

SIR SANDFORD FLEMING COLLEGE POLICY MANUAL

Policy # 8-801	Gift Acceptance	
Classification:	Section 8 – Advancement and Alumni Relations	
Approved by:	Board of Governors	Date: June 27, 2012 (BoG June27-2012 #10)
Replaces:	NEW	
Next Policy Review:	June 2017	Responsibility: Board Advancement Committee

Fleming College welcomes gifts of support from individual donors, businesses, clubs, associations and foundations which enable the organization to further its vision and mission.

Purpose / Scope

This policy is intended to:

- provide discipline for the organization’s fundraising program
- define the types of assets that are acceptable
- establish the gift forms that are acceptable
- ensure gifts made to the organization are in accordance with legal and ethical regulations and guidelines
- promote consistent practices in exercising fiduciary responsibilities
- define the organization’s role in gift administration
- provide guidance for Board decision-making
- educates staff and the board about critical issues triggered by certain gifts
- foster consistent, equitable relations with donors

Definitions

Gifts of Cash: Gifts that are cash or cash equivalents (i.e. cheque, money order, bank draft).

In-Kind Gift: Defined by Canada Revenue Agency as a gift of property other than cash – in particular capital property, depreciable property and personal-use property. It also includes a residual interest, a right of any kind, a licence, a share, and inventory of a business. In-kind gifts may also include equipment, supplies, furniture, books, art, and more. It does not include a gift of services.

Third-party Fundraising Events: Funds that are secured through a third party hosting an event and in turn donating the net proceeds from the event to the organization.

Bequests: A gift of personal property owned by a decedent at the time of death which is directed by the provisions of the decedent's will; a legacy.

Gift of Life Insurance: To make a gift of an existing life insurance policy, the donor irrevocably transfers ownership of the policy to the charity, and the charity is named as the beneficiary. Or a donor may purchase a life insurance policy and name the charity as the beneficiary.

Charitable Gift Annuities: With a charitable gift annuity, the donor transfers cash or property to the charity in exchange for a partial tax deduction and a lifetime stream of annual income from the charity. When the donor dies, the charity keeps the gift.

Gifts of Charitable Remainder Trust: With a charitable remainder trust, the donor assigns ownership of a substantial asset to the charitable organization, but retains income from it during their lifetime. A donation receipt is issued at the time of the gift for the present value of the future gift (the remainder or residue) based on its current value and the donor’s life expectancy using the standard mortality tables.

Publicly Traded Securities: A gift of mutual funds or appreciated securities of publicly traded companies listed on a stock exchange allows a donor to claim a tax credit and to avoid any capital gains on the stock. Public securities consist of any security (share, bond, unit, etc.) traded freely on a stock market or other mechanism operated by mutual fund companies or members of the Investment Dealers Association.

De-naming: The process of removing a naming that was bestowed to recognize a donor's generosity.

Designated Gifts: Gifts, provided to the College, where the donor has provided specific direction on how the gift may be used.

Endowment: An endowment is created through a financial contribution whose capital is invested and preserved in order to create a revenue stream from the interest earned.

Expendable Gifts (Flow Through Gifts): A gift provided where the donor indicates that the funds are to be used immediately to support programs or initiatives within the organization.

Naming: The practice of assigning a name to a designated building, space, program, endowed fund, bursary/award, etc. to recognize a donor's generosity.

Pledged Gift: Gifts provided to the College that are to be fulfilled over a number of years (usually over a 3 to 5 year pledge period).

Restricted Gifts: Gifts provided to the College where the donor has indicated a specified limited gift designation (i.e. a donor provides a gift that is to purchase capital equipment for a specific program at a specific campus).

Retained Gifts: Gifts or bequests given to the College, to be held in perpetuity for the income earned, as part of an endowment fund.

Undesignated Gifts: Gifts provided to the College where the donor has not specified where in the College their support is to be directed.

Policy Statement

The policy applies equally to the acceptance and disposition of all gifts made to Fleming College.

