Donations (GP 03)

1.0 Purpose

This policy governs the solicitation, acceptance and administration of all types of donations to Simon Fraser University from all private sources including individuals, corporations, associations, foundations, and university faculty, staff and students.

2.0 Pre-Approval of Fundraising

All fundraising inquiries, campaigns and proposals to the private sector (individuals, corporations, foundations and organizations) require the approval of the Vice-President, Advancement and Alumni Engagement, or his/her designate in consultation with the President, Vice-Presidents and Deans. This coordination ensures that potential donors are not confronted with conflicting or competing proposals from Simon Fraser University, or proposals which may not reflect the University's fundraising priorities. Working with University Advancement, individual faculty and departmental initiatives in securing private donations are encouraged and supported. This policy does not affect proposal writing for research grants or contracts (see instead Policy R10.01)

3.0 Acceptance of Donations -- Assessment

Simon Fraser University is a registered charity under the auspices of the Income Tax Act, and as such, donations to SFU may be eligible for a charitable donation receipt.

Ownership of all donations vests in the University, whether for general or specific purposes. The University will decline any donation that arises in whole or in part from activities that appear to violate federal, provincial or municipal laws or that appears to compromise the university’s integrity, autonomy, or commitment to academic freedom. The Vice-President, Advancement and Alumni Engagement will determine, after appropriate consultations with the President, Vice-Presidents, Deans, and any other involved individuals, whether the donation should be accepted and what costs are associated with its acquisition, maintenance, and insurance. Donations may be given for specified activities, or without specific instructions (discretionary or to area of greatest need) in which case they shall be assigned to funds/projects at the discretion of the President.

4.0 University Responsibilities

4.1 University Advancement

Working within priorities, policies and procedures approved by the Board of Governors, the President and the Vice-Presidents’ and Deans’ Committee, University Advancement has these principal responsibilities:

1. To establish and maintain relationships with potential and current donors;
2. To secure donations to the university from the private sector;
3. To ensure overall fundraising effectiveness by coordinating all University fundraising strategies;
4. To assist in the preparation of all fundraising proposals which have Vice-Presidents' and Deans' approval;
5. To act as liaison with donors and university officials on all matters that pertain to a donation, its administration and management including the formulation of Terms of Reference;
6. To ensure that donations conform to the Income Tax Act, and once received and accepted, are accurately recorded, receipted and reported;
7. To recognize the generosity of donors and their contribution to the university.
University Advancement operates under and is current on specific guidelines for assessment and receipting of donations of all types including the following:

- annuities, gifts-in-kind, bequests, library gifts-in-kind, cash, including payroll deductions, life insurance, charitable remainder trusts, real property, cultural property, residual interest arrangements.

Full definitions of each type may be found in Section 8 of this policy.

4.2 Finance

It is the responsibility of the Treasurer to invest all funds held by the University.

It is the responsibility of Finance to allocate endowment income to each fund according to Policy GP 20, Endowment Management. Finance is also responsible for processing all revenue and disbursements relating to donations and for preparing monthly activity reports on each fund for University Advancement and respective fund administrators.

4.3 Designated Authority

The designated authority has the responsibility for achieving program and financial results as outlined within the terms and conditions of donor funding arrangements, within available funding limits and individual fund guidelines, and in accordance with Board of Governors policies. Approval authority may be delegated, but responsibility is retained.

5.0 Receipting of Donations

As a registered charity, Simon Fraser University authorizes University Advancement to be responsible for issuing charitable donation receipts for all charitable donations made to the University. All charitable donation receipts must be issued in compliance with the Income Tax Act and in accordance with the procedures of the University. A charitable donation must be a voluntary transfer of property, usually cash, that is made without expectation of benefit to the donor or to anyone designated by the donor. Donations that are not deemed to qualify as ‘gifts’ according to the Income Tax Act, will be acknowledged with a business or non-charitable donation receipt.

6.0 Reporting

A report on all donations accepted on behalf of the University for previously approved endowments, projects and programs will be prepared on a monthly basis for the Board of Governors by University Advancement.

The terms of reference for endowment funds and annually funded student awards will be provided to the Finance and Administration Committee of the Board of Governors for approval, and subsequently reported to the full Board for information.

Annual reports will be sent to establishers of endowments giving information on endowment status and award recipients.

