

UPEI & UPEI (US) Foundation Inc. Gift Acceptance Procedures

A resource for stakeholders

Dated: April 11, 2019

UPEI & UPEI (US) Foundation Inc. Gift Acceptance Procedure

3rd of January 2019

OVERVIEW

The following procedures have been developed by the Department of Development and Alumni Engagement (“Department”) to support the UPEI & UPEI (US) Foundation Inc. Gift Acceptance Policy (“Policy”). This document will serve as an aid in accepting gifts from donors on behalf of UPEI.

These procedures assist UPEI with:

- Outlining the process in which gifts and donations as outlined in the Policy are accepted, refused and/or maintained.

SCOPE

These procedures extend to all gifts and prospective gifts received, declined or otherwise handled by the University of Prince Edward Island and UPEI (US) Foundation Inc.;

PURPOSE

The Purpose of this document is to ensure:

- **Consistency.** Consistency is key to managing equitable donor relationships that are critical to the University’s fundraising success.
- **Informed Decision-making.** Ensuring that the acceptance or declination of gifts is made using informed decisions.
- **Legality.** Gifts that are accepted must be receipted and accounted for according to provincial and federal tax legislation.

RESPONSIBILITIES

It is the sole responsibility of the Department to solicit, or approve the solicitation of, and receipt gifts and sponsorships from donors.

As per the Policy, all University Community Members **must** consult with the Executive Director of the Department before soliciting any potential gifts or sponsorships.

CHARITY NUMBERS

- UPEI Business Number: 108162108RR0001
- UPEI (US) Foundation Inc. EI Number: 31-1672361

PROCEDURES

General

- **Gift/Sponsor Solicitation Requests**

All University Community Members wishing to engage in discussions with potential donors/sponsors must first make a written request to the Executive Director. Such requests must include:

- Departmental contact information and acknowledgement from their Dean
- Outline the official purpose of the request, i.e. fundraising goal, reason for sponsorship, any applicable dates, etc.
- Potential donor/sponsor list

- **Gift Receipting**

Accepted gifts will be processed in accordance with the donor's wishes consistent with University policies and Canada Income Tax legislation and regulations governing charitable organizations.

The Department is solely responsible for the issuing of charitable tax receipts in accordance with appropriate legislation and policies, and shall issue charitable tax receipts within ten (10) business days of receipt of the gift.

Where reports are provided to donors, said reports will conform to University policies and legal requirements and will be managed and shared with donors by the appropriate office or department relevant to the donation.

The Department shall identify appropriate signatories for the recognition of gifts, including those for thank you letters to donors. The Department shall ensure that said recognition be prepared, signed and mailed within ten (10) business days of receipt of the gift.

- **UPEI (US) Foundation Inc.**

UPEI (US) Foundation Inc. can only accept gifts in the form of cash or cheque.

Specific Gift Types

- **Designated Gifts**

With respect to specifically designated gifts that do not correspond with a University identified priority, the Department of Development and Alumni Engagement will consult with relevant administrative or academic departments. If, following consultation, the Department of Development and Alumni Engagement deems that a prospective donor's wishes do not correspond with the University's goals and priorities, the donor will be asked to consider re-designating the intended gift. If the donor's wishes cannot be satisfied, the intended gift will be graciously declined.

- **Annual and Endowed Awards, Scholarships and Other Initiatives**

Endowed Gifts are also subject to two specific University Policies:

- 1) Endowment and Special Purpose Funds – Governance & Administrations
- 2) Endowment and Special Purpose Funds – Investment Policy Statement

- **New Fund for Student Awards and Scholarships**

Donors wishing to establish a new fund for UPEI students shall meet with the Executive Director who will coordinate with the Department of Development to discuss the fund and to establish a gift agreement.

In particular, funds for awards and scholarships are subject to the following guidelines:

- To provide incentives for students who select this University and to enhance the University's profile as an institution which values excellence.
- To recognize and promote academic excellence among the student body.
- To assist students in overcoming financial barriers which could otherwise jeopardize the successful completion of their studies.

