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## Donation Acceptance Procedure

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**Policy Sponsor:** Vice-President Advancement

**Name of Parent Policy:** [Donation Acceptance Policy](#)

**Policy Contact:** Chief Development Officer

**Procedure Contact:** Manager, Development Services

**Effective Date of Procedures:** October 16, 2014

**Review Date:** To be reviewed biennially

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### Purpose

The donation acceptance procedures ensure compliance with legal requirements under Canada Revenue Agency laws and regulations, protect the reputation of Athabasca University regarding acceptance and use of donations and ensure that the donors' interests are respected and stewarded.

### Definitions

<b>Designated Donation</b>	A donation for which the donor has specified where the support is to be directed (e.g., to a particular faculty or centre or for a particular purpose). Also referred to as a <i>restricted donation</i> .
<b>Donation</b>	A voluntary transfer of property of value for which the donor expects and receives nothing in return. The term <i>gift</i> may be used interchangeably with <i>donation</i> .
<b>Endowment</b>	A designated or restricted donation, the capital value of which is preserved and invested, and the income from which investment supports a specified purpose.
<b>Fair Market Value</b>	The price for which an item would be sold by a willing buyer to a willing seller in an arms-length transaction in an open market, each party having full knowledge of the facts.



<b>Gift-In-Kind</b>	Donated tangible and intangible property, including real property, notes, mortgages, limited partnership interests, royalty or copyright interests, art, books, ephemera, equipment, automobiles, inventory, personal property, software, securities, and other physical assets or materials of value. Also referred to as a <i>donation-in-kind</i> .
<b>Official Donation Receipt</b>	A receipt, meeting all federal and provincial legal requirements for such a document, issued by AU to a donor for income tax purposes.
<b>Securities</b>	Liquid, publicly traded investment instruments that represent financial value, such as stocks, bonds, debt securities, funds, options, futures contracts or other derivatives.
<b>Stewardship</b>	Careful and responsible management of a donation, including reporting back to a donor on the impact of a donation and the outcomes resulting from a donation.
<b>Undesignated Donation</b>	A donation for which the donor has not specified where the support is to be directed. Also referred to as an <i>unrestricted donation</i> .

## **Procedures**

### **Responsibilities**

1. The Institutional Advancement Committee is a standing committee of the Board of Governors of Athabasca University and is responsible for governance and policies related to institutional advancement as stated in its terms of reference, which are available at [http://www.athabascau.ca/presoff/augc\\_new/bylaws/institutionaladv.htm](http://www.athabascau.ca/presoff/augc_new/bylaws/institutionaladv.htm).
2. The Vice-President Advancement or his or her designate will
  - 2.1 Ensure that all solicitations are conducted in accordance with this policy
  - 2.2 Ensure compliance with the acceptance criteria as outlined below
  - 2.3 Ensure consultation with the receiving AU unit or program before a designated donation is accepted
  - 2.4 Refuse donations for any appropriate reason
  - 2.5 Receive and archive the valuations for gifts-in-kind and issue official tax receipts for all donations
  - 2.6 Issue pledge reminders to donors, according to records in the Raiser's Edge database



3. The Vice-President Finance and Administration or his or her designate will
  - 3.1 Administer endowments
  - 3.2 Maintain an official record of donations and account for donations in accordance with Generally Accepted Accounting Principles
4. The deans, directors and managers of the faculties, centres, departments, programs or projects which are the ultimate recipients of a donation will
  - 4.1 Expend donated monies appropriately and for the purpose intended
  - 4.2 Maintain confidentiality of the donor, if required
  - 4.3 When requested, provide the Development Unit of the Advancement Office with timely, complete and relevant information regarding progress and status of the supported initiative to facilitate reporting to the donor

### **Acceptance Criteria for Donations**

5. Before planning to solicit or accept a donation, the person making the solicitation or negotiating the donation will consult with the Vice-President Advancement or his or her designate to ensure due diligence prior to making a decision with respect to a donation that
  - 5.1 May expose AU to uncertain and potentially significant liability and/or risk, compromising AU's reputation, future fundraising ability and ability to fulfil its mission
  - 5.2 May set a precedent or involve sensitive issues
  - 5.3 May derive from illegal or unethical activities
  - 5.4 Involves a proposal to name in recognition of a donation
  - 5.5 Because of its nature, raises questions with respect to its appropriateness
6. A designated donation will not be accepted until the Vice-President Advancement or his or her designate *and* the receiving faculty, centre or program review the potential impact of acceptance of the donation and agree to accept the donation.
7. The Vice-President Advancement may, in his or her sole discretion, decline a donation for any reason, including but not limited to the following:
  - 7.1 A condition is placed on the donation that the Vice-President Advancement or his or her designate determines to be administratively difficult, illegal, contrary to public policy or not in accordance with AU's mission and core values.



