



POLICY: Donor Relations – Acceptance of Gifts		POLICY NUMBER: ER-2
		PREVIOUS/REPLACES: Donor Relations – Acceptance of Gifts Gifts and Donations KH, KH-R
APPROVED BY: Executive Council	EFFECTIVE DATE AS OF: June 26, 2019	PRIOR VERSIONS: December 6, 2016 October 30, 2009

1. Policy Statement:

The Manitoba Institute of Trades and Technology (to be referred to as MITT) encourages donations such as monetary and gifts in-kind. Gifts may be outright or provided over a period of time. Gifts will enhance MITT’s facilities, programs, equipment, and supplement scholarships, bursaries and awards. These gifts can be directed to operating, capital or endowment funds. These gifts and donations must not provide for any competitive advantage or personal favors to the donor. MITT has the right to decline a gift not in line with its mission, vision or values. Tax receipts will be issued in accordance with the guidelines as established by the Canada Revenue Agency.

This policy has been established to ensure:

- informed decisions are made on the acceptance of gifts;
- gifts are handled in accordance with federal and provincial laws and regulations;
- efficient administrative, legal and accounting practices are followed;
- accurate reporting of all gifts;
- gifts will not have impact on academic independence; and
- consistent, ethical and equitable relations with all donors and sponsors.

Ethical Guidelines for Gift Acceptance:

MITT will strive to work with donors who are giving in the best interest of MITT. Gifts will not be accepted that cause damage to reputation, place excessive additional costs or burdens on the organizational capacity, or expose the organization to uncertain risk or possible liability.

The Code of Ethical Standards as established by the Association of Fundraising Professionals, <https://afpglobal.org/ethics/code-ethics> will serve as ethical guidelines when accepting any gift on behalf of MITT.

Types of Gifts Received:

MITT accepts gifts from individuals including, but not limited to, alumni, staff and students, partnerships, corporations, foundations, associations, employee groups, unions, government agencies or other entities.



The following are generally recognized, but are not limited to, as gifts:

- Gifts in the form of cash, by cheque, or by other financial instrument
- Gifts-in-kind (e.g., computer, equipment)
- Bequests
- Donation of securities (including stocks, mutual funds and bonds)
- Personal Property (e.g. art)
- Real Estate
- Gifted life insurance policy and/or annuities
- Trust funds.

A gift of service does not constitute philanthropy and is not eligible for a charitable tax receipt.

Designated/Undesignated Gift:

MITT believes in a donor-centred donor relations model. A donor may designate their donation to a specific program area within MITT. Decisions regarding the use of a gift will be formalized within a donor relations agreement, where an agreement is required. Specific decisions regarding the use of the donation is at the discretion of MITT, but MITT will consider the donors wishes in the use of the gift. An undesignated or unrestricted gift is intended to promote and carry out the work of MITT with no restrictions on how the funds are to be used.

Endowed Gifts:

Endowed gifts are donations made on the understanding that the principal amount of the donation be invested for a specified minimum period of time (as specified in a contract), with the interest earnings to be used to advance designated purposes of MITT.

Named Gifts:

All named gifts will be administered in accordance with MITT's Donor Relations – Capital Asset Naming Right Policy.

Changes to the use of a gift:

It is possible that the original purpose of a gift will not be applicable due to program changes or administrative changes. MITT will endeavour to work with a donor to redefine their gift if the majority of the original gift is still in use. Where a donor cannot or can no longer be contacted, MITT will attempt to honour the spirit or intent of the original gift if changes are required.

Donor Agreement:

A donor agreement will be established for any gift over \$10,000. Gifts under \$10,000 may also have a donor agreement established, but is not required. A donor agreement must be signed by the donor or a representative of the donors, and a senior signing authority of MITT.



Gift Refusal:

When an offer of a charitable gift is deemed to be contrary to MITT's best interest, the Associate Vice-President, External and Corporate Affairs in conjunction with the President of MITT or designate may request that the terms of the donations be revised or decline the offer. MITT shall endeavour to communicate any gift refusal with the individual or organization offering the donation.

