 27, 2018 |

1 POLICY.

The Canadian Memorial Chiropractic College (CMCC) is a charitable organization registered with Canada Revenue Agency (CRA) and is eligible to issue donation tax receipts for qualified donations.

1. CMCC may accept or decline to accept any gift or donation and will make its decision to do so on the basis of what is in the best interest of the institution, the circumstances and subject to this policy. CMCC reserves the right to refuse a gift if it constitutes any issue relating to the integrity or reputation of CMCC.
2. Unless subject to a written agreement to use the gift for a specific purpose, accepted gifts are received unconditionally and may be used for such purposes as CMCC determines are most appropriate.
3. Upon acceptance of a restricted gift, CMCC agrees to abide by the restrictions specified by the donor, subject to the provisions of this policy.
4. CMCC will not accept gifts when a condition of such acceptance results in an abridgement of its academic freedom or its integrity or contrary to this policy.
5. CMCC may issue charitable donation tax receipts for the fair market value of the gift, in accordance with the principles of the Income Tax Act Canada of 1985 and the Canada Revenue Agency Guidelines (www.cra-arc.gc.ca) and only in the year in which the donation is received.
6. If a gift or inducement is offered as part of the gift solicitation process, the gifts / inducements (e.g., anniversary pins, t-shirts) cannot exceed the lesser of \$75 or 10% of the value of the donation; otherwise, a reduced value charitable donation receipt will be issued.
7. Notwithstanding 5. above, the following **do not qualify** as donations eligible to receive donation tax receipts:
 - a. contributions of service, e.g. time, skills
 - b. payments where there is an offer of a substantial (in excess of 80% of the donation value – per CRA Guidelines) personal benefit to the donor; any transaction resulting

in the donor receiving valuable consideration or benefits for the donation, whether or not requested by the donor. This category includes sponsorships (marketing-oriented, contracted financial alliances between CMCC and a corporation, foundation or individual) that in some cases can be mutually beneficial alliances in which CMCC receives a fee or other consideration and the sponsor benefits from market exposure and/or favoured product or corporate profile.

- c. tuition fees
 - d. amounts received by loose collection where a specific donor cannot be identified
 - e. donations of clothes, furniture, hobby crafts, baking, etc., unless the appraised value is in excess of \$1,000
 - f. admission payments to concerts, dinners and other fundraising ventures, except for any excess in admission price over the fair market value of the concert/dinner/event
 - g. lottery tickets, etc. where the potential for a significant return to the purchaser is present
 - h. any scholarship, award or bursary funds that are specifically designated by the donor for certain named individuals, employees of a specific corporation, etc.
8. The valuation of the gift is in the donor's interest and, therefore, CMCC requires the donor to obtain the appraisal whenever possible, or as required by CMCC. CMCC retains the right to obtain an additional independent appraisal on any gifts-in-kind donation to confirm fair market value.
 9. The donor is responsible for the shipping or delivery costs of their gifts to CMCC.
 10. Information concerning all transactions between a donor and CMCC shall be held by CMCC in strict confidence and may be publicly disclosed only with the permission of the donor, or in accordance with applicable laws.

2 PURPOSE

To outline the principles and standards under which CMCC will accept donations and gifts, consistent with legislation and/or regulations as provided for in the Income Tax Act of 1985.

3 SCOPE

All CMCC representatives (normally faculty, staff, students and volunteers) who are involved in any aspects of fundraising for any Department/Division of the institution involved in the identification, cultivation, solicitation and stewardship of prospective donors to CMCC.

4 INFORMATION AND COMPLIANCE PLANS (not a comprehensive list)

CMCC is a charitable organization registered with the Canada Revenue Agency and eligible to issue donation tax receipts for qualified donations. CMCC retains all donation tax receipt information electronically in the donor's profile in Raiser's Edge, or current electronic fundraising database program.

