

## POLICY 2.1 – Gift Acceptance

Policy Category:	Financial
Subject:	Gift Acceptance
Subsections:	Purpose, Definitions, Principles, Authorization and Documentation, Compliance, Restriction on Gifts, Minimum Endowment Amounts, Corporate Sponsorships, Grants, Donor Conflicts of Interest, Declining a Gift, Receipts, Gift Valuation, Responsibility to Donors
Approving Authority:	Board of Governors
Responsible Officer:	Vice-President (University Advancement)
Responsible Office:	University Advancement
Related Procedures:	<a href="#">Procedures for Policy MAPP 2.1 - Gift Acceptance</a>
Related University Policies:	<a href="#">1.12 Advertising and Commercial Activity</a> <a href="#">1.44 Naming Policy</a> <a href="#">1.49 Contract Management and Signing Authority</a> <a href="#">1.57 McIntosh Gallery Collections Policy</a> <a href="#">1.9 Naming of Campus Buildings, Physical Structures and Space</a> <a href="#">2.2 Fund Raising and Canvassing</a> <a href="#">2.10 Student Scholarships, Awards and Prizes</a> <a href="#">2.11 Investment Payout</a> <a href="#">2.20 Donation of Funds by Employees for the Acquisition of Equipment in support of Employment Responsibilities</a> <a href="#">2.22 Funding of Academic Chairs, Professorships and Designated Faculty Fellowships</a> <a href="#">2.29 Investigator-Vendor Conflict of Interest</a> <a href="#">3.4 Conflicts of Interest</a> <a href="#">7.0 Responsible Conduct of Research</a> <a href="#">7.1 Sundry Donations for Research</a> <a href="#">7.8 Signing Authorities for Research Grants, Contracts and Agreements</a>
Effective Date:	February 6, 2025
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## **I. PURPOSE**

The purpose of this Policy is to guide the University community on matters of Gift acceptance and valuation. This Policy applies to:

- (i) all Gift acceptance conducted by the University, including every unit of the University or by any person authorized by or representing the University; and
- (ii) all Gifts to the University, whether or not a donor is eligible for or seeking an official Tax Receipt or Business Receipt.

## **II. DEFINITIONS**

**Board:** The Board of Governors of the University.

**Business Receipt:** A form of receipt from the University acknowledging acceptance or receipt of items that are not eligible for a Tax Receipt. Business Receipts are clearly distinguished from the Tax Receipts issued to acknowledge a Gift.

**Endowed Gift:** A type of Gift where the University, as trustee, receives money or property from the donor to hold and invest in perpetuity in order to generate income and an allocation for spending for use in support of a purpose or object of the endowment. An Endowed Gift may be governed by terms in a donation agreement, last will and testament, or trust deed.

**Expendable Gift:** A Gift that is fully available for expenditure by the University over time.

**FRDRC:** The Fundraising and Donor Relations Committee of the Board.

**Gift:** A Gift, under common law, is a voluntary transfer of property at arms-length without any consideration or expectation of return or compensation. A Gift may or may not be eligible for a Tax Receipt. When the University receives a Gift, it will deem whether it is eligible for a Tax Receipt.

**Grant:** A contribution of financial assistance awarded to the University based on specific criteria in an application, award, agreement or contract. Typically, from corporations and foundations, the grantor places controls on the use of the funding such that it does not meet the definition of a Gift.

The following factors are normally indicative of a Grant:

- A formal external, competitive application form or process that requires the submission of a detailed proposal

outlining the project, its objectives, budget and expected outcomes.

- The grantor has control of the use of funding which may include permission to change the budgeted use of funds and/or requiring that unused funding be returned at the completion of the project. This is often outlined in the letter/contract accompanying notification of a successful application.
- Frequently includes direction on standard eligible and ineligible expenses (e.g. grantor driven overhead or the inclusion of indirect costs).
- May include a transfer of intellectual property to the grantor.
- Reporting (e.g. financial) may be required and may include commitments to the grantor.
- No Tax Receipt is issued to a Grantor.

**Restricted Gift:** A Gift whose use is restricted by the donor.

**Tax Receipt:** An official donation receipt for tax purposes as per the Canadian Revenue Agency. A Tax Receipt may be provided by the University for Gifts and is subject to particular requirements under the Income Tax Regulations, including identification that it is an official receipt for income tax purposes.

