

## PROCEDURES FOR POLICY 2.1 – Gift Acceptance

Governing Policy: [Policy 2.1 Gift Acceptance](#)

Subsections: Overview, Definitions, Scope, Procedure, Documentation, Tax Receipts, Gifts Ineligible for Tax Receipts, Pledges, Cash Gifts, Gifts of Publicly Traded Securities, Gift-In-Kind, Donor-Advised Funds, Corporate Sponsorships, Grants, Deferred Gifts, Fund Raising Events, Crowd Funding, Unrestricted Gifts, International Gifts, Return of Gifts

Officer(s) Responsible  
for Procedures: Vice-President (University Advancement)

Effective Date: February 6, 2025

Supersedes: \*

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### OVERVIEW

The University will, in all cases, value and receipt Gifts based on Canada Revenue Agency (“**CRA**”) guidelines. If, at any time, a conflict arises between this procedure and CRA guidelines, CRA guidelines will prevail.

### DEFINITIONS

The defined terms in this Procedure have the same meaning as in the Policy.

### SCOPE

This Procedure applies to all Gifts to which MAPP Policy 2.1 applies, even where donors are not eligible for or seeking a Tax Receipt or Business Receipt.

This Procedure applies for both approved and non-University approved fundraising efforts.

### PROCEDURE

#### 1. Documentation

University Advancement maintains records on all donors and Gifts received by the University. Documentation related to the acceptance of Gifts shall be in

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accordance with guidelines from the Council for the Advancement and Support of Education (CASE) and shall be kept in accordance with CRA guidelines.

Gift documentation is saved as per [MAPP 1.30 University Records and Archives](#). Electronic records of gift documentation are also kept in an electronic document management system.

### 2. Tax Receipts

In accordance with the Policy, only the Division of University Advancement may issue Tax Receipts on behalf of the University. University Advancement will issue Tax Receipts in Canadian currency in compliance with the requirements of the *Income Tax Act* and in accordance with standard operating procedures established by the Division.

- a) Minimum Gift Value for Offline Tax Receipts  
The University will only issue Tax Receipts for eligible Gifts received by mail, fax or in-person for Gifts with a minimum value of \$20 unless requested otherwise.
- b) Minimum Gift Value for Online Tax Receipts  
The University will issue Tax Receipts for all eligible Gifts made online, regardless of Gift value.
- c) Corporate and Foundation Receipts  
The University will issue Business Receipts for all eligible Gifts made by Corporations and Foundations.
- d) The University will issue Tax Receipts or Business Receipts in the name of the individual/entity who made the Gift (e.g. signed the cheque). The University may offer “recognition credit” to an individual/entity that the Gift was made “on behalf” of.

### 3. Gifts Ineligible for Tax Receipts

When a Gift is not eligible for a Tax Receipt as per the requirements of the Income Tax Act, a Business Receipt will be issued. Contributions not defined as a Gift but eligible for counting under the University’s campaign counting guidelines, as amended or replaced from time to time, will not be issued Tax Receipts or Business Receipts and will follow the valuation guidelines as outlined in this management document.

### 4. Pledges

Pledges are valued in accordance with the campaign counting guidelines established by University Advancement and are outside the scope of this Procedure. Receipts are issued when pledge payments are received in accordance with the Gift type described in this Procedure.

**5. Cash Gifts (includes cash, credit card, cheque, wire transfer and EFT)**

Gifts of cash are valued at full value on the date received by the University. The University does not accept any form of alternative currency (including cryptocurrency) that cannot be easily and immediately redeemed for cash.

a) Receipts

The University will issue Tax Receipts or Business Receipts in Canadian currency reflecting the date the University received cash Gifts and the amount received.

The University will issue Tax Receipts or Business Receipts reflecting the date authorization is received from the credit card issuer for Gifts made by credit card.

The University will issue Tax Receipts or Business Receipts reflecting the last business day of the prior calendar year if the Gift was postmarked in a different year from when the Gift is received by the University.

**6. Gifts of Publicly Traded Securities**

It is the University's general practice to dispose of all Gifts of publicly traded securities as expeditiously as possible. Thus, the University will attempt to sell, immediately upon receipt, all Gifts of securities.