Operating Procedure

Gifts Accepted: Gifts that are accepted by the College will be acknowledged, receipted, recognized and stewarded through the Advancement & Alumni Relations Office. Official tax receipts are issued for all charitable gifts received by the College in compliance with the requirements of the Income Tax Act, and in accordance with procedures established by the College. Fleming College is a registered charity under Canada Revenue Agency (Charitable Registration Number 10798 2845 RR0001). Gifts provided must be consistent with the overall mission and strategic intent of the College and must not compromise the college's integrity or improperly benefit any individual or organization. The College may, in its discretion, refuse a gift on these grounds.

The College encourages donors to work with professional advisors in making their gifts. Similarly, the College reserves the right to have donations reviewed by legal counsel before they are accepted.

The following methods of giving are welcomed:

- a) Outright gifts of cash, cheques, money order, bank draft or by credit card.
- b) In-kind gifts.
- c) Funds secured through third-party fundraising events.
- d) Bequests.
- e) Gifts of life insurance.
- f) Charitable gift annuities.
- g) Gifts of charitable remainder trusts.
- h) Gifts of publicly-traded securities.

Related Costs: Gift-related costs such as legal fees, appraisals, real estate commissions and taxes relating to acceptance, maintenance, management or re-sale of a gift of property will normally be the responsibility of the donor unless the College, upon prior agreement, agrees to assume responsibility for any portions of these items.

Gift Limitations: A donor providing a gift that is made with conditions that are not in the best interests of the College or that proves to be administratively difficult may be asked by the Chief Advancement Officer to revise the terms of the gift. If the donor and the College cannot mutually agree upon the terms of the gift the gift may be declined.

The College will not accept gifts that include conditions that:

- a) Exclude or discriminate against a group or class, unless such exclusion or discrimination is permitted by law.
- b) Allow the donor to select specific individual recipients.
- c) Impinge upon the academic freedom of the College.

Gift Negotiation: Gift negotiation and the creation and execution of gift agreements are the responsibility of the Chief Advancement Officer and his/her designate(s). All individuals exercising this responsibility must ensure due diligence prior to proceeding with a gift that:

- a) Is precedent-setting.
- b) Involves sensitive issues.
- c) Could expose the College to potentially significant liability.

On rare occasions funds secured for projects or initiatives are insufficient for the project or initiative to proceed. In this case, donors will be contacted and provided with the opportunity to redirect their gifts to a similar project or initiative and/or suspend future pledged payments.

Designated gifts will be used for the purpose indicated by the donor ensuring that the gift is consistent with the College's vision and mission.

Undesignated gifts will be used at the College's discretion to further projects and initiatives that will advance the organization's vision and mission.

Acceptance of Gifts: The Chief Advancement Officer is authorized to approve gifts/pledges and gift designations in the amount of \$250,000 or below. For all gifts/pledges in excess of \$250,000, the Chief Advancement Officer will review and make a recommendation to be reviewed by the President of the College and the appropriate Board Committee/s. The President is authorized to approve gifts/pledges and gift designations in the amount of \$250,000 and up to \$1,000,000. All gifts/pledges in excess of \$1,000,000 will be reviewed by the President and submitted for approval of the Board of Governors through its Executive Committee.

Fleming College makes every effort to seek and receive support from individuals and organizations whose values and objectives are compatible with those of the College. In instances where this may

not be the case, the Chief Advancement Officer will apprise the President of the concern and make a recommendation to the President relative to how and whether the College should proceed. The President may choose to consult with appropriate Board Committees to receive their input or he/she may conclude there is enough concern present to decline the donor's support.

In the case of gifts/pledges whose alignment with the vision, mission and values of the organization may be questionable, the Chief Advancement Officer reviews the gift/pledge and makes a recommendation to the President relative to how the organization should proceed. The President may choose to consult with appropriate Board Committees should further discussion be required to determine the acceptability of receiving the gift or he/she may feel there is enough concern present to warrant declining the gift.

