



<b>SUBJECT:</b>  <b>Gift Acceptance</b>	<b>CATEGORY:</b>  <b>Governance – Organizational Policy &amp; Accountability</b>	<b>NO.</b>  <b>G-2.2</b>
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### PREAMBLE

Gift acceptance policy and procedures have been established to ensure that:

- informed decisions are made on the acceptance of gifts made in support of existing or new initiatives at SIAS including inter vivos (during their lifetime) gifts or testamentary (bequest) gifts, from sources such as corporations, associations, foundations and individuals, including SIAS faculty, staff and students;
- gifts are handled in accordance with federal and provincial laws and regulations;
- efficient administrative, legal and accounting practices are followed;
- accurate reporting of all gifts to SIAS occurs;
- relations with all donors and sponsors are consistent, ethical and equitable; and
- the highest standards of professionalism are followed in the solicitation of gifts and in working with donors and sponsors.

SIAS is a registered charity<sup>1</sup> under the Canada Revenue Agency (CRA).

### POLICY

SIAS welcomes gifts which enable it to fulfill its mission of sharing knowledge, providing quality education and skills training and engaging in applied research to meet the needs of students, employers and our community. SIAS will encourage business, industry and individuals to make donations, provide gifts in-kind, and/or designate planned (deferred) gifts that support educational use for the institution and advance its mission.

The final decision to accept or decline a gift rests with the SIAS board of directors with responsibility delegated to the president & CEO, except as otherwise noted in the SIAS Management Authorities' Grid policy #G-3.1. SIAS values and will protect its integrity, autonomy and academic freedom, and accepts gifts that support these fundamental principles

<sup>1</sup> SIAS's Charitable Registration Number is 10795-7540-RR0001.

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and advance its mission. Ownership of all gifts directed to SIAST vests in SIAST, whether said gifts are for the benefit of SIAST generally or for some specific purpose.

This policy and related procedures are designed to comply with current laws and regulations. In cases of disparity, federal and provincial laws as well as CRA regulations will supersede these policies and procedures.

## **PROCEDURES**

### **1.0 Responsibility**

The Donor and Alumni Relations office is responsible for coordinating the processing, recording, receipting, acknowledging and recognizing of all gifts regardless of amount and whether or not a charitable receipt is provided to the donor or sponsor.

### **2.0 Terms of References**

The negotiation and development of terms and conditions relating to any gift is coordinated through the Donor and Alumni Relations office with appropriate input from academic and/or administrative units to ensure:

- the proposed gift is consistent with institutional and legislated regulations and guidelines;
- the donor or sponsor's intent and direction is consistent with institutional and academic priorities and legislated regulations and guidelines;
- the donor or sponsor's intent and direction is clearly understood and documented;
- the gift does not expose SIAST to a potentially significant liability;
- that if precedent-setting or sensitive issues are present, they are adequately assessed by the appropriate institutional authorities; and
- the proposed gift has received the appropriate institutional review and approval.

### **3.0 Types of Gifts**

SIAST encourages donors to make outright and/or deferred gifts. The types of gifts considered for acceptance by SIAST falls into three main categories:

**3.1 Donations** – As defined by the CRA, a donation is a voluntary transfer of cash or property to SIAST that is made without acceptance of any benefit of any kind accruing to the donor or any individual or organization designated by the donor. Donations may include cash or gifts in kind. Donations must meet CRA criteria to be eligible for an official charitable donation receipt.

**3.2 Gifts-In-Kind** – Gifts-in-kind are donations of property other than cash. They can include but are not limited to donations of land, buildings, marketable securities, equipment, furniture, museums and collection objects, library materials, archival materials, operating supplies, limited partnership interests, royalty or copyright interests, equipment, automobiles, inventory, other physical assets or materials which represent value to SIAST, and deferred gifts.

