



**The University of British Columbia
Board of Governors**

Policy No.:

114

Approval Date:

September 1993

Last Revision:

[Anticipated June 2015]

Responsible Executive:

Vice-President, Development and Alumni Engagement

Title:

Fundraising and Acceptance of Donations

Background & Purposes:

This policy is intended to guide all UBC's fundraising activities and the acceptance of donations on behalf of UBC and its related Foundation.

Related Policies:

- Policy #47 Chair, Professorship and Distinguished Scholar Honorifics
- Policy #87 Research
- Policy #113 Endowment Management
- Policy #123 Term Invested Fund Management
- Policy #124 Naming
- Policy #128 Deaccession of Works of Art and/or Cultural Materials for the Morris and Helen Belkin Art Gallery, the University Library, and the Museum of Anthropology

1. Scope

- 1.1 This Policy applies to all UBC executives, faculty, staff and volunteers soliciting gifts on behalf of UBC.
- 1.2 This Policy applies to all donations to UBC and the UBC Foundation from donors, including individuals, industry, foundations, and UBC-related international foundations: the American Foundation for the University of British Columbia, Hong Kong Foundation for UBC Limited, and the UK Foundation for the University of British Columbia.
- 1.3 A donation is a voluntary transfer of property from a donor to UBC or the UBC Foundation (collectively referred to as "UBC") without any expectation of return or benefit. In this Policy, the use of the term "gift" is used interchangeably with the term "donation".

2. General

- 2.1 UBC is committed to excellence in pursuing its charitable purposes of teaching, research, scholarly pursuits and community service. UBC welcomes donations from individuals, industry, foundations and other sources that enable it to achieve its vision.

- 2.2 UBC values and will protect its integrity, autonomy and academic freedom, and will not accept donations when a condition of such acceptance would compromise these fundamental principles.
- 2.3 The Vice President Development and Alumni Engagement (“**DAE**”) is responsible for the coordination of all fundraising activities, including the overall supervision and management of fundraising programs, administration of staff, and management of the cultivation, solicitation, and stewardship of all donors.
- 2.4 UBC generally accepts donations in the form of cash or cash-equivalents, or gifts-in-kind of personal and real property, either as outright donations or deferred donations through planned gift vehicles. Planned gift vehicles include but are not limited to wills, life insurance policies, charitable gift annuities, charitable remainder trusts, gifts of residual interest, and gifts of retirement benefits.
- 2.5 Ownership of all donations vests in UBC, whether they are for the benefit of UBC generally or for some specific purpose in it.
- 2.6 DAE is responsible for issuing official donation receipts for donations received by UBC, in compliance with the requirements of *the Income Tax Act (Canada)*, Canada Revenue Agency guidelines, and in accordance with procedures established by UBC.

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PROCEDURES

Approved: September 1993

Revised: [Anticipated June 2015]

Pursuant to Policy #1: Administration of Policies, "Procedures may be amended by the President, provided the new procedures conform to the approved policy. Such amendments are reported at the next meeting of the Board of Governors. Note: the most recent procedures may be reviewed at <http://universitycounsel.ubc.ca/policies/index/>.

I. General Procedures Governing All Donations:

1. Responsibility for Administration of Policy

- 1.1 The responsibility for the administration of this Policy and these Procedures rests with the Vice-President, DAE.

2. Official Donation Receipts for Income Tax Purposes

- 2.1 UBC will issue official donation receipts in compliance with the *Income Tax Act* and Canada Revenue Agency guidelines, as amended from time to time.
- 2.2 When a donation is received from a donor, it is the responsibility of DAE, in consultation with the Office of University Counsel and other units as appropriate, to determine whether it qualifies for an official donation receipt.

3. Fundraising Standards

- 3.1 UBC is committed to undertaking fundraising activities with integrity. All employees, volunteers and Board of Governors members are expected to conduct themselves with accuracy, truth and integrity. They will inform, serve, guide and otherwise assist donors who wish to support UBC's activities but will not pressure or unduly persuade.

4. Legal and Financial Advice

- 4.1 UBC does not provide any legal, accounting, tax or financial advice to donors with respect to donations to UBC and encourages donors to seek independent legal, accounting, tax or financial advice from professionals. Donors are responsible for costs incurred from obtaining advice.

