

2.6 - Charitable Gift Acceptance - Policy

Section: Finance
Subject: Charitable Gift Acceptance
Policy: 2.6
Approved: September 24, 2019

Purpose

Carlton Trail receives a variety of donations, such as cash gifts and/or gifts-in-kind. The College shall ensure that informed decisions are made upon their acceptance and that such gifts are received in accordance with the requirements of the Canada Revenue Agency, as well as the requirements of the College

Policy

The College is a registered Charity and an Agent of the Crown and on both counts is authorized to receive and issue receipts for donations

Scope

The policy includes all charitable gifts and donations including those for which a donation receipt is issued in accordance with Canada Revenue Agency guidelines.

Definitions

Gift: A gift is a voluntary transfer of property without consideration. A gift is made in any circumstance where all of the conditions listed below are satisfied:

- Some property is transferred by a donor to the College;
- The transfer is voluntary;
- The transfer is made without expectation of return. No consideration or benefit of any kind to the donor or to anyone designated by the donor, may result from the transfer.

Gift-in-Kind: A gift-in-kind, also known as a non-cash gift, is a gift of property, such as artwork, equipment, securities, and cultural and ecological property, which normally requires appraisal or fair market valuation for tax receipt purposes. See Section 3 (Appraisals).

Gift of Service: A donation or gift of service is not recognized by Canada Revenue Agency for income tax purposes. However, if the service would normally be purchased and paid for, payment could be made to the donor who may then donate the proceeds.

Fair Market Value: Although the term "fair market value" is not defined in the Income Tax Act, Canada Revenue Agency requires satisfactory evidence of fair market value of the gift. Fair market value shall be interpreted to mean "the price the property would bring in an open market transaction between a willing buyer and a willing seller, acting independently of each other and each having full knowledge of the facts." An arm's length sale and purchase of the property, at or near the effective date of valuation, is normally considered the best proof of value at the time.

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Guidelines

1. General

1.1 The College may accept charitable gifts in the form of cash or cheque, gifts-in-kind, or gifts of service. Ownership of all gifts shall vest with the College, whether they be for the benefit of the College in general or for a specific purpose.

1.2 The College (as per Section 2 "Consultation") maintains the right to refuse any gift that it judges not to be in the best interests of the College.

1.3 The gift shall be such that it can be retained as a College asset and used in connection with College activities, with discretion as to its use and management, or disposed. The College reserves the right to dispose of items received as gifts.

1.4 Gifts may be accepted if there are no usage restrictions set by the donor(s), or if the restrictions set by the donor(s) allow the gift(s) to be used in a manner consistent with the needs and goals of the College as judged by the College.

1.5 Nothing shall be done which might be construed as an acceptance of a gift until the College has made a decision to accept (as per section 2). In considering a gift, the

College shall first agree to accept the terms and conditions, including associated costs, upon which the gift has been offered.

1.6 The College shall consider the following when accepting a gift or gift-in-kind:

- Potential liabilities, including environmental issues
- Potential acquisition, installation, usage, storage, or maintenance costs
- Condition and repair of the item
- Instructional, aesthetic or other value to the College or potential users

2. Consultation

2.1 The VP Finance will be consulted prior to the acceptance of any gifts of real property, royalty agreements (provided that they are in accordance with the terms of Collective Agreements), and securities

2.2 The appropriate manager will be consulted prior to the acceptance of donations to a particular department. Where, in the opinion of said manager, the acceptance of the gift would prove administratively difficult and/or not in the College's best interest, the terms of the gift may be revised or the offer declined.

2.3 The VP Finance shall be consulted where the donor has requested that conditions be placed on the donation, such as restrictions on sale, leaseback, life interests, and life estates or in situations where the asset is difficult to appraise.

3. Appraisals

3.1 *Gifts valued at less than \$1,000.00:*

Canada Revenue Agency will accept the appraisal of a College staff member, provided the staff member is knowledgeable in the field of the gift and qualified to appraise the gift for its fair market value. The appraisal and rationale shall be provided in writing to the VP Finance with the completed Charitable Gift Acceptance Form.

3.2 *Gifts valued over \$1,000.00:*

Gifts valued over \$1000.00 must be appraised by and a written appraisal received from an independent appraiser. Written, third-party appraisals must be received by the VP Finance with the completed Charitable Gift Acceptance Form.

3.3 *Appraisals:*

The donor shall bear the cost for appraisal unless otherwise agreed. Donors and departments should confirm the College's willingness to accept a gift-in-kind before initiating an appraisal if costs are involved.

4. Documentation

4.1 *Charitable Gift Acceptance Form*

4.1.1 The manager of a department to which a donation is being offered will complete and submit a Charitable Gift Acceptance Form to the VP Finance for approval, whether or not an income tax receipt is requested.

4.1.2 The Accounting Department will generate a tax receipt and provide required information for year-end Financial Statements and government reporting. All donations shall be recorded in the financial records of the College.

5. Budget Form

5.1 *Budget Form*

5.1.1 If cash is donated for a specific purpose, a proposed budget will be prepared and approved by the manager of the recipient department and will be submitted to the Accounting Department. Upon receipt, the donation will be credited to the appropriate department.

6. Receipts

6.1 The VP Finance shall determine whether or not a gift meets Canada Revenue Agency's definition of a donation and is eligible for a Charitable Donation Tax Receipt.

6.2 The Accounting Department shall issue charitable donation tax receipts for all eligible donations, and non-tax receipts for non-eligible donations. Donation receipts shall be signed by the VP Finance or designate and returned to the receiving department for delivery with a letter of thanks from the receiving department.

7. Sponsorship and Charitable Giving

7.1 The Development & Communications Manager shall provide central support for coordinating requests of the College for donations to others.

7.2 In general, as the College is itself a charitable organization which receives donations, it does not contribute financially to other charities. However, the College promotes itself as a supporter in the community and as a result is often asked for promotional items, gifts-in-kind or monetary donations to various charitable, not-for-profit political organizations. Allowable financial contributions to not-for-profits or charities include, but are not limited to:

- Community events that support education, research and / or the cultural development of our community may be supported subject to budget and / or merchandise availability.

- Academic and administrative units may pay for items like corporate tables at fundraising events where it is important for the College to be present and show their support, but not if it is a benefit to a federal, provincial or municipal political group.

2.6 - Charitable Gift Acceptance - Appendix A

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CHARITABLE GIFT ACCEPTANCE FORM

Donor:

Name: _____

Address: _____

Phone: _____ Fax: _____

As donor, I agree that the information below is correct and I agree to terms or restrictions as outlined and attached hereto. Further, I understand that the College maintains the right to refuse, or to use, transfer, sell, or dispose of the donation(s) in any way it deems appropriate.

Signature: _____

Date: _____

Donation:

[] Cheque/Cash: \$ _____

☐ Property Description:

☐ Serial No. _____

☐ Appraisals (*Attach independent appraisals*)

☐ Est. Fair Market Value: \$ _____

☐ Terms & Conditions (*Attach documentation for consideration*)

Project/Scholarship Information:

☐ Code: _____ Project Name:

☐ Costs(install, other):

☐ Budget attached (*if cash is donated for a specific purpose*) for approval and input.

Manager: _____

Date:

Approval:

☐ *The College declines acceptance of the donation(s) as noted above*

☐ *The College agrees that the donated item(s) described above are acceptable and will assume any ongoing costs associated with the maintenance and use of the gift.*

VP Finance:

Date: _____

Accounting Department:

Receipt: ☐ Charitable ☐ Non-donation