Examples for the refusal of a gift include:

- has an attached liability that could create an excessive financial burden;
- is from an individual or organization whose philosophy and values are inconsistent with the overall philosophy and values of MITT;
- results in an actual, potential, or perceived conflict of interest to accept the gift;
- is determined to be something other than a charitable gift;
- is too narrowly restricted to be used within a reasonable time;
- relies on an appraisal or evaluation provided by the donor or third party that is perceived to be inaccurate or unreasonable;
- any condition attached to a donation which violates MITT policies and/or regulations;
- MITT cannot use the gift;
- in any way violates federal, provincial or municipal laws or regulations.

Disposal of Gifts or Assets:

Unless specified in the donor agreement, the donor agrees that the gift can be disposed of at the discretion of MITT once title transfers to MITT, the usefulness life of the gift is exhausted or the gift no longer holds purpose for MITT. Disposal of these assets will follow the principals and guidelines detailed in the Disposal of Surplus Assets policy.

Donor Recognition:

MITT intends to acknowledge gifts in a timely fashion, within the calendar year it is received, and in agreement with the donor. Donor recognition is limited under Canada Revenue Agency regulations however, events or other activities may be held to recognize donations to MITT. Recognition at a particular level is given on the basis of a single payment gift or a contribution pledged over time. The level of recognition will be agreed upon between MITT and the donor, under the guidelines of CRA.

Receipts:

MITT will issue tax receipts for gifts with a value of \$20 or more in accordance with Canada Revenue Agency requirements. Receipts will be issued in the same calendar year in which the donation is made.

Donations that are not deemed to qualify as gifts according to The Canada Revenue Agency will be acknowledged with a business (non-charitable) receipt, as requested.



The receipt will be issued in the name of an individual or corporation listed on the cheque or other form of payment, except when a cheque is written on a joint account in which case the receipt can be issued in either or both names.

A charitable tax receipt may only be provided for the eligible amount of the gift. This is the amount by which the fair market value of the gifted property exceeds the amount of any advantage received or receivable as a result of the gift.

If MITT sells tickets to a fundraising event, tax receipts may be issued only for the “charitable portion of ticket prices” connected to the approved event. The amount eligible for receipting purposes is determined in accordance with Canada Revenue Agency guidelines (i.e., ticket prices less fair market value of benefits received from admission).

Refer to gift acceptance procedures for details regarding receipts for Gifts-In-Kind.

Undue Persuasion or Pressure:

No MITT employee, consultant, or volunteer or any other person that is representing MITT will use undue persuasion or pressure in securing any gift.

Confidentiality:

MITT will handle all donor information with respect and confidentiality. MITT will ensure compliance with the *Freedom of Information and Protection of Privacy Act* and MITT’s Privacy and Access to Information Policy. The donor shall be awarded full protection of all applicable statutes. MITT will respect donors’ wishes for anonymity and consult with donors to obtain their permission before public disclosure of their giving.

2. Scope:

This policy applies to all MITT employees and volunteers who have any involvement in donor relations and acceptance of gifts.

3. Procedure:

A. Authority to Accept Gifts:

All gifts must be reviewed by the Associate Vice-President, External and Corporate Affairs. Dependent on the size of the gift, donations may need to be reviewed by various authorities, as follows:

Board of Governors	Over \$1 million
President & CEO & Associate Vice-President, External and Corporate Affairs	\$100,000- \$1 million
Associate Vice-President, External and Corporate Affairs	Less than \$100,000



External expertise (e.g., lawyer, accountant, estate professional, etc.) should always be obtained prior to accepting gifts that are more complex in nature (e.g. bequests, real estate, life insurance, etc.).

B. Valuation of Gifts-In-Kind:

If MITT receives gifts-in-kind (non-cash gifts), Canada Revenue Agency requires satisfactory evidence of fair market value (FMV) of the gift. FMV is normally the highest price, expressed in dollars that property would bring in an open unrestricted market between a willing buyer and a willing seller who are knowledgeable, informed, and prudent and who are acting independently of each other.

For any single item that is worth less than \$1,000, Canada Revenue Agency will accept the appraisal from an internal expert at MITT who will establish the FMV stating the basis used in the estimate.

For any single item that is worth more than \$1,000, the donation should be appraised by an independent evaluator that is an expert in their field. The Canadian Charities Directorate strongly recommends that the property be appraised by someone who is not associated with either the donor or the charity receiving the gift. The person who determines the FMV of the property must be competent and qualified to evaluate the particular property being transferred as a gift. If finding an expedient appraiser is difficult, or involves unreasonable expense, the government may consider an appraisal done by qualified staff members of MITT, but this should only be done if deemed absolutely necessary.

