

## Gift Acceptance Policy

**Category:** External Relations;

**Jurisdiction:** Vice President, External Relations; Board External Relations Committee

**Approval Authority:** Board of Governors;

**Established on:** April 21, 2016;

**Amendments:** June 2, 2023.

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### Policy Statement

This policy governs gift acceptance at Lakehead University.

### Purpose

The purpose of this policy is to serve as a set of guiding principles to ensure that members of the University community can respond in a timely and appropriate manner to gift offers; informed decisions are made on the acceptance of gifts at Lakehead University; and that such gifts are accepted in accordance with Canada Revenue Agency guidelines and requirements of the Income Tax Act.

### Scope

This policy encompasses the approval of gift types accepted by Lakehead University and circumstances where a gift shall be declined.

### Definitions

1. Bequest - any donation received by Lakehead University through a person's will or that is gifted as a result of an inheritance.

2. Campaign Priorities - projects/initiatives that support Lakehead's overall mission as approved by the Board of Governors, Senate, and Executive Team Working Group (ETWG)
3. Campaign Period - The duration of the campaign as established by External Relations. The duration starts with the planning phase and is deemed complete once the financial and alumni goals have been met or exceeded.
4. Campaign - A series of fundraising, alumni, and communications activities meant to produce a particular result.
5. Case Priorities Committee - the committee mandated in 2019 to determine campaign priorities using a project submission process.
6. Cash – includes cash, cheque, credit card, payroll deduction, and electronic fund transfer.
7. Corporate and foundation grants - the charitable vehicles of a for-profit corporation, which provide the funding for grants.
8. Deferred gifts – decided upon or given now but received at some time in the future, often at the end of the donor's (and the donor's spouse's) lifetime. These include will bequests, life insurance policies, gift annuities, and charitable remainder trusts.
9. Gift - a voluntary transfer of property without valuable consideration. However, a transfer of property for which a donor receives an advantage is still considered a gift for purposes of the Income Tax Act as long as the Canada Revenue Agency (CRA) is satisfied that the transfer of property was made with the intention to make a gift. The fact that the donor received an advantage will not by itself disqualify the transfer from being a gift when the fair market value (FMV) of the advantage does not exceed 80% of the FMV of the transferred property.
10. Gifts-in-kind – a gift of property other than cash, such as real (capital) property or personal property. A gift-in-kind should be an item that 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 equivalent.
11. Gift Agreement - Refers to the document issued by Lakehead University that outlines the conditions of the gift including when the gift will be transferred, the purpose of the gift, and how the gift will be recognized.

12. Irrevocable Gifts - Lakehead has been given control of these gifts, although the value of the gift will only be transferred upon the death of the donor. These gifts can qualify for a current income tax deduction. (Example - an insurance policy in the name of Lakehead University).

## Principles and Responsibilities

1. No gift shall be accepted that negatively affects Lakehead University's academic integrity or reputation or diminishes the profile or brand of the University.
2. Any gift that involves a proposed naming is subject to final approval in accordance with Lakehead University's Naming of Property Policy.
3. The External Relations Department, under the direction of the Vice-President External Relations, has the authority and responsibility to develop operational procedures to support the acceptance of gifts to Lakehead University in consultation with the Executive Team.
4. The External Relations Department, in consultation with the Office of Financial Services, is responsible for ensuring that gifts made to Lakehead University are accepted and receipted in accordance with Canada Revenue Agency guidelines; requirements of the Income Tax Act; and procedures established at Lakehead University.
5. The University does not offer legal, accounting, tax or financial advice to donors with respect to gifts to the University.
6. Lakehead University shall seek the advice of legal counsel in matters relating to the acceptance of gifts as appropriate. This includes but is not limited to gifts of securities that are subject to restrictions; all transactions governed by contracts or legal documents; and all transactions with potential conflicts of interest.
7. Certain forms of gifts or donated properties (e.g. books, artwork, jewelry, equipment, software, real estate, and other assets) may be subject to review by the Executive Team prior to acceptance.
8. Lakehead University is not responsible for the cost of appraisals and related expenses for donated property. The donor (when possible) will donate the cost of appraisal(s) and related expenses, in which case a charitable tax receipt will be issued to recognize the additional contribution made by the donor. In the event a donor is unable to donate the

cost of appraisal(s) and related expenses, the accepting Faculty or department may elect to be wholly responsible for the expenses incurred to acquire, store, display and maintain the property as appropriate.