Donor Recognition: Fleming College is committed to ensuring that all donors receive appropriate and meaningful recognition and stewardship for any gift made to the College. Initiatives developed for recognition and stewardship purposes will ensure that donors are thanked in a timely and appropriate manner. Where appropriate, and upon consent of the donor, public recognition will be afforded to acknowledge donor generosity and demonstrate philanthropic support for the College.

Related Documents

- *Naming of College Features and Resources*, Policy #1-106
- *College and Community Recognition and Awards*, Policy #1-105
- *Donor Recognition*, Policy #8-802 (to be developed)
- *Unsolicited Financial Gifts*, Policy #4-415
- *Receipting Cash and Gifts In-Kind as Charitable Donations*, Policy #4-416
- *Endowment Policy*, Policy #4-421
- *Liquidation of Donated Publicly Traded Securities*, Policy #4-222
- *Comprehensive Investment Policy Statement*, Policy #4-419A
- *Ministry Endowed Investment Policy Statement*, Policy #4-419D

Appendices

Appendix A: Association of Fundraising Professionals *Code of Ethical Principles and Standards*
Appendix B: Association of Fundraising Professionals *Donor Bill of Rights*

Monitoring of Operating Procedure

Next Review: *June 2015*

Responsibility of: *Chief Advancement Officer*

Procedure Review Summary:

Appendix A

AFP Code of Ethical Principles and Standards



ETHICAL PRINCIPLES • Adopted 1964; amended Sept. 2007

The Association of Fundraising Professionals (AFP) exists to foster the development and growth of fundraising professionals and the profession, to promote high ethical behavior in the fundraising profession and to preserve and enhance philanthropy and volunteerism. Members of AFP are motivated by an inner drive to improve the quality of life through the causes they serve. They serve the ideal of philanthropy, are committed to the preservation and enhancement of volunteerism; and hold stewardship of these concepts as the overriding direction of their professional life. They recognize their responsibility to ensure that needed resources are vigorously and ethically sought and that the intent of the donor is honestly fulfilled. To these ends, AFP members, both individual and business, embrace certain values that they strive to uphold in performing their responsibilities for generating philanthropic support. AFP business members strive to promote and protect the work and mission of their client organizations.

AFP members both individual and business aspire to:

- practice their profession with integrity, honesty, truthfulness and adherence to the absolute obligation to safeguard the public trust
- act according to the highest goals and visions of their organizations, professions, clients and consciences
- put philanthropic mission above personal gain;
- inspire others through their own sense of dedication and high purpose
- improve their professional knowledge and skills, so that their performance will better serve others
- demonstrate concern for the interests and well-being of individuals affected by their actions
- value the privacy, freedom of choice and interests of all those affected by their actions
- foster cultural diversity and pluralistic values and treat all people with dignity and respect
- affirm, through personal giving, a commitment to philanthropy and its role in society
- adhere to the spirit as well as the letter of all applicable laws and regulations
- advocate within their organizations adherence to all applicable laws and regulations
- avoid even the appearance of any criminal offense or professional misconduct
- bring credit to the fundraising profession by their public demeanor
- encourage colleagues to embrace and practice these ethical principles and standards
- be aware of the codes of ethics promulgated by other professional organizations that serve philanthropy

ETHICAL STANDARDS

Furthermore, while striving to act according to the above values, AFP members, both individual and business, agree to abide (and to ensure, to the best of their ability, that all members of their staff abide) by the AFP standards. Violation of the standards may subject the member to disciplinary sanctions, including expulsion, as provided in the AFP Ethics Enforcement Procedures.

MEMBER OBLIGATIONS

1. Members shall not engage in activities that harm the members' organizations, clients or profession.
2. Members shall not engage in activities that conflict with their fiduciary, ethical and legal obligations to their organizations, clients or profession.
3. Members shall effectively disclose all potential and actual conflicts of interest; such disclosure does not preclude or imply ethical impropriety.
4. Members shall not exploit any relationship with a donor, prospect, volunteer, client or employee for the benefit of the members or the members' organizations.
5. Members shall comply with all applicable local, state, provincial and federal civil and criminal laws.
6. Members recognize their individual boundaries of competence and are forthcoming and truthful about their professional experience and qualifications and will represent their achievements accurately and without exaggeration.
7. Members shall present and supply products and/or services honestly and without misrepresentation and will clearly identify the details of those products, such as availability of the products and/or services and other factors that may affect the suitability of the products and/or services for donors, clients or nonprofit organizations.
8. Members shall establish the nature and purpose of any contractual relationship at the outset and will be responsive and available to organizations and their employing organizations before, during and after any sale of materials and/or services. Members will comply with all fair and reasonable obligations created by the contract.