CMCC is exempt from federal income tax under S. 501(a) of the Internal Revenue Code (USA) and pursuant to the income tax treaty between Canada and the US for the purposes of the contributions by donors to CMCC in the computation of their taxable income for US income tax purposes.

5 RELATED POLICIES (not a comprehensive list)

- Naming Opportunities
- Privacy
- Record Management, Retention and Destruction

6 DEFINITIONS

Bequest: A gift of cash or personal property by an individual, such as marketable securities, real estate, personal library, etc. to CMCC through his or her will. CMCC may accept bequests provided the terms and conditions of the bequest support the objectives of CMCC. The donation tax receipt is issued to the estate of the deceased.

The following three conditions must be met for a gift to be recognized as having charitable intent:

- a. property, usually cash, is transferred by a donor to CMCC, and
- b. the transfer is voluntary, and
- c. the transfer is made without expectation of a benefit of any kind to the donor or anyone designated by the donor.

A donation as defined by the CRA is a voluntary transfer of cash or property without valuable consideration to the donor and given with charitable intent accruing to the donor or any individual or organization designated by the donor.

A donor restricted charitable gift is a gift for a charitable purpose that is subject to restrictions, limitations, conditions, terms of reference, directions, or other restricting factors imposed by the donor or charity that would constrain or limit how the gift can be used.

An endowment fund is restricted (designated for a specific purpose or project). Only the interest from the fund can be spent, not the principal that anchors the endowment. This is a permanently restricted gift that carries on into perpetuity.

If a gift of human bones or articulated human skeletons is offered to CMCC, the Anatomy Department must be consulted (providing a description and photo) and agree to accept the gift before an appraisal is undertaken. If the donor chooses to ship their gift to CMCC, only Canada Post accepts human bones for shipping and has strict guidelines to follow.

Gifts-In-Kind, also known as non-cash gifts, are gifts of property. They cover items such as artwork, equipment, securities, and cultural and ecological property. A contribution of service, that is, of time, skills or efforts, is not property and, therefore, does not qualify as a gift or Gift-In-Kind

An independent appraiser should be at arm's length from the donor or the institution receiving the donation. A fair market value evaluation should be obtained from a dealer or appraiser who is active in the marketplace for the object donated.

A life insurance policy qualifies as a donation when the ownership of the policy is transferred to CMCC and CMCC is designated as the irrevocable registered beneficiary of the policy. Alternatively, a donor may wish to establish a new policy with the irrevocable owner/beneficiary stated as CMCC. Upon confirmation with the insurance company, on an annual basis, the donor is entitled to a donation tax receipt for the premiums paid for that year.

A monetary gift is a gift of cash or publicly listed marketable securities or cash equivalent.

Real estate donations will be reviewed on a case by case basis. Various factors, including zoning restrictions, environmental factors, marketability, current use and cash flow, will be taken into account to ascertain that acceptance of the offered gift is in the best interests of CMCC. This type of donation should ideally be located close to CMCC campus or be of strategic value in serving its teaching and research mission.

A sponsorship is a marketing-oriented, contracted financial alliance between CMCC and a corporation, foundation or individual. Sponsorships can be beneficial alliances in which CMCC receives a fee or other consideration and the sponsor benefits from market exposure and/or favoured product or corporate profile. Funds provided to CMCC through sponsorships are not eligible for charitable income donation tax receipts in accordance with Canada Revenue Agency's Regulations and Guidelines. A sponsorship is not a donation or a private grant. Sponsorships represent a financial contribution to CMCC, and are not an endorsement by CMCC of any particular product.

Unrestricted funds are donations that are available to use for any purpose. Unrestricted funds usually go toward the operating expenses of the organization or to a particular project that CMCC chooses.