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**3.3 Planned (Deferred) Gifts** – Planned (deferred) giving is the process of making a gift commitment today for delivery to SIAST at a future date. Deferred giving is arranging for gifts to be made that will benefit both the interests of SIAST and the personal, financial and tax situation of the donor and the donor's family some time in the future.

**4.0 Trust and Endowment Funds**

Trust funds are segregated accounts that may encroach on capital to fulfill the purpose of the fund as defined in the terms of reference.

Endowment funds are segregated accounts in which the capital is invested in perpetuity and in general the income is available to fulfill the purpose of the fund as defined in the terms of reference.

In consultation with Financial Services, the Donor and Alumni Relations office establishes, administers, amends and terminates trusts and endowments in accordance with principles and guidelines approved by SIAST.

**5.0 Donor Preferences – Use and Administration of Gifts**

SIAST receives and administers gifts in accordance with donors' instructions and SIAST policy and procedures. All donors can choose to have their gift fully expended or endowed and can direct their gift to a specific division, program, project or campus. The use of the gift may affect whether it can be expended or endowed.

Gifts can be categorized as follows:

**5.1 Unrestricted Gifts** are intended to promote and carry on the work of SIAST with no restrictions as to the use or administration of the funds.

- EXAMPLE – The donor permits SIAST to use the gift in any way SIAST chooses, for any purpose, and the gift can be used during any period of time (all in one year, over a period of time, or endow the gift and use only a portion of the annual earnings).

**5.2 Restricted Gifts** are gifts where, in order to meet donor preferences, SIAST agrees to undertake specific obligations in relation to the use or administration of the gift.

- EXAMPLE – The donor stipulates that the gift must be used for a specific purpose (scholarships, equipment purchases, etc.) OR the gift must be administered in a certain way (endowment, multi-year trust, etc.).

**5.3 Designated Gifts** are intended to promote and carry on specific work of SIAST with no further restrictions as to the use or administration of the funds.

- EXAMPLE - The donor stipulates that the gift must be used for a specific division or program but does not specify the use of the gift (scholarships, equipment

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purchases, renovations, operations) and does not specify how the gift is to be administered (all in one year, over a period of time or endowed).

## 6.0 Acceptable and Unacceptable Gifts

### 6.1 Acceptable Gifts – SIAST welcomes gifts that support the pursuit of its mission.

Indicators that a gift is acceptable include:

- SIAST has a use or need for the gift, or unless expressly forbidden in the gift agreement with the donor, when there is no immediate need the gift is marketable;
- the gift and its accompanying terms are legal;
- the purpose of the gift is compatible with the work/priorities of SIAST or the unit for whose benefit the gift is intended;
- the size and/or benefit of the gift are not perceived to be disproportionate to the work or cost required to support/sustain the gift; and
- there does not appear to be a physical hazard and/or liability concern associated with the gift.

### 6.2 Unacceptable Gifts – When an offer of a gift is judged to be contrary to SIAST’s best interest, the director, donor and alumni relations or their designate in consultation with the president & CEO may request that the terms be revised or decline the offer.

SIAST has the right to decline any gift that is not consistent with its mission. Gifts will not be accepted by SIAST that:

- violate any federal, provincial or municipal law;
- create any fund to provide scholarships, bursaries, instructorships, chairs or lecture series with restrictive clauses that would violate The Human Rights Code (Saskatchewan) and give to the donor or his/her representative the right to designate the recipient;
- commit SIAST to a naming of a physical, functional or academic entity without prior approval of the SIAST board of directors as delegated to the president & CEO;
- compromise SIAST’s academic integrity or interfere with SIAST’s academic judgment; or
- as a condition thereof, require any action on the part of SIAST which is unacceptable to SIAST or violates SIAST policies and regulations.

## 7.0 Documentation and Processing of Gifts

All gifts require the completion of a donation form which is available from the Donor and Alumni Relations office. The Donor and Alumni Relations office works in conjunction with Financial Services to process and record all gifts.