**University:** The University of Western Ontario operating as Western University.

**Unrestricted Gift:** A Gift that may be used for any legal purpose as determined by the University.

### **III. POLICY**

#### **1.00 PRINCIPLES**

All Gift acceptance shall be conducted in accordance with the following principles:

- (i) Gifts must not jeopardize the University's registered charitable status.
- (ii) The University values and will protect its integrity, autonomy, reputation, and academic freedom. It does not accept Gifts when acceptance would compromise these fundamental values.
- (iii) The University will not accept Gifts, enter into business relationships or accept external support that will knowingly compromise its public image or commitment to its academic mission and the University's essential values, as

articulated in its strategic documents. This includes University values around Indigeneity, equity, diversity, inclusion, accessibility and anti-racism.

- (iv) Gifts must be provided solely to benefit the University without the express or implied expectation that the donor will receive anything more than recognition as a result of such support. This means that:
- all Gifts must be made independent of all appointment, scholarship, and employment decisions;
  - all Gifts must be made independent of student admission and curriculum decisions;
  - all Gifts must be made independent of decisions about the procurement of goods and services; and
  - all Gifts must be made independent of any ownership or rights to any outcomes of the donation (i.e. research results).
- (v) The University will not accept Gifts that expose the University to unacceptable risk or liability. This means that:
- Gifts should not be difficult or costly to administer or hold;
  - Gifts may not be funded through illegal or unethical activities; and
  - the legal or moral authority of the transferor to convey the Gift should not be in question.

## **2.00 AUTHORIZATION & DOCUMENTATION**

The Division of University Advancement, under the direction of the Vice-President (University Advancement), has the authority and responsibility to develop operational guidelines and procedures to support the Gift acceptance and valuation process, in compliance with this Policy. The Vice-President (University Advancement) is responsible for ensuring that the University Gift acceptance and valuation process is compliant with this Policy.

### **2.1 Agreements**

Subject to Section 2.2, University Advancement and other units or individuals designated by the Vice-President (University Advancement), in writing, are authorized by the Board to review, negotiate and approve Gifts and finalize agreements with prospective donors. All Gifts will be authorized by the Vice-President (University Advancement) or their designate.

All agreements, including documentation relating to the administration of estates, will be signed by the Vice-President (University Advancement) or designate as per University Policy [1.49 Contract Management and Signing Authority](#).

### **2.2 Special Approvals**

In rare circumstances, donors may make Gifts to the University that have aspects or characteristics that do not conform with other current University policies. These Gifts will be reviewed and are subject to

approval by the President on a case-by-case basis and will be subject to the approval of the committee or governing body responsible for oversight and approval of the areas of non-conformity. In approving these Gifts, consideration will be given to the opinion of FRDRC, the size of the Gift, its impact on the University including on its reputation and the financial liability (if any) to the University. Case-by-case decisions will not be considered as setting precedent for the next occasion.

Despite the foregoing, any Gifts entailing potential material financial liability, reputational or ethical concerns, or placing unusual conditions on the University must be referred directly to the Board for approval.

The following Gifts, whether outright or deferred, must be reviewed and approved by both the Vice-President (University Advancement) and the Vice-President (Operations and Finance): Gifts of real estate, shares in privately-owned companies, and property interests not readily negotiable or valued.

### **3.00 COMPLIANCE**

The University must comply with all applicable federal and provincial legislation. As a registered charity, the University shall comply with the Income Tax Act and CRA guidelines, including those addressing receipting and valuation of Gifts.

Where a disparity between this Policy and federal and provincial laws occurs, federal and provincial laws will prevail.

The University must comply with all related University policies and procedures when accepting Gifts and conducting fundraising activities, unless special approval is granted under Section 2.2.

### **4.00 RESTRICTIONS ON GIFTS**

The University solicits and accepts Gifts for priorities that are approved in accordance with established procedures for University planning and University initiatives.

Donors may choose to have their Gift restricted to a specific faculty/department or project. The restrictions on use of the Gift may affect whether it can be expended or endowed.

A Restricted Gift may be declined as a result of restrictions placed on the Gift, including but not limited to terms that make the award of a scholarship unlikely or a requested investment of the endowment contrary to University investment policies as they may exist from time to time.

## 5.00 MINIMUM ENDOWMENT AMOUNTS

Generally, the University will only accept Endowed Gifts in accordance with minimum endowment amounts as may be established by the University from time to time to ensure an appropriate level of annual support for the intended purpose.