New Policy Approved (date):

From Development Department policies – Policy on Acceptance of Gifts, Tax Considerations October 1999

Policy Revision History (dates):

Draft revision 2003

March 31, 2016

August 31, 2017

-----**END OF POLICY**-----

7 PROCEDURES

The Director, Development and Clinic Advancement is responsible for ensuring that acceptance of donations is consistent with this policy, other policies of CMCC, and CRA guidelines, and shall seek guidance from the Associate Vice President, Institutional Advancement and Communications, the Vice President, Administration and Finance and/or, if applicable, the President before accepting any gift where consistency with this policy is in question.

1. Issuing of Receipts

a. The applicable information required on these receipts is:

Official Charitable Donation Receipt for Income Tax Purposes

Receipt # XXX

Charity Name, Address and Charitable Registration Number*

Date donation received

Donated by name (first name, initial and last name), donor address

Date receipt issued

Location of receipt issued

Authorized signature

CRA Website information

Total amount received by CMCC and/or value of the advantage (cash / fair market value of property provided by the donor)

For non-cash gifts received with fair market value of \$1,000 or more – description of the property received by CMCC, and the name and address of the appraiser.

*Receipts from U.S. donors also include the US registration number.

Receipts will be issued for donations valued at \$20.00 or more.

Receipts will only be provided to the actual donor. In the case of payments by credit card, the donation receipt will be to the holder of the card.

- b. If a gift in cash/cheque is received via the mail, the date of receipt is to be used as the date of the donation. In the case of calendar year-end donations, the cheque must be dated December 31 or earlier as well as the envelope post-marked December 31 or earlier to receive a donation tax receipt for that year.
- c. An undertaking to pledge a donation over a period of years does not entitle the donor to a donation receipt per se in the year when a pledge is given, but rather in the year(s) and in the amount in which the actual donation is received.
- d. The following positions are authorized to sign the official donation tax receipts on behalf of CMCC (segregation of duties as required):
 - i. Manager, Donation Services or designate (Database Administrator)
 - ii. Director, Development and Clinic Advancement or designate (Fundraising Development Specialist)
 - iii. Associate Vice President, Institutional Advancement and Communications
 - iv. Vice President, Administration and Finance
- e. Duplicate or replacement receipts may only be issued in the following manner:
The replacement receipt clearly reflects the fact that it is a replacement receipt and refers to the number of the original spoiled or lost donation tax receipt.

2. Valuation of Donations

- a. The amount of a donation is determined as the fair market value of the gift as of the date of receipt by CMCC.
- b. A donation of publicly listed securities is to be liquidated immediately upon receipt by CMCC; a donation tax receipt will be issued for the net realized value of the marketable security at the time it is liquidated.
- c. A donation of insurance proceeds: A receipt for tax purposes may be issued for the equivalent amount of insurance premium paid by the donor, provided that the Institution has confirmed that CMCC is the beneficiary of the policy and the policy is irrevocable.
- d. Gift-In-Kind donations to CMCC must be of benefit to the area receiving them. The Director, Development and Clinic Advancement is to be consulted regarding acceptability. When the acceptance of a gift valued at \$10,000 and over is in question, a Gift Acceptance Committee, comprised of the Fundraising Development Specialist, the Director, Development and Clinic Advancement, the Vice President, Administration and Finance, and a Director or Dean of the receiving area, will meet and rule on the acceptability of the item. A Gifts-In-Kind Donation Form must be completed for all gifts and when applicable a Deed of Gift-In-Kind Form.

- e. Fair market value is determined as follows:
 - i. Items with a value of \$1,000 or less can be confirmed by a representative of CMCC with information/expertise to support the valuation.
 - ii. Items with a value of greater than \$1,000 require an independent appraisal of the fair value for determination of the amount of the charitable donation receipt.
 - iii. The valuation of the gift is in the donor's interest and, therefore, CMCC requires the donor to obtain the appraisal whenever possible.
 - iv. CMCC retains the right to obtain an additional independent appraisal on any Gift-In-Kind donation to confirm fair market value. The cost for an independent appraisal will be borne by the CMCC department having accepted receipt of the Gift-in-Kind.
- f. Any Gift-In-Kind donated to the institution with an appraised value in excess of \$5,000 requires authorization from the President or Vice President, Administration and Finance prior to issuing a donation tax receipt.
- g. Donations of Artwork, Antiques and Rare Objects: Items donated to CMCC are to be valued at not more than fair market value and require an independent appraisal based on the valuation of an arms-length buyer and seller provided the value cannot be reasonably determined by any other means.