5. Accepting Donations

- 5.1 DAE is authorized to negotiate donations on behalf of UBC. Subject to subsection 5.3 and 5.4 below, decisions regarding acceptance of donations up to a value of less than \$5 million are made by the Vice-President, DAE or his/her designate, in consultation with the Dean or Administrative Head of Unit responsible for the area or function of UBC that will benefit from the donation.
- 5.2 UBC reserves the right to decline any donation.
- 5.3 The Vice-President, DAE is responsible for determining whether a donation may have potentially unacceptable terms such as where a donation:

- (a) Could improperly benefit any individual or organization;

- (b) Requires an arrangement to conduct business with a specified individual or organization or future employment;
- (c) Is financially unsound;
- (d) Could expose UBC to uncertain and potentially significant liability or unacceptable risk;
- (e) Could compromise UBC's public image, reputation or expose UBC to embarrassment;
- (f) May require work to sustain the donation that is disproportionate to the size or benefit of the donation;
- (g) May have come from illegal activities;
- (h) Has terms that may require UBC to violate human rights;
- (i) Would require UBC to expend resources on activities that are not consistent with its academic priorities; and/or
- (j) Would give the donor or the donor's representative the right to designate the recipient of a donation including an award, lectureship, professorship, chair, other honorific.

5.4 Where the Vice-President, DAE determines that a donation is precedent-setting or has potentially unacceptable terms, he or she will make a recommendation to the President regarding the acceptance of the donation. The final decision to accept or decline the donation rests with the President. In determining the acceptability of a donation, the President may seek input and advice from other members of the President's executive team and faculty/school leaders.

5.5 All donations of \$5 million or more shall be reviewed by the VP DAE who will make a recommendation for approval by the President. The President will make the final decision to accept the donation.

5.6 All donation agreements requiring a UBC signature must be signed by the appropriate signing authorities of UBC as determined in its Board-approved signing resolutions.

6. Donor Involvement

6.1 UBC recognizes that donors may wish to be actively engaged with UBC beyond making a financial contribution. UBC supports donor engagement that is consistent with this Policy.

6.2 UBC employees are encouraged to make donations to support UBC's charitable purposes, including research.

- (a) Official donation receipts are not available where the donated funds are deposited into a research account over which the employee has signing authority.
- (b) Official donation receipts are normally not available when the funds are deposited into other accounts over which the employee has signing authority.

7. Donor Anonymity

- 7.1 UBC will, at the request of the donor, maintain the donor's anonymity, subject to the following necessary limitations:
- (a) DAE maintains donor records as required by Canada Revenue Agency for official donation receipting purposes. Access to these records is restricted to staff in the DAE and the Comptroller's office, and senior executives of UBC.
 - (b) UBC will comply with legal and governmental obligations to disclose the names of donors and the nature and value of their donations as required under the *Income Tax Act*, the *Freedom of Information and Protection of Privacy Act* or other government policies or statutes.
 - (c) The identity of a donor requesting anonymity may be provided to the Board of Governors on an oral basis if the Board so requests. Such information is confidential and shall neither appear in the minutes of the meeting nor be used by Board members or officers outside the meeting of the Board of Governors.
 - (d) Prospective donors requesting anonymity are advised by DAE that their names, and the nature and amounts of their donations, will be disclosed as above.

II. Additional Procedures for Specific Types of Donations:

1. Gifts-in-Kind

A *gift-in-kind* ("GIK") is a donation in any form other than cash or cash-equivalents and normally requires valuation for official donation receipt purposes. Examples include personal property, such as special collections, artwork, equipment, securities, and cultural property; and real property.

1.1 Additional Conditions of Acceptance

- (a) The GIK should be such that it can be retained as a University asset and used in connection with University activities, with discretion as to its use and management, or disposed of for cash or cash equivalent with the proceeds to be used to support UBC's mission at the discretion of UBC.
- (b) Where the donor has requested conditions be placed on the GIK such as restrictions on sale, leasebacks, life interests, life estates or in situations where the asset is difficult to appraise, DAE will consult with the Comptroller's office and the Vice-President responsible for the area which will benefit from the donation of the GIK.
- (c) DAE will request advice from UBC's Risk Management Services office regarding any insurance issues that acceptance may entail.