The cost of the appraisal will normally be the responsibility of MITT. However, in certain cases, such as when the gift is difficult and expensive to appraise, the donor may be asked to absorb the cost.

C. Gift Acceptance Procedures

I. Procedures for accepting Cash and Cash Equivalents:

- Cash gifts are acceptable in any form, including gifts of cash, cheques, money orders, wire transfers, credit card or debit card transactions, electronic fund transfers, etransfers, payroll deduction or other cash transfer mediums as approved by MITT.

II. Procedures for Accepting Instructional Equipment Gifts:

- Condition/Age of Equipment - The approximate costs for refurbishing, transportation to and installation on-site should be determined prior to accepting the equipment. If the cost of accepting the gift outweighs the benefit it should be declined.



- Relevance to Curriculum – Donated equipment should allow students the opportunity to learn skills that are relevant to their programs.
- Approval for Accepting Instructional Equipment – The Associate Vice-President, External and Corporate Affairs in consultation with MITT staff which may include instructor(s), deans, and/or directors shall discuss the functional value of the equipment. The decision for approval will be made as per the authority levels as detailed in this policy.
- Pick Up of Equipment - Discussions regarding transport costs/arrangements are to be made prior to the acceptance of the gift.
- Disposal of Equipment - Prior to accepting a donation of equipment, the terms of disposal are to be outlined on the Equipment Donation form.
- Life of a Gift: It is understood that equipment and donated items have a limited life span which can not necessarily be determined at the time of accepting the gift.

III. Procedures for Bequests:

Where MITT is a beneficiary of an estate, the Associate Vice-President, External and Corporate Affairs shall normally contact outside counsel prior to communicating with the Executor of the estate.

All letters, copies of wills and probate documents are to be forwarded to the Associate Vice-President, External and Corporate Affairs.

A bequest to MITT can be arranged through a will in a variety of ways. Some of the most common, but not limited to, include:

- a residual bequest where MITT receives a percentage of the remainder of the estate after other specific legacies have been fulfilled;
- a specific bequest in which MITT receives a specified dollar amount or stated fraction of an estate;
- a contingent bequest where MITT would receive a stated share of the estate, but only in the event of the prior death of other named beneficiaries;
- a tax eliminator bequest by which the estate trustee would calculate the final income taxes owed and make an equivalent charitable gifts that eliminates final taxes.

Charitable tax receipts will be issued to the estate of the donor upon transfer of the gift.



IV. Procedures for Gifts of Public and Private Securities:

A donation of a publicly listed security traded on a recognized stock exchange may be accepted. The value of such a gift is determined based on the market value at the close of trading on the date of the legal transfer of ownership to MITT.

MITT will decline a gift of securities if any of the following conditions apply:

- the security is not liquid;
- the security is under scrutiny for suspicious trading activity;
- the acceptance of such securities may put MITT at risk, financially and/or reputational.

Securities donated to MITT which are speculative in nature will be sold immediately at market value with proceeds flowing to MITT. Corporate dividend producing equities which are considered to be “blue chip” type stocks and have an established, reliable dividend yield may be retained by MITT subject to criteria as established in the MITT General Investment Policy.

Privately owned company shares may be accepted if the shares can be sold and transferred in the near future or an arrangement is made to redeem the shares of the shareholder. These will be evaluated on a case-by-case basis. Market value of privately held securities must be determined by obtaining an independent appraisal on the date of acceptance.

V. Procedures for Personal Property:

- The Associate Vice-President, External and Corporate Affairs will oversee the process of evaluating gifts of personal property to determine if there is a benefit to MITT before acceptance is provided.
- If a gift is accepted, determination of fair market value shall be determined in accordance with this policy (see Section B).

VI. Procedures for Gifts of Real Estate:

Gifts of real estate may be made in various ways;

- Outright gift;
- Residual interest in the property - A residual interest gift is an arrangement where a donor irrevocably gives real estate or personal property to a charity while retaining the right to use the property for life or for a term of years;
- To fund a charitable remainder trust (see part VI of policy).