3. Gift Agreements

Gift agreements will be recorded between the donor and CMCC. Example gift agreements include endowments, long-term gifts with individuals, corporations, foundations and societies. Gift agreements will include gift recognition details. All gift agreements that are created external to CMCC will be reviewed by CMCC's legal counsel.

Gift Agreements must include a provision that in the event it should become impossible, inadvisable, or impractical to use this gift for the specified purpose(s), then CMCC will transfer any residue to either the General Endowment Fund or general assets of the institution.

In the event such a situation arises where the integrity and/or reputation of CMCC is compromised with an existing donor, CMCC will provide the donor with the opportunity to respond. Within 60 days of receiving the position of the donor, if provided, CMCC shall, in its sole and absolute discretion, determine if the gift will be terminated; if CMCC will retain any benefits to the date of termination; if CMCC will decline any remaining pledge payments; and/or if CMCC will remove any donor recognition, signage and plaques.

All new gift agreements must include the following morality statement:

CMCC reserves the right to refuse and/or revoke this gift if it constitutes any issue relating to the integrity or reputation of CMCC. In the event this situation arises, CMCC will provide the donor with the opportunity to state their position. Within 60 days of receiving the position of the donor, if provided, CMCC shall, in its sole and absolute discretion, determine if the gift or recognition will be terminated; with CMCC retaining any benefits to the date of termination; to decline any remaining pledge payments; and/or the right to remove any donor recognition, signage and plaques.

In the event that pledge payments are being made and it should become impossible, inadvisable or impractical to use this gift for the specified purpose(s), the Director, Development and Clinic Advancement and the Associate Vice President, Institutional

Advancement and Communications, in consultation with the President, will identify an alternative purpose and seek written agreement from the donor. If the donor declines, then CMCC will cancel the agreement in writing and no additional payments will be owing.

Donors who provide a Gift-In-Kind with a value of \$5,000 or more must sign the Deed of Gift-In-Kind Form which relinquishes their ownership of the gift to CMCC (refer to Appendix I and II).

4. Restricted Funds: Endowment, Scholarship and Other Trust Funds

- a. Donations to fund Endowment, Scholarship and Other Trust Funds are accounted for consistent with this policy.
- b. A Scholarship or Trust Fund may only be established with an initial donation (or sum of initial donations) in excess of \$15,000.
- c. CMCC, upon acceptance of a restricted gift, agrees to abide by the restrictions specified by the donor, which restrictions must be set out in writing and executed by the Donor and on behalf of CMCC.

5. Notification of Donations

- a. The Director, Development and Clinic Advancement will be informed of all gifts to CMCC.
- b. Solicitation of all gifts, including Gifts-in-Kind, requires the advance approval and participation of the Director, Development and Clinic Advancement or President.
- c. The President will be informed of all major gifts with a market value in excess of \$10,000.
- d. All gifts to CMCC requiring a charitable donation tax receipt must be processed, receipted and acknowledged through Raiser's Edge by Donation Services (Development Division) and the donor will be acknowledged as per Development Division procedures.

6. Return of Donations

Once a donation has been accepted and received, title to the property transfers to CMCC. Any request for a return of the donation would have to consider the following:

- a. If a charitable donation tax receipt was given to the donor then CMCC would not return the asset to the Donor.
- b. If a charitable donation tax receipt has not as yet been issued, and a demand is made by a third party, the Director, Development and Clinic Advancement would consult with the Vice President, Administration and Finance, Associate Vice President, Institutional Advancement and Communications, and if necessary the President to determine whether to voluntarily return the asset or deny the request.

