

University of Prince Edward Island Policy		Policy No. admadvgnl0002	Revision No. 2
Policy Title UPEI & UPEI (US) Foundation Inc. Gift Acceptance Policy		Page 1 of 6	
Effective Date: April 11, 2019	Creation Date: November 16, 2006	Review Date: April 11, 2024	
Policy Approval Authority: Board of Governors	Designated Executive Officer(s): President	Access:	W

- 1 **Purpose:** The purpose of this policy is to provide guidance on matters of gift acceptance, including the types of gifts the University will accept and the roles and responsibilities of those involved in gift acceptance.
 - 1.1 Through the promotion of volunteerism and philanthropy, the Department of Development and Alumni Engagement provides central friend-and-fund-raising support to assist the University. Federal and provincial governments encourage voluntary gift support to charitable organizations such as UPEI, and allow tax relief to donors.
 - 1.2 UPEI is a registered charity under Canada Revenue Agency guidelines. The University of Prince Edward Island (US) Foundation Inc. is a registered charity under the Internal Revenue Service.
 - 1.3 This policy is established to govern the acceptance of all gifts made to UPEI and UPEI (US) Foundation Inc. by:
 - ensuring that informed decisions are made on the acceptance of gifts and that such gifts are receipted in accordance with the requirements of the applicable income tax laws;
 - ensuring that efficient administrative, legal, and accounting practices and procedures are followed;
 - enabling accurate reporting of gifts bestowed upon UPEI and UPEI (US) Foundation Inc.; and
 - ensuring consistent, equitable relations with donors.

- 2 **Scope:** This policy applies to all gifts and prospective gifts received, declined or otherwise handled by the University of Prince Edward Island and UPEI (US) Foundation Inc.; it does not apply to sponsorship, advertising, provincial/federal government grants, or commercial or other contractual relationships between the University and third parties.

- 3 **Definitions:**
 - 3.1 **Department:** The Department of Development and Alumni Engagement
 - 3.2 **Executive Director:** The Executive Director of Development and Alumni Engagement
 - 3.3 **Gift(s):** A voluntary transfer of tangible or intangible assets from individuals, estates, industry, foundations and other sources to the University for either undesignated or designated utilization in the operation of the University. Gifts are made without expectation of return, consideration, or benefit of any kind to the donor or to anyone designated by the donor, resulting from the transfer.

Gifts include:

- 3.3.1 **Undesignated Gifts:** Gifts given to the University where the donor has not specified where the gift is to be directed and/or has not indicated a purpose for which the gift is to be used.
 - 3.3.2 **Designated Gifts:** Gifts given to the University where the donor has specified where in the University the gift is to be directed and/or used to support a particular purpose.
 - 3.3.3 **Endowed Gifts:** Gifts or bequests given to the University to be held permanently for the income derived, as part of the University's Endowment Investment Pool.
 - 3.3.4 **Gifts-in-kind:** Donated goods and services in lieu of a donation of cash or other financial instrument.
 - 3.3.5 **Gifts of Property:** Donated tangible assets and property such as real estate, notes, mortgages, limited partnership interests, objet d'art, books, equipment, automobiles, inventory, personal property, securities, and other physical assets or materials, which represent value to the University.
 - 3.3.6 **Cultural Property:** Property of outstanding significant and national importance to Canada, for which a certificate has been issued by the Canadian Cultural Property Export Review Board.
 - 3.4 **Official Donation Receipt:** The official donation receipt is a statement issued by the University to acknowledge gifts.
 - 3.5 **Sponsorships:** Contributions to the University where the sponsor has specified where the support is to be directed, and where the sponsor receives consideration or a benefit (such as signage or identification during an event) for the support. The University will provide detailed acknowledgment of the sponsorship but does not provide an official charitable receipt.
 - 3.6 **University Community Members:** includes faculty members, librarians, employees, and students of the University, both full and part time; members of the University's Board of Governors, any other person who teaches, conducts research, or works or volunteers at or under the auspices of the University.
- 4 Responsibilities:** The University President has the authority, or can delegate this authority to the Executive Director, to accept any gift provided the approvals under other applicable University policies have been obtained, with the exception of those gifts outlined in section 5.2.4.
- 4.1 This Policy is authorized by the Board of Governors.
 - 4.2 The overall authority of this Policy shall be the President.

- 4.3 The development and maintenance of this policy are the responsibilities of the Executive Director.
- 4.4 The Executive Director or delegate is responsible for ensuring that the acceptance of gifts by the University of Prince Edward Island is consistent with this policy and other University policies.
- 4.5 The Department, under the direction of the Executive Director, is responsible for:
 - 4.4.1 The administration of this policy.
 - 4.4.2 The development of operational procedures to support the gift acceptance process in compliance with this policy.
 - 4.4.3 Managing University fundraising activities to meet University objectives in accordance with the University's mission and current academic priorities.
 - 4.4.4 Acknowledging and receipting all gifts received by the University.
 - 4.4.5 The development of gift agreements and/or other documents pursuant to all other applicable University policies.
- 4.5 The Department is solely responsible for issuing charitable tax receipts for all gifts received by the University. Gift processing will be handled in accordance with the donor's wishes consistent with University policies and income tax laws governing charitable organizations.
- 4.6 When applying this policy, the Department may consult with other relevant University stakeholders.
- 4.7 Endowed gifts will be managed in accordance with other applicable University policies and procedures.