## 6.00 CORPORATE SPONSORSHIPS

University Policy [1.12 Advertising and Commercial Activity](#) governs the acceptance of corporate sponsorships.

## 7.00 GRANTS

Grants can be for research or non-research purposes. University Policy [7.0 Responsible Conduct of Research](#) and [7.8 Signing Authorities for Research Grants, Contracts and Agreements](#) governs the definition and acceptance of research Grants.

If a Grant is for non-research purposes, such Grant shall be valued in accordance with the practices established by University Advancement from time to time and until such time as a policy is established by the Board on the acceptance and valuation of non-research related Grants.

## 8.00 DONOR CONFLICTS OF INTEREST

A donor conflict of interest arises where the donor has or could be seen to have the opportunity to use the Gift, or influence derived from the Gift, to improperly benefit themselves or another person, or where the Gift could result in undue donor influence or control of University spending.

A donor will not have (and shall disclose) any conflict or potential conflict of interest between the donor and the University at the time the Gift is made. Failure by the donor to disclose any conflict, or potential conflict, of interest may result in the termination of any agreement at the discretion of the University.

Where a University employee wishes to make a gift specific to equipment in their employment area, the conditions in [Policy 2.20](#) must first be satisfied.

## 9.00 DECLINING A GIFT

The University's solicitation and acceptance of Gifts is informed by and consistent with priorities and interests established by the University.

While the University invites Gifts, it reserves the right to refuse Gifts that require conditions, restrictions or expenditures that the University deems unacceptable.

Notwithstanding any other provision of this Policy, the Board and its delegates may decline a Gift in any circumstance if it is not in accordance with the principles of this Policy.

### 10.00 RECEIPTS

Only the Division of University Advancement may issue Tax Receipts or Business Receipts on behalf of the University. The issuance of receipts in Canadian currency is done in compliance with the requirements of the Income Tax Act.

### 11.00 GIFT VALUATION

The valuation of Gifts shall be determined in accordance with the Procedures to this Policy.

### 12.00 RESPONSIBILITY TO DONORS

The University is committed to the highest standards of donor stewardship and accountability. This includes appropriate acknowledgement and recognition for Gifts. Where formal reports are supplied to donors, these reports will conform to University policies.

#### 12.1 Conflict of Interest

Conflicts of interest are relevant for all types of Gifts, whether receipted or not.

The University is committed to managing actual or perceived conflicts of interest in its acceptance of Gifts in accordance with the University Policy [3.4 Conflicts of Interest](#). In cases of potential conflict of interest, those acting on behalf of the University, including staff, volunteers and other representatives, must declare any known conflict and allow an impartial individual to act for the University.

For example, a conflict of interest is deemed to occur when individuals who present themselves as representatives of the University attempt to sell their own product or services to the donor. However, if the individuals present themselves as representatives of an outside firm and part of their financial counselling involves arranging deferred Gifts for the University, no conflict would exist.

#### 12.2 Legal and Other Professional Counsel

The University does not provide any legal, accounting, tax, or financial advice to donors with respect to Gifts to the University.

Professional staff or members of the Board shall, where appropriate, encourage the donor to discuss proposed Gifts with an independent financial planner, legal adviser and/or tax adviser of the donor's choice and at the donor's expense, to ensure that the donor receives a full and accurate explanation of all aspects of the proposed Gift. In some cases, the University may decline a Gift if the donor has not obtained independent advice.

The University cannot suggest or endorse a third party as a source of Gift advice.

When deemed necessary, donors will be asked to provide the University with an acknowledgement that independent professional advice has been obtained or that independent professional advice has been waived though recommended by the University, and the University is released from any liability that may arise in relation to the making of the Gift.

As a service to the donor, the University's legal counsel may draft the agreement or other legal documents providing for a Gift to the University or assist the donor's legal counsel in drafting such documents. In these cases, the University will accept the responsibility for the fees incurred by its own legal counsel. If a potential conflict of interest exists, the University's legal counsel shall declare such conflict to the donor before proceeding.

In the case of instruments drafted solely by the donor's lawyer, legal counsel for the University may review and recommend revisions to such documents before they are considered for acceptance by the University.

### 12.3 **Ethics**

All staff, volunteers, members of the Board, and representatives acting on behalf of the University will conduct themselves in accordance with accepted professional standards of accuracy, truth, and integrity.