

University of Prince Edward Island	Policy No admadvgnl0002	Revision No. 3
Policy Title UPEI & UPEI (US) Foundation Inc. Gift Acceptance Policy		Page 1 of 8
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Policy Approval Authority: Board of Governors	Designated Executive Officer(s): President	Access: W

1. Introduction

- 1.1. The University of Prince Edward Island (UPEI) is a Registered charity under Canada Revenue Agency guidelines. The University of Prince Edward Island (US) Foundation Inc. (UPEI (US) Foundation Inc.) is a registered charity under the US Internal Revenue Service and is fully owned and controlled by UPEI.
- 1.2. Federal and provincial governments encourage voluntary gift support to charitable organizations, such as UPEI, and allow tax relief to donors.
- 1.3. The University's Department of Development and Alumni Engagement (The Department) supports the University through the promotion of volunteerism and philanthropy and provides a centralized friend-and-fundraising support to University Donors.
 - 1.3.1. The Department oversees the stewardship of gifts to the University including the appropriate acknowledgement and recognition of gifts.
 - 1.3.2. 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.
 - 1.3.3. The Department holds sole responsibility over the issue of Official Donation Receipts to gifts received by the University.

2. Purpose

- 2.1. The purpose of this Policy is to provide guidance on matters of gift acceptance and the types of gifts the University will accept and to ensure that:
 - 2.1.1. Informed decisions are made on the acceptance of gifts and that such gifts are received in accordance with the requirements of applicable income tax laws

- 2.1.2. Efficient administrative, legal, and accounting practices and procedures are followed
- 2.1.3. Accurate reporting of gifts bestowed upon UPEI and UPEI (US) Foundation Inc. is made and
- 2.1.4. Consistent, equitable relations with donors are maintained.

3. Scope

- 3.1. 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.
- 3.2. The Policy does not apply to sponsorship, advertising, provincial/federal government grants, any commercial or other contractual relationships between the University and third parties.

4. Definitions

- 4.1. **Department** means the Department of Development and Alumni Engagement
- 4.2. **Development, Fundraising and External Relations Committee** means a Standing Committee of the Board
- 4.3. **Gift(s)** means 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:

- 4.3.1. **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.
- 4.3.2. **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.

- 4.3.3. **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.
- 4.3.4. **Gifts-in-kind:** Donated goods and services in lieu of a donation of cash or other financial instrument.
- 4.3.5. **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.
- 4.3.6. **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.
- 4.4. **Official Donation Receipt** means a statement that meets the requirements of the Income Tax Act and its regulations and is issued by the University to the donor to acknowledge receipt of gifts.
- 4.5. **University** means the University of Prince Edward Island and the UPEI (US) Foundation Inc.
- 4.6. **University Community Members** means 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.

5. Responsibilities

- 5.1. This Policy is authorized by the Board of Governors.
- 5.2. The Board of Governors delegates the authority to accept contributions and gifts as defined by Section 4 (f) of the *University Act* to the President, according to the provisions of this Policy.
- 5.3. The President is responsible for the development, administration and maintenance of this Policy.
- 5.4. The Executive Director of Development and Alumni Engagement (Executive Director) is responsible for:

- 5.4.1. Developing operational procedures to support the gift acceptance process in compliance with this Policy.
- 5.4.2. Acknowledging and receipting all gifts received by the University.
- 5.4.3. Developing gift agreements and/or other documents pursuant to all other applicable University policies.
- 5.4.4. Ensuring that the acceptance of gifts by the University is consistent with this Policy and other applicable University policies.

6. Policy

6.1. Policy Overview

- 6.1.1. Gift processing will be handled in accordance with the donor's wishes consistent with University policies and income tax laws governing charitable organizations.
- 6.1.2. Endowed gifts will be managed in accordance with other applicable University policies and procedures.

6.2. Gift Acceptance

- 6.2.1. 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.
- 6.2.2. 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.
- 6.2.3. 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.
- 6.2.4. Prior approval by specific resolution or motion of the Board (or its designated committee) will be required with respect to the acceptance of:

- 6.2.4.1. any gift the value of which exceeds \$2 million
- 6.2.4.2. any gift which exposes the University to an uncertain and potentially significant liability
- 6.2.4.3. any gift which is precedent-setting and involves sensitive issues
- 6.2.4.4. any gift which 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.
- 6.2.5. 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:
 - 6.2.5.1. might expose the University to an uncertain and potentially significant liability
 - 6.2.5.2. is precedent-setting or involves sensitive issues
 - 6.2.5.3. may have come from illegal activities
 - 6.2.5.4. because of its unique nature, presents questions as to whether it is within the role and scope of the University
 - 6.2.5.5. 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 the additional expense is not material to the University's finances and the expense is approved both by the President and the Board of Governors.
- 6.2.6. 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.
- 6.2.7. Undesignated gifts shall be used for such purposes as the President determines will best advance the University's 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.

6.2.8. The President shall provide an annual report on the University's gift activity to the Board of Governors.

6.2.9. The University may elect to accept or decline any gift. The final decision to decline a gift rests with the Board of Governors.

6.3. **Gift eligibility**

6.3.1. The following types of gifts are deemed eligible for acceptance:

6.3.1.1. Outright gifts of cash, cheques, or securities

6.3.1.2. Gifts-in-kind

6.3.1.3. Gifts of real property

6.3.1.4. Cultural property

6.3.1.5. Estate gifts

6.3.1.6. Life insurance

6.3.1.7. Gifts of residual interest

6.3.1.8. Charitable remainder trusts

6.4. **Gift limitations**

6.4.1. When conditions placed on a gift offer are those as outlined in 6.4.3, or are not in the University's best interest, the Department, in consultation with the Development, Fundraising and External Relations Committee, may request that the terms of the gift be revised, or recommend to the appropriate individual that the gift be declined.

6.4.2. To establish annually-funded named awards or scholarships, the award or scholarship must be of a value of at least \$ 875 per annum for a period of at least five (5) years.

6.4.3. Any University-named award or scholarship created by a capital sum gift shall comply with the *Endowment and Special Purpose Funds – Governance & Administration* Policy.

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

- 6.4.4.1. 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*.
- 6.4.4.2. Stipulations designating the involvement of a donor in determining the recipient of an award.
- 6.4.4.3. Allocations to the University's operational funds.

6.5. Gift receipting

- 6.5.1. Official Donation Receipts shall be issued solely by the Department as outlined in the *UPEI Gift Acceptance Procedures*.
- 6.5.2. All eligible gifts will be acknowledged with an official donation 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 tax purposes.
- 6.5.3. An Official Donation Receipt shall not be issued for assets received that are not defined as a Gift herein.
- 6.5.4. All gifts of shares, stocks, and securities will be receipted at the value of the gift on the date the transfer of ownership occurs.
- 6.5.5. 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.

6.6. Appraisals

- 6.6.1. 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.
- 6.6.2. The Department shall maintain procedures for accepting all types of gifts including Cultural Property.

7. Review

- 7.1. This policy is to be reviewed every five (5) years or earlier as circumstances dictate.

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8. Related Policies

- 8.1. *Endowment and Special Purpose Funds – Governance & Administration*
- 8.2. *UPEI Named Recognition Policy*