5 **Policy**

5.1 **Policy Overview**

- 5.1.1 The Department oversees the stewardship of gifts to the University including the appropriate acknowledgement and recognition of gifts.
- 5.1.2 The Department, through its Executive Director, must be consulted by any faculty, staff, students, alumni, or other representatives prior to any discussions with potential donors or sponsors.

5.2 **Gift Acceptance:**

- 5.2.1 The University will not accept gifts, enter into business relationships, or accept external support that will compromise its public image or commitment to its academic mission, vision and values, or if such gifts, business relationships or support provide an advantage to the prospective donor.

- 5.2.2 Ownership of all gifts directed to UPEI vests in the University, whether said gifts are for the benefit of the University generally or for some specific purpose within it.
- 5.2.3 Acceptance of any gift contribution which involves a proposal to include an associated name in using said gift is conditional upon the approval of the naming by the Board of Governors or its designated committee. Acceptance of a new award or scholarship rests with the Senate or its designated committee. Should a new award or scholarship include a proposal to be named, it would require both Board and Senate approval.
- 5.2.4 Prior approval by specific resolution or motion of the Board (or its designated committee) will be required with respect to the acceptance of:
- any gift the value of which exceeds \$5 million;
 - any gift which in the opinion of the President or the Executive Director exposes the University to an uncertain and potentially significant liability;
 - any gift which in the opinion of the President or the Executive Director is precedent-setting and involves sensitive issues;
 - any gift which in the opinion of the President or the Executive Director is of above-average complexity, including gifts involving real property, residual interests, charitable remainder trusts, assets with low liquidity, or certified cultural property and/or any gift which a member of the Board of Governors requests be brought before the Board for approval.
- 5.2.5 When negotiating a gift on behalf of the institution, University Community Members shall consult with the Department to ensure due diligence prior to making a decision with respect to a gift which:
- might expose the University to an uncertain and potentially significant liability;
 - is precedent-setting or involves sensitive issues;
 - may have come from illegal activities;
 - because of its unique nature, presents questions as to whether it is within the role and scope of the University;
 - causes the University to incur additional expense, such as taxes or maintenance costs, where such costs are not covered as part of the gift or overall giving to the University, unless approved by the President and the Board of Governors.
- 5.2.6 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 invited to redirect their contributions to an analogous purpose.

- 5.2.7 Undesignated gifts shall be used for such purposes as the University President determines will best advance its mission and academic priorities. Designated gifts shall be used expressly for the purposes for which they are given, which must be consistent with the University's mission and academic priorities.
- 5.2.8 Gifts to UPEI in the form of cash or cheques received by any department in the University, shall be sent via courier, or else presented in person, along with related correspondence and any specific instructions, to the Department, on the day they are received. Cash and cheques should not be sent through campus mail.
- 5.2.9 On an annual basis, the Department shall report gift activity to the Board of Governors.
- 5.2.10 UPEI may elect to accept or decline any gift. The final decision to decline a gift rests with the Board of Governors.

5.2 **Gift eligibility**

5.2.1 The following types of gifts are deemed eligible for acceptance by UPEI:

- Outright gifts of cash, cheques, or securities
- Gifts-in-kind
- Gifts of real property
- Cultural property
- Estate gifts
- Life insurance
- Gifts of residual interest
- Charitable remainder trusts

5.3 **Gift Limitations**

- 5.3.1 When conditions placed on a gift offer are those as outlined in 5.3.3, or are not in the University's best interest, the Department, in consultation with other University officials, may request that the terms of the gift be revised, or recommend to the appropriate individual that the gift be declined.
- 5.3.2 To establish annually-funded named awards or scholarships, the award or scholarship must be of a value of at least \$500 per annum for a period of at least three (3) years.
- 5.3.3 Any University named award or scholarship created by a capital sum gift must be a gift of at least \$15,000 and shall comply with the *Endowment and Special Purpose Funds – Governance & Administration Policy*.

5.3.4 The following gift conditions cannot be accepted by the University for scholarships, fellowships, awards, or other financial aid funds:

- Conditions that are incompatible with the University’s mission, priorities, values, guiding principles, governing documents or the law, in particular human rights, tax law and the *University Act*.
- Stipulations designating the involvement of a donor in determining the recipient of an award.
- The University’s operational funds.

5.4 **Gift Receipting**

5.4.1 Charitable tax receipts for UPEI shall be issued solely by the Department as outlined in the Gift Acceptance Procedures.

5.4.2 All eligible gifts will be acknowledged with an official charitable receipt accompanied by correspondence prepared by the Department. 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 purposes.

5.4.3 An Official Charitable Receipt shall not be issued for assets received that are not defined as a Gift herein.

5.4.4 All gifts of shares, stocks, and securities will be receipted at the value of the gift on the date the transfer of ownership occurs.

5.4.5 All gifts of shares, stocks, and securities will be divested immediately upon receipt so that the proceeds can be used per the donor’s intentions.

5.5 **Appraisals**

5.5.1 Gifts-in-kind and Gifts of Property with an expected value of over \$1,000 must be professionally appraised, with the exception of Cultural Property.

5.5.2 The Department shall maintain procedures for accepting all types of gifts including Cultural Property.

6 Review

6.1 This policy is to be reviewed every five (5) years.

7 Related Policies

7.1 *Endowment and Special Purpose Funds – Governance & Administration*