Awards or scholarships can be supported in two ways:

- 1) **Endowed:** By donation of a capital sum to the University. This method, which ensures that the award be given in perpetuity, is appropriate for award funds in excess of \$15,000; or
- 2) **Annual:** By an annual donation in the amount of the award at a minimum level of \$500 annually for at least three years. In the event of cancellation, one year's notice is required.

Donors can also create a new fund or support an existing fund through a bequest or life insurance.

The donor's preferences for drafting a gift agreement will be used, subject to University Policies and Procedures. These donor preferences may include:

- The name of the fund.
- The school or faculty in which the fund is to be established.
- On what basis students are selected for the fund/award: e.g. enrolment in a particular program, course and/or year; academic achievement; financial need, etc.

All funds shall be collected by the Department on an annual basis. All donors or contacts of endowed funds will receive an annual report on the activity of their fund.

The administration of an award or scholarship fund is the responsibility of the Scholarships, Awards, and Financial Aid Office of the Registrar.

Unless otherwise instructed, the University will advise the donor of the name of the award or scholarship recipient should that be the area of support. If the fund supports capital, programs or equipment and is considered a major gift (\$25,000), the Department of Development and Alumni Engagement will – with the assistance of the appropriate faculty or program – create an annual report to send to the donor.

- **Gifts of Stock, Shares and Securities**

Gifts of stock, shares, and securities will be receipted at the value of the gift on the date all transfer and ownership occurs, and will be divested by the University immediately upon receipt.

Appraisals

- **Gifts-in-Kind and Gifts of Property (excluding Cultural Materials and Objets D'art)**

Gifts-in-kind and Gifts of Property with an expected value of over \$1,000 must be professionally appraised. The University will engage an appraiser acceptable to the donor and report to the donor on the appraisal within one month. The primary appraisal cost will be borne by the department or faculty that will benefit from the gift. Should there not be a specific department or faculty that will benefit, the cost of the appraisal will be borne by an University account to be determined by the Department of Development and Alumni Engagement. If the donor is not

satisfied with the appraisal, the donor may request (at their expense) a second written appraisal by a qualified professional. The official charitable receipt will be issued for the mean value of the two appraisals.

For accepted Gifts-in-kind and Gifts of Property, it is the University's practice to pay for the cost of one appraisal. The University is grateful when a donor is able to pay for the appraisal. Donations equal to the appraisal costs are eligible for an official charitable receipt. All appraisers are to be at arms-length from the donor.

- **Cultural Materials and Objets D'art**

Consulting Authorities:

To help ensure consistency in the handling of artworks and cultural materials, the following agencies/units will be consulted as soon as such material is offered as a gift to the University:

- For artworks, such as paintings, art prints and photos, sculpture, etc., the University Art Committee shall be consulted
- For other cultural materials, such as books, archival materials, artifacts, etc., the University Library shall be consulted.

No gifts of artwork or cultural material shall be accepted by any personnel or agency of the University without the authorization of the relevant consulting authority.

Appraiser Selection and Reimbursement:

For gifts under CDN \$1,000, University personnel (usually the consulting authority identified above) shall advise the Department of Development and Alumni Engagement of the gift's value. The Department of Development and Alumni Engagement will then issue a tax receipt. For gifts valued at over CDN \$1,000, an independent appraiser must be retained by the Art Committee or University Library. The University Art Committee will be responsible for administering and funding appraisals of work; for other cultural materials, this responsibility will rest with the University Library.

Acquisition Decisions:

Decisions on the acceptance of objets d'art will be made by the Development, Fundraising, and External Relations Committee, with reference to the following considerations:

- Does the work embody aesthetic and thematic qualities such that it will enhance some part of the campus environment, (or a specific site on-campus, should the prospective donor express such a preference)?
- Does the work's creator have a significant connection to Prince Edward Island or to the University?
- Does the work directly support teaching and research activity of the University?
- If the University will incur significant associated costs (i.e. appraisal fees, repair/conservation treatment, special installation/security requirements, etc.)

by accepting the work, is funding available to help defray some or all of these costs?