The University's broker(s) of record will provide information and recommendation on market pricing of securities.

The University reserves the right, on a case-by-case basis, to sell securities over a period of days, weeks or months when it is determined that the regular trading volume is not sufficient to absorb the securities without significantly and adversely affecting their value.

The Board's Resolution re: Investments at section 2(b) outlines delegation of authority for sale of securities; however, when recommendations are made to not sell securities expeditiously, the Associate Vice-President (Financial Services) will make final decisions on when to sell the security.

a) Electronic Security Transfer

The University will follow CRA guidelines to determine the value and date of Gifts of securities.

The University will issue Tax Receipts for Gifts of publicly traded securities based on the closing value of the security on the day it is received in the University's brokerage account. In accordance with CRA guidance and with the approval of the Associate Vice-President (Financial Services), the University may also value the stock based on the midpoint between the

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high and the low trading prices for the day if that is a better indicator of fair market value on normal and active market trading.

Per CRA guidance, the date a security is donated is the date the transfer of ownership takes place. The University has taken ownership of a security when it has:

- the right to receive dividends from the security,
- the right to receive amounts on the liquidation of the corporation, and
- the right to exercise the votes attached to the security and the right to dispose of the security.

Until the security is credited to the University's account, it is possible for the transfer to be reversed. While a donor may have instructed their broker to initiate a transfer on some earlier date, if the broker delayed that transfer or moved the securities into a temporary holding account, the University did not have control of the security. Therefore, the valuation of the Gift is based on the date the security came under the University's control.

### b) Share Certificates

The University will issue Tax Receipts for Gifts of share certificates based on the closing value of the security on the day of transfer to the University. In accordance with CRA guidance and with the approval of the Associate Vice-President (Financial Services), the University may also value the stock based on the midpoint between the high and the low trading prices for the day if that is a better indicator of fair market value on normal and active market trading.

The University will issue Tax Receipts for Gifts of share certificates based on the day the certificate is physically in the University's possession. If sent by mail, valuation will be based on the date the mail is officially received at the University. If the securities are re-registered in the University's name by the issuing company and then delivered, the effective date on the certificate will be used for valuation and receipting.

### c) Declining Publicly Traded Securities

The University reserves the right to decline a Gift of securities that has negligible value in normal and active market trading, such as but not limited to thinly-traded or illiquid securities.

### d) Sale Value of Publicly Traded Securities

The University will direct the full value of Gifts of securities as receipted and as designated by the donor, absorbing any gains or losses between the receipted value of the Gift and the sale value of the security, including trading costs.

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No gains or losses should impact the value of the Gift received or the value designated, and all gains and losses will be automatically attributed to the treasury account without further review.

e) Closely Held Stock

The University may value Gifts of closely held stock at the per-share cash purchase price of the most recent transaction. Normally, this transaction is the redemption of the share by the corporation.

The University may request an external party assess the value of closely held stock because of the risks involved with accepting Gifts of closely held stock. If no redemption has occurred during the reporting period, an independent certified public accountant who maintains the books for that corporation is qualified to value its shares.

### 7. Gifts-in-Kind other than Publicly Traded Securities

Documentation of Gifts that are not readily valued, including ethical history and origin, must be prepared before the University will accept the Gift. Relevant information shall be obtained and reviewed, including a copy of any appraisal by an independent qualified appraiser(s) secured by the donor, according to CRA guidelines.

a) Gifts-in-Kind under \$1,000

A reputable and recognized expert member of the University's staff or faculty can appraise the value of Gifts with a fair market value of less than \$1,000 and the University can issue Tax Receipts or Business Receipts based on the appraisal.

b) Gifts-in-Kind greater than \$1,000

The University requires an independent appraisal by a certified appraiser for Gifts with a value of greater than \$1,000. The donor will generally be responsible to pay for these appraisals. The University may require appraisal by a certified appraiser or a second appraisal at its sole discretion.

c) Company Products

The University will value gifts-in-kind of a company's products based on the difference between the actual amount paid (if any) and the lower of the public sector discounted price and retail price.

d) Gifts of Services

In accordance with CRA guidelines, the University does not accept or receipt Gifts of services.