1.2 Valuation for Official Donation Receipting Purposes of GIK other than Publicly-Traded Securities

- (a) For donations of \$1,000 or less, a qualified University employee who is knowledgeable in the field of the donation can appraise the fair market value of the GIK, and an official donation receipt can be issued based on the appraisal.

- (b) For donations over \$1,000, an independent appraisal is required. If it is difficult or expensive to find an independent appraiser, a qualified University employee who is knowledgeable in the field of the donation can appraise the fair market value of the GIK. DAE may seek a second appraisal on donations of high value or of a complicated nature.
- (c) Where necessary, DAE will seek assistance from a tax or valuation specialist in fixing value for receipt purposes. DAE will also consult with the Comptroller's office where an independent appraisal for gifts over \$1,000 has not been obtained, and in other related situations as appropriate.
- (d) The cost of appraisals will normally be borne by the faculty/school or department that will ultimately benefit from the donation. In certain cases, such as where the GIK is difficult and expensive to appraise, the donor may be asked to absorb the cost.

1.3 **Administration and/or Disposition of a GIK**

- (a) Administration of a GIK, including obtaining an appraisal for official donation receipting purposes and including disposition of the GIK, generally resides with the faculty/school or department that will benefit from the GIK, in consultation with DAE.
- (b) Costs of administration are normally paid from the operating or other budget of the faculty/school or department that will benefit from the GIK. If a GIK is sold, any outstanding administrative costs may be recovered from the sale proceeds.

2. **Canadian Cultural Property**

Canadian Cultural property is a specific type of GIK, which is property of outstanding significance and national importance to Canada and is eligible for special tax status.

- 2.1 The donation of Canadian Cultural Property is a unique process and subject to particular Canada Revenue Agency guidelines. To qualify for the special tax status, a donation of Canadian Cultural Property must be made to a designated recipient. At UBC, only the Library, the Belkin Gallery and the Museum of Anthropology are such designated recipients.
- 2.2 UBC applies on behalf of the donor to the Canadian Cultural Export Review Board to have the donation certified as Canadian Cultural Property. The Review Board, pursuant to its own guidelines, determines the appraised value, which the University must use for official donation receipt purposes.
- 2.3 While only certain departments may receive Canadian Cultural Property for special tax treatment, no department is precluded from accepting a gift eligible for regular official donation receipting that might otherwise have qualified as Canadian Cultural Property.

3. **Publicly-Traded Securities**

Publicly-traded securities are a specific type of GIK, and are securities traded on a designated stock exchange.

3.1 **Additional Conditions of Acceptance**

It is UBC's general practice to sell securities immediately upon receipt. UBC reserves the right, on a case-by-case basis, to hold the shares or to sell securities over a period of days, weeks or months

if UBC determines that regular trading volume is not sufficient to absorb the securities without significantly and adversely affecting their value.

3.2 **Valuation for Official Donation Receipting Purposes**

- (a) Official donation receipts will be issued based on the average value of the securities when the donation is received by UBC.
 - i. Donations that are electronically transferred from a broker's account to UBC are received on the date the donation is received in UBC's brokerage account.
 - ii. Donations that are a share certificate(s) signed by the donor are received on the day the certificate is delivered to UBC. If sent by mail, the donation is received on the date the mail is officially received at UBC. If the securities are re-registered in UBC's name by the issuing company and then delivered, the effective date on the certificate is the date that the donation is received.

4. **Estate Gifts**

An *estate gift* is a donation where UBC is the beneficiary of a Will, life insurance policy or retirement benefits, or is appointed executor of a Will, or is the trustee of assets, and may be cash, cash-equivalent or GIK.

- 4.1 All notifications and correspondence regarding estates, copies of Wills and probate documents are forwarded to UBC's Gift & Estate Planning Unit in DAE.
- 4.2 The Gift & Estate Planning Unit reviews the terms of the Will or other estate gift documentation. If the terms are complex, the Gift & Estate Planning Unit may consult with the Office of University Counsel and initiate the necessary action to resolve any concerns.
- 4.3 In those instances where a Will appoints the "Estate Administrator of The University of British Columbia", or the UBC Foundation as executor or trustee, the VP DAE, or his/her designate in the Gift and Estate Planning Unit is the designated Estate Administrator for UBC.

5. **Undesignated Gifts**

- 5.1 Where the donor does not provide a wish or direction as to the specific use of the donation, it will be used at the discretion of the President for purposes that advance UBC's vision.