If MITT receives real estate as a gift the following factors need to be considered:

- MITT is responsible to ensure that the title to the property is free and clear of any defects and liens, and be held in the donor's name.
- The donor should disclose the existence of any mortgages or restrictions prior to the transfer of the property.
- The donor should provide a reasonably current appraisal of the property from a qualified independent evaluator. If the donor does not have an acceptable appraisal, MITT shall secure an appraisal and issue a gift receipt based on it.
- MITT will review other factors, including zoning restrictions, marketability current use and cash flow, to determine whether acceptance of the gift would be in the best interest of MITT.
- MITT has the right to determine if there is a need to commission an environmental assessment of the property to ensure the real estate does not present a liability to MITT.

In the event of a residual interest in real estate, the donor shall continue to be responsible for real estate taxes, insurance, utilities and maintenance after transferring the property. Upon the donor's death or the expiration of the stated term, the donor's right to use the property ceases.

A charitable tax receipt will be issued based on the appraised value of the real estate or the present value of residual interest which is usually computed from appraised value and actuarial tables.

VII. Procedures for Gifts of Life Insurance:

A donor may make a gift of life insurance to MITT by the following methods:

- Irrevocably assigning ownership and beneficiary rights of a paid-up life insurance policy to MITT;
- Irrevocably assigning ownership and beneficiary rights of a life insurance policy to MITT on which premiums still remain to be paid;
- Naming the estate as the beneficiary with a bequest of equal value included in the will;
- Naming MITT as a beneficiary of a life insurance policy.

When an individual absolutely assigns a life insurance policy to MITT and makes MITT the registered beneficiary of the policy, the donor is entitled to:

- A charitable tax receipt for the net cash surrender value of the policy (if any) at the time of the donation.
- A charitable tax receipt for any premiums subsequently paid on the policy.



Should the donor choose to suspend premium payments, MITT may either cash in the policy in exchange for its cash surrender value or continue to make the payments on behalf of the donor.

When the Estate is named as the beneficiary and a bequest of equal value is left to MITT, a receipt for the proceeds is issued to the Estate at the time the gift is transferred.

When MITT is named as a primary or successor beneficiary of the proceeds, a receipt for the amount received is issued to the deceased for use on the final tax return. Insurance proceeds bypass the estate and are not subject to probate.

VIII. Procedure for Charitable Trusts:

Charitable Trusts are normally used for very large gifts. Due to the complexity and size any potential donor should be recommended to consult a lawyer or financial advisor before establishing a trust.

Different types of trust arrangements exist. A charitable remainder trust is a form of a residual interest gift. The donor transfers property to a trustee who holds and manages the asset.

A charitable remainder trust pays all of the income earned within the trust to the donor, but requires the property to be transferred to MITT at some later date, which could be a set number of years or upon death of the donor. Once MITT is named as the beneficiary of the trust, it cannot be removed or revoked.

The donor retains control and use of the assets within the trust until the transfer of property occurs.

When the trust is established, a charitable tax receipt is issued to the donor based upon the trust's residual interest – a calculation based upon the trust's fair market value and an estimate of the donor's life expectancy.

4. Administration:

The Associate Vice-President, External and Corporate Affairs is responsible for administration of this policy.

5. Review:

This policy will be reviewed by Executive Council every 5 years.



6. Reference:

Conflict of Interest Policy
Disposal of Surplus Assets Policy
Donor Relations – Capital Asset Naming Rights
Donor Relations – Development Activities
MITT General Investment Policy
Privacy and Access to Information Policy
Freedom of Information and Protection of Privacy Act and Regulations (FIPPA)

7. Definitions:

Bequest – A bequest by will is where a donor provides directions in their will that leaves one or more assets to a charity.

Gift - A gift is “a voluntary transfer of property without valuable consideration of the donor”, as defined by the Canada Revenue Agency. A gift is made in any circumstance where all three of the conditions listed below are satisfied:

- A donor transfers some property, to a registered charity and the Institute accepts the gift.
- The gift is strictly voluntary.
- The eligible amount of the gift is ascertainable.

In-Kind Gift – This is a gift of property that is not cash. They cover items such as equipment, securities, and artwork. A contribution of service does not qualify as a gift or in-kind gift for purposes of issuing official donation receipts.

Eligible Amount of Gift – This is the amount by which the fair market value of the gifted property exceeds the amount of any advantage received or receivable as a result of the gift. This is the amount for which MITT can issue a charitable tax receipt.

Fair Market Value - It is usually the highest dollar value you can get for your property in an open and unrestricted market and between a willing buyer and a willing seller who are knowledgeable, informed, and acting independently of each other.