7.0 Donations from Faculty and Staff

Donations from faculty and staff will follow general policy guidelines that direct how donations to the university are assessed, received and receipted. The provisions of the Income Tax Act do not permit the issuance of a charitable donation receipt for any gift to an account over which the donor has spending authority, nor may the donation be used to confer a benefit of any kind to the donor, to any member of the donor's family or to an individual of the donor's choosing.

7.1 Payroll Deductions

Faculty and staff who wish to make donations to the University through a payroll deduction should contact University Advancement to arrange the donation. University Advancement will then coordinate authorized payroll deductions with the Payroll Department.
Payroll deductions may be made only to those projects approved as acceptable payroll deduction funds; must be for a minimum of $5.00 per fund per pay period for at least 10 consecutive pay periods; and may not be established for funds over which the donor has spending authority.

All donations through payroll deduction will be grouped under one heading on the online bi-weekly pay statements. Separate accounting of donations to various funds will be maintained by University Advancement.

7.2 Foregone Payments

From time to time, University departments enter into arrangements with full-time faculty or staff for special services or "extra-to-load" duties which do not fall within the employer / employee relationship. Such arrangements for special services result in payments of honoraria, fees or stipends.

7.2.1 Recipients of these payments for special services or "extra-to-load" duties may wish to donate these payments back to the university to augment general university operating or specific purpose funds. A charitable donation receipt will be issued for the donation if the following conditions are met

a. the payments form part of the faculty / staff member's income and are reflected on the T4 or T4A forms at year end;
b. the faculty or staff member donates the funds back to the university to an account over which he/she does not have spending authority.

7.2.2 Where the recipients of these payments for special services or "extra-to-load" duties wish to forego payment to income, and wish instead to credit a university operating or specific purpose fund, the following steps must be made to ensure compliance with the Income Tax Act and university budgetary provisions

a. payments must be designated to general university operating or specific purpose funds;
b. the total amount of the remuneration to be received is directed to the university;
c. the non-charitable donation is accompanied by a signed statement as follows

"I agree to forego this payment on the understanding that the University will transfer an equal amount to (appropriate account number). I understand that the funds I am foregoing will belong to the University and cannot be used by me or any other person to confer a benefit (direct or indirect) on myself or any member of my family. Nor can the funds be transferred to a department or project over which I will have direct or indirect control to expend funds."

In this case, neither a T4, a T4A nor a charitable donation receipt will be issued.

8.0 Definitions

Acquisition: The process of agreeing with the donor on the terms of transferring a gift-in-kind to the University and the process of transferring the gift-in-kind itself from the owner's possession to the University's possession.

Annual Fund: see Fund - Expendable.

Appraisal: A process of determining the fair market value of non-cash donations.

Assessment: The process of determining the usefulness to the University and/or the University Library of a gift-in-kind.

Bequest, by Will: A deferred gift payable to the University upon death as directed by Will, which may be a percentage of the estate, a stipulated amount, the residue of the estate, or gifts-in-kind.

Business Receipt (non-charitable donation receipt): A receipt that acknowledges the acceptance of a donation or gift-in-kind that is not eligible for a charitable donation receipt. This may acknowledge either a sponsorship or donor designated gift.

Capitalization: In order to preserve the value of the capital against inflation, a portion of the annual income earned on endowments every year is added to the capital.
Cash: An amount given to the University through legal tender, personal cheque, payroll deduction, or credit card payment.

Charitable Donation Receipt: An official receipt for income tax purposes for a donation of cash or gift-in-kind made to the University voluntarily by the donor, without benefit of any kind to the donor.

Charitable Gift Annuity: A Charitable Gift Annuity is a contractual arrangement between the University and donor. The donor makes an initial capital contribution of $10,000 or more and the University agrees to pay income to the annuitant(s) at a specified rate for life or for a term of years according to the terms in the contract. A portion of the donation is a qualified charitable gift and the remaining portion is considered to be the minimum capital required to fund the payments. The University will invest the entire donation appropriately to ensure the payment obligations and to maximize the residual value of the annuity capital.