- 7.2 Fair market value cannot be determined.
  - 7.3 The donation is unmanageable or involves undue financial commitments or other obligations disproportionate to the usefulness of the donation.
  - 7.4 The donation has the potential to compromise AU's reputation, its future fundraising efforts or its ability to deliver on its mission.
8. AU may return a donation (or a portion thereof) and revoke all considerations contained in any related gift agreement when circumstances following the donation could potentially harm AU's reputation or its ability to raise funds or fulfil its mandate.
  9. Acceptance of a work of art as a gift-in-kind shall be in accordance with the [AU Art Collection Policy](#) if the work of art is to be retained by AU.
  10. Acceptance of books, manuscripts or other printed materials as a gift-in-kind shall be in accordance with the [AU Library Collections Development Policy](#) or the [AU Archives Policy](#) if the printed materials are to be retained by AU.

## **Donation Acknowledgment and Donor Recognition**

11. All AU transaction records related to donations must be kept for a minimum of seven years or the term of the gift agreement, whichever is greater.
12. The Development Unit of the Advancement Office will acknowledge all donations. To avoid duplication of effort and to ensure co-ordination of acknowledgment activities, an individual, department, faculty or unit wishing to acknowledge a donation must first contact the Manager, Development Services, in the Development Unit.
13. All donors will be recognized and thanked in a timely manner. The extent and type of recognition depends on the value of the donation and the donor's wishes and will be in accordance with the AU [Naming and Recognition Policy](#).

## **Gifts-in-Kind**

14. All gifts-in-kind must be approved by the dean, chair or director of the receiving faculty, department or unit or his or her designate.
15. When accepting a gift-in-kind that requires a tax receipt, valuation documents and other information as required must be sent to the Development Unit of the Advancement Office prior to the issuance of a tax receipt.
16. Appraisal, shipping and other related expenses in the transfer of a gift-in-kind are the responsibility of the donor unless otherwise approved by the receiving faculty, department or unit, which will then be responsible for such costs.



17. AU shall be responsible for ongoing maintenance costs or other expenses associated with a gift-in-kind once the gift has been accepted, unless otherwise arranged with the donor.
18. The valuation of any gift-in-kind for official receipting purposes shall be determined in accordance with the [Income Tax Act](#) and [CRA guidelines](#).

### **Official Donation Receipts**

19. After a donation has been accepted, received and valued (if required), the Development Unit of the Advancement Office shall issue, in a timely manner, an official donation (tax) receipt for any donations of \$10 or more.
20. Official donation receipts shall be issued in accordance with the [Income Tax Act](#) and [CRA guidelines](#).

### **Donation of Securities**

21. The Vice-President Advancement or his or her designate, in collaboration with Vice-President Finance and Administration or his or her designate will work to facilitate the transfer of securities to AU.
22. The Vice-President Advancement or his or her designate will alert the Vice-President Finance and Administration or his or her designate to the expected donation of securities and provide relevant details about the transaction, including the donor's name, the designation for the gift (if applicable) and any documentation pertaining to the donation.
23. The Vice-President Finance and Administration or his or her designate will liquidate the securities and, to facilitate the issuance of a charitable tax receipt, inform the Vice-President Advancement or his or her designate of the amount realized in the sale of the securities.
24. A donation of securities will be liquidated as soon as possible, except in extenuating circumstances as determined by the Vice-President Advancement in consultation with the Vice-President Finance and Administration and appropriate financial advisers.

### **Applicable Legislation and Regulations**

- [Freedom of Information and Protection of Privacy Act](#)
- [Income Tax Act \(Canada\)](#)
- [Post-Secondary Learning Act](#)

### **Related References, Policies, Procedures and Forms**

- [Donation Acceptance Policy](#)
- [Athabasca University Art Collection Policy](#)
- [Athabasca University Archives Policy](#)



- [Endowment Management Policy](#)
- [Investment Policy](#)
- [Athabasca University Library Collections Development Policy](#)
- [Naming and Recognition Policy](#)
- AFP Code of Ethical Principles and Standards  
(<http://www.afpnet.org/Ethics/EnforcementDetail.cfm?ItemNumber=3261>)
- Canada Revenue Agency guidelines (<http://www.cra-arc.gc.ca/chrts-gvng/chrts/prtnq/gftng-rcptng-eng.html>)

## **History**

The Governors of Athabasca University, October 16, 2014, Motion #193-04 (associated policy approved)