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The University will pay for any services rendered. If the service provider donates this payment back to the University, the University can issue a Tax Receipt or Business Receipt for the Gift (this is often referred to as a cheque exchange). In such circumstances, two distinct transactions must take place: (1) a service provider provides a service to the University and is paid for that service, and (2) that service provider makes a Gift of property to the University. The University must keep a copy of the invoice issued by the service provider for payment for the service.

For greater clarity, the University will not issue a Tax Receipt to a service provider in exchange for an invoice marked 'paid' without following the above steps.

e) Gifts of Cultural Property

The University may accept Gifts of cultural property and shall follow the procedures for application, valuation and receipting these Gifts as prescribed by the Department of Canadian Heritage, the Canadian Cultural Property Export Review Board and CRA, as they may change from time to time.

f) Real and Personal Property

The University will value a Gift of real and personal property (tangible and intangible) at fair market value of the property, regardless of the value the donor may be able to claim as a charitable deduction. For example, Gifts of intellectual property and patents can be tax-deductible; however, their value to the University might be impossible to predict and will rarely equal the deduction a donor may claim.

### 8. Donor Advised Funds

A donor may send an asset to a tax-exempt organization (a “**Fund Sponsor**”) as a Gift to that entity. The donor receives a Tax Receipt from the Fund Sponsor when they give the asset to the Fund Sponsor and establishes the terms upon which the Fund Sponsor will distribute the asset. The asset is then owned by and under the control of the Fund Sponsor in a donor-advised fund (a “**DAF**”).

The University will therefore issue Business Receipts for Gifts from DAFs if required.

The University does not establish or administer DAFs and therefore will not act as a Fund Sponsor.

### 9. Corporate Sponsorships

University Policy [1.12 Advertising and Commercial Activity](#) governs the acceptance and valuation of corporate sponsorships and is outside the scope of this Procedure.

## 10. Grants

Grants are not Gifts and therefore do not receive Tax Receipts. The University will value Grants for research and non-research purposes in accordance with the campaign counting guidelines.

## 11. Deferred Gifts (Revocable or Irrevocable)

The University will value and receipt deferred Gifts such as life insurance policies, residual interests, charitable remainder trusts, charitable gift annuities, retirement benefits, and other deferred Gift vehicles using CRA formulas as they may change from time to time. An irrevocable deferred gift is receipted at time of realization and its value is determined in accordance with the campaign counting guidelines.

a) Realized Bequests

The University will issue a Tax Receipt for a bequest when it is received by the University.

b) Realized Retirement Plan Assets

All Gifts of retirement plan assets realized will be issued a Tax Receipt at full face value once received.

c) Life Insurance Beneficiary

Proceeds from life insurance where the University is listed as the beneficiary are deemed a Gift from the estate and the estate will receive a Tax Receipt based on the value received by the University when realized.

d) Life Insurance Ownership

For irrevocable life insurance policies in the University's name, Tax Receipts will be provided for:

(1) the fair market value of the policy being gifted, and

(2) the cash value of any future premiums the donor continues to pay.

Paid-up life insurance policies will be valued at the cash surrender value and receipted when the University becomes owner of the policy.

A life insurance policy that is not fully paid up, will be valued at the existing cash surrender value and receipted when the policy becomes fully-paid.

Where premiums will continue to be paid by the donor, the University will enter into an agreement that will specify the amount and payment schedule for premium payments. Premium payments will be valued and receipted once proof of payment is received from the insurance company.

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Where a life insurance policy has been abandoned (i.e. the donor has stated an intent to stop premium payments or payments have not been made for 6 or more months), the University reserves the right to cash in the policy. Cashing in policies must be discussed and in collaboration with the Associate Vice-President (Financial Services).

e) Charitable Gift Annuities

A charitable gift annuity is an arrangement under which a donor transfers capital to the University in exchange for immediate guaranteed payments for life at a specified rate depending on life expectancy or for a fixed term.