## 8.0 Charitable Receipting

Only the Donor and Alumni Relations office can issue official charitable receipts for charitable gifts received by SIAST and does so in compliance with the requirements of the *Income Tax Act* and in accordance with procedures established by SIAST.

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## 9.0 Approvals for Acceptance of Gifts

All gifts, eligible or not for charitable receipts must be recorded on a donation form which is reviewed and signed off by the director, donor and alumni relations before the gift is processed. If the gift is of an unusual nature or valued at \$500,000 or more, the director, donor and alumni relations must refer the gift to the SIAST gift review committee for consideration. The committee will make a recommendation to the president & CEO who will render a final decision. Gifts exceeding \$3,000,000 and involving a naming are endorsed by the president & CEO and forwarded to the SIAST board of directors for approval.

All gifts-in-kind also require the approval of the dean or associate vice-president for the division benefiting from the gift. The program or division benefiting from the gift-in-kind contacts the Donor and Alumni Relations office which initiates the completion of a donation form and works with the program or division to identify any required appraisals or valuations. The Donor and Alumni Relations office facilitates the required institutional processes for insuring the item, if required, and directs the form to the appropriate dean or associate vice-president for signature and approval.

It is the responsibility of the program or area benefiting from the gift to secure any required appraisals or valuations. Unless otherwise agreed upon by the division or program benefiting from the gift, if donors request a charitable receipt, the donor is responsible for securing a qualified, reputable, independent appraiser to produce a well-documented appraisal to substantiate the receipt. Donors are encouraged to select the appraiser and pay the fee. SIAST reserves the right to obtain and rely on a second appraisal, at SIAST's expense, for the purpose of issuing a receipt.

## 9.1 Unusual and Controversial Gifts

The following types of gifts must be forwarded to the SIAST gift review committee for review:

- gifts of real estate, shares in privately-owned companies, personal property, listed personal property and any other property interests which cannot be readily appraised or marketed;
- gifts involving trusts or interests in property;
- other gifts to which conditions are attached or which may expose SIAST to potential liability;
- controversial gifts as outlined in the Controversial and Unusual Gift Guidelines document;
- gifts that consist of property that has been assigned a tax shelter number;
- gifts that contain potentially unreasonable conditions;
- gifts that are potentially financially unsound or that would expose SIAST to liability or embarrassment;
- gifts of partial interest in property, unless SIAST agrees otherwise; and
- gifts that rely on an appraisal or evaluation provided to the donor by third parties that is perceived to be inaccurate or unreliable.

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## 10.0 SIAST Gift Review Committee

The SIAST gift review committee is responsible for assessing whether the terms of gifts are acceptable to SIAST, whether SIAST has the capacity to process and manage the gift and for ruling on certain gifts where policy application is unclear. In carrying out their responsibilities, the committee will oversee the process described below and will provide recommendations to the president & CEO who will render a final decision. Gifts exceeding \$3,000,000, and involving a naming, are endorsed by the president & CEO and forwarded to the SIAST board of directors for approval.

The following information will be provided to the SIAST gift review committee for gifts being assessed by the committee:

- description of the property;
- for property that is not inventory of a business, publicly traded securities, real estate in Canada, or Canadian Cultural Property:
  - ascertain when the property was acquired by the donor,
  - ascertain how the property was acquired, and
  - determine who previously owned the property;
- purpose of the gift;
- estimated fair market value;
- income, expenses, encumbrances and carrying costs;
- environmental risks or problems; and
- special arrangements for disposition requested by the donor.

## 11.0 Negotiation of Gifts

When negotiating a gift with a value of \$500 or more on behalf of SIAST, individuals are to consult with the Donor and Alumni Relations office.

It is the responsibility of the director, donor and alumni relations to inform the president & CEO about any donor relationships or gifts that may be controversial in nature.