Charitable Gift or Charitable Donation: A "donation" or "gift" according to the Income Tax Act is a voluntary transfer of property without expectation of return. The following three conditions must be met:

1. some property - usually cash - is transferred by the donor to the registered charity
2. the transfer is voluntary
3. the transfer is made without expectation of return. No valuable consideration - no benefit of any kind - to the donor or to anyone designated by the donor may result from the payment.

Charitable Remainder Trust: A trust established with cash or securities, managed by SFU that provides income to the donor usually for life. The funds remaining in the trust on the death of the donor go to the university.

Cultural Property Gift: An object or a collection that is determined by the Canadian Cultural Property Export Review Board to meet the criteria of "outstanding significance and national importance" as established under paragraphs 11(1)(a) & (b) of the Cultural Property Export and Import Act.

Donation: May be used interchangeably with "gift." A gift that is offered to and accepted by the University. The donation may be of charitable nature, in which case, it is eligible for a charitable donation receipt. The donation may be cash or gift-in-kind.

Donor Designated Gift: A non-charitable gift, usually of cash, to an individual student as determined and adjudicated by the donor.

Endowment Fund: see Fund - Non-expendable.

Foregone Payments: An amount earned by a faculty or staff that goes directly to a university operating or research fund and is not received by that individual as income. Foregone payments are subject to Income Tax Act guidelines.

Fund: An account established according to the terms of reference and administered by a fund administrator.

Fund Administrator: The person responsible to ensure that the funds are disbursed according to the conditions laid out in the terms of reference. The provisions of the Income Tax Act do not permit the issuance of charitable donation receipts for income tax purposes for donations to funds over which the donor is the Fund Administrator. Fund - Expendable: All donations received to the fund may be spent following the conditions of the terms of reference.

Fund - Non-expendable: An Endowment fund. All donations received to the fund are set up in a capital account that earns interest. The fund administrator may only spend the interest available after capitalization and according to the conditions of the terms of reference.

Gift: May be used interchangeably with "donation." A gift that is offered to and accepted by the University. The donation may be of charitable nature, in which case, it is eligible for a charitable donation receipt. The donation may be cash or gift-in-kind.

Gift-in-Kind: A non-cash donation of material objects, marketable securities or intellectual property. Gifts-in-kind do not include services, gifts deemed of little value to the donor, or personal time.
Gift-in-Kind - Library Materials: Material objects or intellectual property which a person, estate, corporation or other entity donates or proposes to donate to the University. This may include books, serials, pamphlets, facsimiles, photocopies, maps, charts, globes, electronically stored media, data-bases, audio tapes, CD-ROM's, archival documents or manuscripts not suitable for the University Archives, microforms, photographs, pre-book communications media, such other things as are collected by academic research Libraries and machinery or other goods related to the history of the book, printing, publishing or bookbinding.

Life Insurance: A deferred gift payable to the University upon death where the University is listed as the beneficiary of the life insurance policy. A registered charity may issue charitable donation receipts for policy premiums paid by the donor directly to the insurance company where the charity is both the owner and the designated beneficiary of the policy.

 Marketable Shares: Shares may be given as a form of gift-in-kind. Charitable donation receipts will be issued based on the value of the shares on the date of transfer of ownership to the University.

 Payroll Deductions: A gift to the University from faculty or staff that is received by the University through deductions from bi-weekly payroll.

 Real Property: The University will consider lifetime and testamentary gifts-in-kind of real property. The University may elect to accept or decline a gift of real property.

 Receipt: see Charitable Donation Receipt or Business Receipt

 Residual Interest Arrangement: While retaining the right to reside in or keep the property during his/her lifetime, the donor gives a gift of real property to Simon Fraser University. The donor will receive an official receipt for income tax purposes actuarially determined based on the discounted value of the residual interest (the value in today's dollars of what the University is expected to receive from the gift at the donor's death).

 Sponsorship: A non-charitable donation to the university wherein some benefit, usually advertising, is received by the donor.

 Terms of Reference: A document that sets out the management and administration of each fund that is established through a gift to Simon Fraser University. The terms will be agreed upon and signed by the donor(s), the President or appropriate Vice President of the University or Vice-President, Advancement and Alumni Engagement, and the fund administrator.

 This policy also replaces:

 GP 27 Gifts in Kind Policy for Library Materials;
 AD 3-8 Donations from Faculty and Staff; and
 AD 3-9 Directed and Foregone Payments