It is not the practice of the University to manage gift annuities, but rather to purchase reinsured gift annuities from life insurance companies.

If an irrevocable gift annuity is made, a portion of the contribution amount will become an immediate Gift to the University and a Tax Receipt will be issued. The Gift portion is determined by the donor and the University and must be a minimum of 20% of the value of the annuity. The remaining amount will be used by the University to purchase an annuity from a life insurance company.

Entering into a gift annuity must be discussed and in collaboration with the Associate Vice-President (Financial Services).

f) Charitable Remainder Trusts

A trust protects assets and ensures that a designated beneficiary will receive those assets upon death. A charitable remainder trust can name the University as an irrevocable beneficiary.

The University can serve as trustee of charitable remainder trusts at the request of the donor. When the University is involved in the creation of the trust (or when the University serves as trustee), the trust must have wording that makes the assignment to the University irrevocable for the University.

The University will issue a Tax Receipt for the discounted present value of assets transferred to the charitable remainder trust when gifted and will not wait until the time of death.

## 12. Fund Raising Events

All funds collected and receipted or acknowledged must be under the University's control. The University must retain control over spending funds raised.

All fund raising events must conform with University Policy [2.2 Fundraising and Canvassing](#).

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The University will not issue Tax Receipts or Business Receipts to individuals for funds raised at events that have not been pre-approved by University Advancement. The University may accept the proceeds of these events and issue a Business Receipt to the event organizers to acknowledge receipt of the funds.

The difference in value between the amount paid by the donor/participant to attend the event and the advantage to the donor/participant of attending the event may qualify for a Tax Receipt. CRA requires that the value of any advantage received must not exceed 80% of the value of the Gift to qualify as a Gift and be issued a Tax Receipt.

The Department of Advancement Operations in University Advancement will confirm whether event participants will qualify for Tax Receipts or Business Receipts and will determine the eligible amount to receipt.

When Advancement Operations cannot confirm an amount eligible to receipt, the University will not issue a Tax Receipt or Business Receipt.

Event organizers cannot promise receipts to event participants in advance of seeking confirmation from Advancement Operations.

Organizations and individuals outside of the University cannot use the University's bank accounts for event logistics. For greater specificity, event expenditures for third party or internal groups cannot run through the University's general ledger.

The University will not submit applications for lottery licenses to municipalities using its charitable status.

### **13. Crowd Funding**

The University can receive and provide receipts for the following types of crowdfunding:

- i. Crowdfunding on an independent platform which directs the funds directly to the University; or
- ii. University managed crowdfunding on a University-controlled crowdfunding platform.

The following are not considered Gifts from crowdfunding:

- iii. Professors crowdfunding on an independent platform, and funds accepted by and designated to the professor; or
- iv. Students crowdfunding on an independent platform, and funds go directly to the students or a student organization; or

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- v. University member crowdfunding on an independent platform, and funds go directly to said University member.

The University will value all funds received from crowdfunding on the date the University receives and is in control of the funds.

The University will not issue a Tax Receipt or Business Receipt if the specific source of the Gift cannot be identified, and the Gift will be considered to have been received from an anonymous individual.

The University cannot accept funds from crowdfunding that does not direct the funds to the University or requires the funds be directed to a specific individual.

### **14. Unrestricted Gifts**

All unrestricted Gifts or Gifts restricted for highest priority needs, including unrestricted bequests, are allocated at the discretion of the President, based on an annual summation of unrestricted Gifts received in the prior fiscal year. Allocation decisions are made in June following fiscal year end.

When a Gift is for the highest priority needs of a faculty, the Gifts are allocated at the discretion of the Dean, in partnership with Institutional Planning & Budgeting.

### **15. International Gifts**

Donors from outside of Canada may wish to support the University. Gifts must still conform to University policies and procedures and, where applicable, federal and provincial law.

University Advancement will best determine the source of the receipt, its value and currency (i.e. through Chapel & York Family of Foundations)

### **16. Return of Gifts**

Requests to return a Gift to the donor will comply with the Income Tax Act and related CRA requirements. In most instances, a Gift cannot be returned.