### 11.1 Negotiation of Unusual or Controversial Gifts

When negotiating on behalf of SIAST a gift that is unusual in nature, the director, donor and alumni relations or designate must be consulted. Such consultations must occur when gifts:

- are controversial in nature as outlined in the Controversial and Unusual Gift Guidelines document;
- might expose SIAST to an uncertain liability;
- are precedent-setting or involve sensitive issues;
- are perceived to come from illegal or unethical activities;
- involve a naming proposal;
- present questions as to whether they are within the role and scope of SIAST; or
- are from an individual or organization whose philosophy and values could be considered inconsistent with the overall philosophy and values of SIAST.

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## 12.0 Disposition of Gifts

In the case of gifts-in-kind, unless otherwise agreed by SIAST through the terms of the deed of the gift, all such gifts may be disposed of under the following guidelines:

- consultation with the appropriate division or department representatives; and
- the proceeds of a sale of the asset will benefit the SIAST division or department for whose benefit the gift was originally given.

In the absence of such a beneficiary, SIAST will direct the proceeds.

## 13.0 Gift agreements

All terms of reference or gift agreements for gifts with a value of \$500,000 or more and requiring execution by SIAST shall first be reviewed and approved by SIAST's legal counsel. Where substantially the same agreement is used repeatedly, only the proforma needs to be approved.

## 14.0 Accountability

Gifts to SIAST 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 (CCAIE).

Gifts to SIAST and accompanying correspondence are handled with discretion. The Donor and Alumni Relations office maintains records required by the CRA for receipting purposes. Access to these records is restricted to appropriate staff in the Donor and Alumni Relations office, SIAST Financial Services and senior executives of SIAST.

SIAST will not release the names of alumni, friends and donors to unrelated organizations. SIAST 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 Local Authority Freedom of Information and Protection of Privacy Act* or other relevant statutes).

## 15.0 Trusteeship

SIAST encourages donors to make donations directly to SIAST to minimize the costs of investment and administration of trust and endowment funds. SIAST's trust and endowment funds are professionally managed and administered in accordance with the SIAST Investment policy #G-4.7 statement, as amended periodically.

However, where the donor wishes to establish a private foundation and requests that one or more SIAST representative(s) act as directors of the foundation, SIAST's senior management council must approve such appointments.

## 16.0 Investment

With regard to the administration of invested funds:

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- investments will be consistent with any applicable provincial or federal legislation and SIAST's Investment policy #G-4.7 statement as it may be revised periodically;
- pooled funds can be held within SIAST's investment funds;
- SIAST investments are managed by professional investment managers appointed by SIAST. The SIAST Financial Services department monitors the performance of SIAST's investment funds; and
- SIAST will provide donors of endowed funds with an annual financial report of their fund and in the case of student awards, appropriate information about the recipients of scholarship assistance, if so requested.

### 17.0 Donor Recognition

Gifts to SIAST will generally be recognized as follows:

- all forms of recognition are respectful of donor wishes;
- donations are recorded and recognized regardless of the size of gift unless the donor requests anonymity; and
- SIAST will undertake other such activities as may be provided for in accordance with stewardship and donor recognition policies and practices as they may be amended from time to time.

### 18.0 Receipting vs. Recognition Issues

It is important to differentiate between who is receiving the receipt and who is being recognized for the gift. The rules regarding issuance of receipts do not apply to recognition. Recognition for a gift can be given to whomever the donor wishes (within reason). Some examples are:

- A person who sends a donation from a corporation or holding company is not entitled to a receipt in his/her name but can be recognized personally for the gift.
- A person can make a contribution 'on behalf' of someone else. In this case SIAST would issue the receipt to the person actually making the contribution, but recognize the person indicated by the donor.
- A company can make a gift and indicate that recognition should be given to an individual.
- An individual can make a gift and indicate that recognition should be given to a company.
- In all of the above situations, as long as the receipt is made out as per the receipt recipient guidelines, recognition can be given as per each donor's wishes.

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