7. No Advice

CMCC does not provide any legal, accounting, tax or financial advice to donors with respect to gifts to the institution. Donors are encouraged to seek independent legal, accounting, tax or financial advice from professionals and are responsible for all costs incurred in relation to obtaining such independent professional advice. CMCC cannot suggest or endorse a third party as a source of gift giving advice. Where necessary, donors will be requested to provide CMCC with an acknowledgement that:

- a. Independent professional advice has been obtained, or
- b. Independent professional advice has been waived though recommended by CMCC, and
- c. CMCC is released from any liability that may arise in relation to the making of the gift.

8. Confidentiality

Information concerning all transactions between a donor and CMCC shall be held by CMCC in strict confidence and may be publicly disclosed only with the permission of the donor, or in accordance with applicable laws.

9. Anonymity

CMCC shall respect the wishes of donors wishing to support CMCC anonymously and will take reasonable steps to safeguard those donors' identity, subject to the limitations outlined below. "Anonymous" treatment of records requires CMCC to take more steps than it does when treating records in a confidential manner, since this involves the usual confidentiality treatment referred to in Item 8. above, in addition to internal restrictions on access to "anonymous" records.

- a. Records, as required by taxation legislation for charitable organization receipting purposes, are maintained by the Development Division, and access to these records is restricted to appropriate staff within the Development and Administration and Finance Divisions, consistent with CMCC's Privacy policy;
- b. CMCC will comply with any legal obligation to disclose the names of donors and the nature and value of their gifts (for example, obligations that may arise under the Income Tax Act or other relevant statutes);
- c. The identity of a donor requesting anonymity may be provided to the Board of Governors on an oral basis if the Board so requests. Such information will not be included in the minutes of the meeting nor used by Board members or officers outside the meeting of the Board of Governors (except as may be required by applicable laws); and
- d. Donors will have the opportunity to indicate if they wish their charitable donation to be considered anonymous (or simply anonymous on any CMCC donor lists). Where the donor has given more than one donation, the donor may request that any or all of the donation(s) be considered anonymous. This information will be recorded by Donation Services in the electronic database and adhered to by all parties with access to donor records.

Prospective donors requesting anonymity shall be advised by the Development Division that their names, and the nature and amounts of their gifts, will be disclosed as above.

10. Donor Recognition and Stewardship

Recognition extended for a donation received will be honoured in accordance with written agreements made with the donor(s). Donor stewardship will be conducted according to levels of giving and could include meetings, reports on use of funds and the donation's impact, donor newsletter, etc.

New Procedure Approved (date):

From Development Department policies – Policy on
Acceptance of Gifts, Tax Considerations October 1999

Procedure Revision History (dates):

March 31, 2016
August 31, 2017

8 ATTACHMENTS

1. Deed of Gift In Kind form
2. Acceptance of Gift form

Attachment 1: Deed if Gift in Kind form

**CANADIAN MEMORIAL CHIROPRACTIC COLLEGE
DEED OF GIFT-IN-KIND FORM**

Be it known that _____
Name of donor

of _____
Address

does hereby irrevocably give, transfer and assign to the Canadian Memorial Chiropractic College (CMCC), all my right, title and interest in

(Description of property – attach details if necessary)

To be the sole exclusive property of CMCC.

The donor warrants that there are no claims against this property, that they have the right to transfer ownership of the property, and requests that CMCC accept this gift. The donation shall not be construed as, or represented by the donor as, endorsement or support of the product, services or the donor itself. The donor shall not make use of CMCC's name or logo without specific written consent.

Signature of donor _____ this _____ day of _____, 20____.

Attachment 2: Acceptance of Gift form

ACCEPTANCE OF GIFT

The Canadian Memorial Chiropractic College hereby accepts with thanks this generous gift to CMCC made by _____ of the item(s) described in the accompanying Deed of Gift-In-Kind, and formally takes possession on this _____ day of _____, 20____.

Director, Development and
Clinic Advancement

President