9. Members shall refrain from knowingly infringing the intellectual property rights of other parties at all times. Members shall address and rectify any inadvertent infringement that may occur.
10. Members shall protect the confidentiality of all privileged information relating to the provider/client relationships.
11. Members shall refrain from any activity designed to disparage competitors untruthfully.

SOLICITATION AND USE OF PHILANTHROPIC FUNDS

12. Members shall take care to ensure that all solicitation and communication materials are accurate and correctly reflect their organizations' mission and use of solicited funds.
13. Members shall take care to ensure that donors receive informed, accurate and ethical advice about the value and tax implications of contributions.
14. Members shall take care to ensure that contributions are used in accordance with donors' intentions.
15. Members shall take care to ensure proper stewardship of all revenue sources, including timely reports on the use and management of such funds.
16. Members shall obtain explicit consent by donors before altering the conditions of financial transactions.

PRESENTATION OF INFORMATION

17. Members shall not disclose privileged or confidential information to unauthorized parties.
18. Members shall adhere to the principle that all donor and prospect information created by, or on behalf of, an organization or a client is the property of that organization or client and shall not be transferred or utilized except on behalf of that organization or client.
19. Members shall give donors and clients the opportunity to have their names removed from lists that are sold to, rented to or exchanged with other organizations.
20. Members shall, when stating fundraising results, use accurate and consistent accounting methods that conform to the appropriate guidelines adopted by the American Institute of Certified Public Accountants (AICPA)* for the type of organization involved. (* In countries outside of the United States, comparable authority should be utilized.)

COMPENSATION AND CONTRACTS

21. Members shall not accept compensation or enter into a contract that is based on a percentage of contributions; nor shall members accept finder's fees or contingent fees. Business members must refrain from receiving compensation from third parties derived from products or services for a client without disclosing that third-party compensation to the client (for example, volume rebates from vendors to business members).
22. Members may accept performance-based compensation, such as bonuses, provided such bonuses are in accord with prevailing practices within the members' own organizations and are not based on a percentage of contributions.
23. Members shall neither offer nor accept payments or special considerations for the purpose of influencing the selection of products or services.
24. Members shall not pay finder's fees, commissions or percentage compensation based on contributions, and shall take care to discourage their organizations from making such payments.
25. Any member receiving funds on behalf of a donor or client must meet the legal requirements for the disbursement of those funds. Any interest or income earned on the funds should be fully disclosed.

Appendix B

A Donor Bill of Rights

PHILANTHROPY is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To ensure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the not-for-profit organizations and causes they are asked to support, we declare that all donors have these rights:

I.

To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.

II.

To be informed of the identity of those serving on the organization's governing board, and to expect the board to exercise prudent judgement in its stewardship responsibilities.

III.

To have access to the organization's most recent financial statements.

IV.

To be assured their gifts will be used for the purposes for which they were given.

V.

To receive appropriate acknowledgement and recognition.

VI.

To be assured that information about their donations is handled with respect and with confidentiality to the extent provided by law.

VII.

To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.

VIII.

To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.

IX.

To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.

X.

To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.

DEVELOPED BY

Association of Fundraising Professionals (AFP)
Association for Healthcare Philanthropy (AHP)
Council for Advancement and Support of Education (CASE)
Giving Institute: Leading Consultants to Non-Profits

ENDORSED BY

(in formation)
Independent Sector
National Catholic Development Conference (NCDC)
National Committee on Planned Giving (NCPG)
Council for Resource Development (CRD)
United Way of America