An answer in the affirmative to all of these questions means that the work will be accepted. An answer in the affirmative to any three of them means that the work will likely be accepted, though perhaps with special caveats/conditions to protect the University's interests (especially in cases of significant associated costs). An answer in the affirmative to only one or two of these questions means that the work will likely be declined.

Decisions on the acceptance of archival materials – including artifacts and memorabilia - and books will be made by the University Library, with reference to its Collection Policy.

Management of Cultural Material and Objets D'Art

Management of the University's collection of objets d'art is the responsibility of the University Art Committee, which shall have purview over the following:

- Display and Placement of Artwork

Artwork will normally be placed in locations where it may be appreciated and enjoyed by as many members of the campus community as possible, without exposure to unreasonable risk of deterioration, vandalism, or theft. Placement of works in very close proximity to radiators, heating or ventilation ducts, external windows, or water/steam pipes, or in the glare of direct sunlight or harsh artificial light is to be avoided. High-traffic and/or confined spaces where there is a risk of people accidentally striking an artwork should also be avoided.

Donors or members of the campus community may request or recommend that an artwork be placed in a specific location on-campus, but the final decision shall rest with the Committee, with reference to the acquisition and management criteria identified here.

- Storage and Circulation of Artwork

Although the University shall endeavor to keep the majority of its artwork collection on display, it must be understood that no institution - even a dedicated art gallery or museum - can display its entire collection at any given time, and there should be no expectation of the University doing so. This means, in turn, that the University will have to keep part of its artworks collection in storage. While there is a critical shortage of suitable storage space on campus, the University Archives and Special Collections stacks room offers a reasonably secure, climate-controlled environment and any artwork not on display - including any recently acquired items for which a location has not been finalized - will normally be stored here.

To ensure that artwork does not remain in storage indefinitely, and that it may be enjoyed by members of the campus community, the University Art Committee shall work with the Library to establish a Campus Art Bank. The Art Bank shall consist of an on-line database wherein artworks available for display may be searched by the campus community; an on-line loan request form allowing campus units/offices to request Art Bank items for display in their area shall also be provided. Loan requests shall be reviewed by the Art Committee, with reference to

the display criteria outlined herein: the normal loan period shall be five (5) years, though shorter or longer loans may be considered, on a case-by-case basis. Units/offices borrowing artworks from the Art Bank are responsible for returning these items to the Art Bank in the same condition in which they were lent out. If, upon return, an item is found to have been damaged, or if an item is lost or destroyed while in the care of the borrowing unit/office, the unit/office must pay any repair, restoration, or replacement costs thus incurred.

- Deaccessioning and Disposition of Artwork

Donations of artwork become the property of the University, and the University must reserve the right with artwork, as with all property, to use such gifts in a manner that best serves the need of the institution. On occasion, this may mean that an artwork will have to be disposed of by the University. Circumstances in which artworks may be deaccessioned (removed) from the University's collection include:

- 1) An artwork, notwithstanding the University's best efforts to care for it, becomes so badly damaged or deteriorated that it becomes impossible - or unacceptably expensive - to restore it to a condition where it will meet the criteria outlined in the *Acquisition Decisions* above.
- 2) The University determines that the monetary benefits of selling an artwork outweigh the benefits of retaining the item in its collection.
- 3) The University determines, in partnership with another educational or cultural institution, that an artwork is a better fit with the mission and mandate of that institution rather than the University; the University shall arrange to transfer the artwork to the care and custody of that institution, by sale or donation, as appropriate.

No artwork shall be deaccessioned from the University's collection without the formal authorization of the Development, Fundraising, and External Relations Committee. Prior to accepting a gift of objets d'art or cultural materials, the donor will be advised of the possibility that their gift may be deaccessioned at some point in the future. A record of all deaccessioned artwork shall be retained by the Committee.

Other cultural materials, including archives, artifacts and memorabilia, and books will be managed by the University Library, with reference to its Collection Policy.