POLICY:		POLICY NUMBER:
Donor Relations – Acceptance, Acknowledgement, and Stewardship of Gifts		**ER-2**
		PREVIOUS/REPLACES: **Donor Relations – Acceptance of Gifts, Gifts and Donations KH,KH-R**
APPROVED BY: **Executive Council**	EFFECTIVE DATE AS OF: **March 24, 2025**	PRIOR VERSIONS: **June 26, 2019 December 6, 2016 October 30, 2009**

1. Policy Statement:

The Manitoba Institute of Trades and Technology (MITT) encourages donations, both monetary and gifts in-kind, to enhance its facilities, programs, and awards. This policy ensures consistent, timely, and ethical acceptance, acknowledgment, and stewardship of donations. All gifts are handled per federal and provincial laws, Canada Revenue Agency (CRA) guidelines, and MITT's values.

MITT has the right to decline a gift not in line with its mission, vision or values, or that could cause reputational harm, excessive burden, or legal risk. Gifts and donations must not provide for any competitive advantage or personal favors to the donor.

Tax receipts will be issued in accordance with CRA regulations.

This policy outlines guiding principles for the acceptance, acknowledgment, and stewardship of gifts to ensure donors' intentions are honored, gifts are properly recorded, and relationships with donors are nurtured. The purpose is to provide transparency, consistency, and legal compliance in handling donations to MITT.

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:

No MITT employee, consultant, volunteer or any other person that is representing MITT will use undue persuasion or pressure in securing any gift. MITT accepts gifts in the best interest of the institution. Gifts will not be accepted if they:

- Compromise academic independence or MITT's mission
- Cause reputational or financial harm
- Include inappropriate restrictions
- Violate laws or MITT policies

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.

Types of Gifts Received:

MITT accepts a variety of gifts, including but not limited to:

- Cash, cheques, and other financial instruments
- Gifts-in-kind (e.g., equipment, art)
- Bequests
- Securities (stocks, mutual funds)
- Real estate
- Life insurance policies

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 campaign. Decisions regarding the use of a gift will be formalized within a donor 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.

Immediate Use Gifts:

Immediate use gifts are lump sum donations made to MITT to be used immediately or spent down over a specified period of time. They are not to be invested.

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.

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 be contacted, MITT will attempt to honour the spirit or intent of the original gift if changes are required.

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 Section B, Specific Procedures for Various Gift Types for details regarding receipts for Gifts-In-Kind.

Gift Refusal:

When an offer of a charitable gift is deemed to be contrary to MITT's best interest, MITT may request that the terms of the donation be revised or decline the offer. MITT shall endeavour to communicate any gift refusal with the individual or organization offering the donation.

MITT may refuse gifts that:

- Pose a liability or financial burden.
- Conflict with MITT's values or result in a conflict of interest.
- Are restricted inappropriately.
- Cannot be utilized by MITT.
- 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 principles and guidelines detailed in the Disposal of Surplus Assets policy.

Confidentiality:

MITT will maintain donor confidentiality in compliance with the Freedom of Information and Protection of Privacy Act and MITT's Privacy Policy. Donor wishes for anonymity will be respected.

2. Scope:

This policy applies to all donations received by MITT, including gifts from individuals, corporations,

foundations and government. The policy outlines the responsibilities of all MITT representatives involved in the donor relations process, from gift acceptance to acknowledgment, and stewardship.

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

3. Procedure:

1) Authority to Accept Gifts:

- Over $1 million: Board of Governors approval
- $100,000–$1 million: President and CEO and VP External and Corporate Affairs
- Less than $100,000: VP External and Corporate Affairs
- Less than $20,000: Director of Alumni and Donor Relations

External expertise (e.g., legal or financial) should be sought for complex gifts like real estate or bequests.

2) Specific Procedures for Various Gift Types:

(a) Cash and cash equivalents.
(b) Gifts in kind
(c) Bequests
(d) Securities
(e) Personal property
(f) Real estate
(g) Life insurance policies
(h) Charitable trusts

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

(a) Procedures for 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, e- transfers, payroll deduction or other cash transfer mediums as approved by MITT.

(b) Procedures for Gifts-In-Kind

i. Determination of Fair Market Value (FMV)

For non-cash gifts, fair market value (FMV) must be determined per CRA guidelines. FMV is normally the highest price, expressed in dollars that property would bring in an open an 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 gifts under $1,000, an internal expert may assess the FMV. 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. This will be determined

by the VP External and Corporate Affairs.

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.

ii. Cost of Appraisal

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.

iii. Assessment of a Gift in Kind

Prior to accepting a gift in kind that relates to instructional equipment, the donation should be assessed according to the following:

- 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 costs 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 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 gift of equipment, the terms of disposal are to be outlined on an Equipment Donation form.
- Life of a Gift: It is understood that equipment and donated items have a limited life span which cannot necessarily be determined at the time of accepting the gift.

(c) Procedures for Bequests:

Where MITT is a beneficiary of an estate, the Director of Alumni and Donor Relations 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 Director of Alumni and Donor Relations.

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 owned 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.

(d) Procedures for 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.

(e) Procedures for Personal Property:

The Director of Alumni and Donor Relations 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 3-2)-(c)-i.)

(f) 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 VIII 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 if it is an outright give of property or the present value of residual interest which is usually computed from appraised value and actuarial tables, if it is a residual interest gift of property.

(g) 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.

(h) 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. Gift Acknowledgment and Recognition:

All donations will be recorded, and for gifts of $20 or more, a charitable tax receipt will be issued, signed by the President and CEO or the VP External and Corporate Affairs.

1) Acknowledgments

The Director of Alumni and Donor Relations will provide a personal thank you for all gifts.

For gifts of $10,000 or more, additional acknowledgments will be provided by the appropriate MITT leadership.

2) Recognition

Donors will be recognized based on the level and type of gift. Recognition at a particular level is given on the basis of a single payment gift or a contribution pledged over time.

Gifts of $10,000 or greater will be accompanied by a mutually agreed-upon recognition plan, outlined in the gift agreement. MITT will honor anonymous donations in accordance with donor wishes.

For gifts involving naming rights, MITT's Capital Asset Naming Rights Policy will be followed.

3) Stewardship

MITT will strengthen relationships with donors through stewardship events, reporting, and recognition opportunities. Donors of endowed funds will receive annual financial reports. For student awards, donors will receive details regarding the allocation of funds, including recipient information when available.

4) Gift Agreement

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

5. Administration:

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

6. Review:

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

This policy shall remain in effect until amended or revoked regardless of the five-year review.

7. 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)

8. 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.

Gift In Kind: 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.