## Approval

The Vice-President External Relations is responsible for ensuring that the acceptance of gifts is consistent with this policy and other policies of the University.

Acceptance of gifts will be approved by the following:

1. Gifts of \$5 million or more will receive final approval by the Board of Governors.
2. Gifts between \$1 million and \$4,999,999 will receive final approved by the President and Vice-Chancellor.
3. Gifts under \$1 million will receive final approved by the Vice-President External Relations.

Consultation with the Executive Team shall take place before accepting any gift where consistency with this policy is in question and for any gift commitment at the level of \$5 million and over. The University's Executive Team can delegate this task to a Gift Review Committee. The Gift Review Committee may, from time to time, recommend to the Executive Team that it seek the approval of the Board of Governors (in such circumstances where consistency with this policy remains in question). The Gift Review Committee shall be composed of the Provost and Vice-President Academic, Vice-President External Relations, Vice-President Finance and Operations and Vice-President Research. Depending on the gift under review; the Gift Review Committee shall consult with relevant faculty members, academic leadership, student representatives, or managers respectively.

The President shall report regularly to the Board of Governors through the Board External Relations Committee on the progress of fundraising including any gifts declined by the University in accordance with this policy. The President can delegate this task to the Vice-President External Relations.

## Types of Gifts

The following types of gifts are eligible for consideration by the University:

1. Cash
2. Deferred gifts
3. Gifts-in-kind
4. Securities

Gift Acceptance Documentation:

1. All gifts establishing naming will require signed documentation in the form of a gift agreement, letter or memorandum of understanding.
2. All gifts over \$25,000 will be finalized using a gift agreement. In the event that a donor chooses not to sign a gift agreement; then the University will accept correspondence (email or signed letter).as a record of the gift commitment. Note that gifts in support of student financial aid (endowed and non-endowed awards), which are under \$25,000, require an Information Sheet and Acknowledgement letter for administrative

## Declining a Donation

At times, Lakehead University may choose to decline a donation. The following conditions justify such an action, although other situations may also occur:

1. The University is unable to honour the proposed terms of the donation.
2. An appropriate fair market value cannot be determined or will result in unwarranted or unmanageable expense to the University.
3. There are unusual features to the donation that are contrary to the mission, vision and values of the University and/or the strategic and academic priorities of the University.
4. The donation exposes the University to legal risk or liability.
5. The donation could financially or morally jeopardize the donor and/or the University.
6. There are physical or environmental hazards to the University which are not considered or mitigated as part of the gift commitment.

7. The donation could jeopardize the University's charitable status.
8. The gift is reasonably suspected to have originated from illegal activities.
9. The donation or donation terms are illegal or contrary to public policy.
10. There is question as to whether the donor has sufficient title to the assets or is mentally competent to legally transfer the funds as a gift to the University.
11. The donation (e.g. questionable holdings within donated securities) negatively affects or could be perceived as negatively affecting Lakehead University's academic integrity or reputation, or diminishes the profile or brand of the University.

## Returning a Gift

In certain, unique circumstances a registered charity may choose to return a gift.

Should it become known that (a) an individual donor or organization has been convicted of an indictable offence; or (b) an individual donor has been removed for misconduct by a properly constituted legal authority from any official register or roll of members of the profession to which s/he belongs; or (c) if at the sole discretion of the University a gift negatively affects Lakehead University's academic integrity or reputation, or diminishes the profile or brand of the University, then the University may consult with legal counsel on the courses of action to take in respect to returning the gift.

The ultimate authority to return a gift resides with the Board of Governors. Circumstances pertaining to the return of a gift shall be reviewed on a case-by-case basis. Resulting courses of actions shall not be considered precedent setting.

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**Review Period:** 5 years;

**Date for Next Review:** 2027-2028;

**Related Policies and Procedures:** None;

**Policy Superseded by this Policy:** None.

The University Secretariat manages the development of policies through an impartial, fair governance process, and in accordance with the Policy Governance Framework. Please contact the University Secretariat for additional information on University policies and procedures and/or if you require this information in another format:

Open: Monday through Friday from 8:30am to 4:30pm;

Location: University Centre, Thunder Bay Campus, Room UC2002;

Phone: (807) 343-8010 ext. 7949 or Email: [univsec@lakeheadu.ca](mailto:univsec@lakeheadu.ca).