



## Gifts-In-Kind Policy

**Category:** External Relations;

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

**Approval Authority:** Executive Team;

**Established on:** May 8, 2007;

**Amendments:** None.

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Lakehead University accepts donations of books, artwork, equipment, software, and property. The Office of University Advancement will be advised of all potential gifts-in-kind in order to assist with the process. The Dean of the user Faculty or the Chief Librarian will then evaluate the potential gift to ensure that it is of value to them and meets the mission and needs of Lakehead University.

Respecting the donor's wishes and Lakehead University's programs, plans and needs, the University may retain the donation or sell it for investment or any other purpose in accordance with the mission and plans for the University. The University will then apply the proceeds in a fitting manner (where possible, in consultation with the donor). A charitable tax receipt is issued for all donations for the fair market value at the date of transfer in accordance with Canada Revenue Agency (CRA) guidelines.

Gifts-in-kind require the fair market value of the gift at the time the donation was made, as well as the date of the donation, a description of the gift, and the name and address of the appraiser, if required.

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 by the donor.

## Donation of Works of Art

Acquisition Guidelines: Acquisition includes transfer of art to the University's permanent collection by donation, whereby the ownership of the art is transferred to the University. The University can acquire works of art by donation in the following ways:

1. Individual donors by gift or bequest
2. Organization or associations within the University (e.g. Alumni Relations Office)
3. Corporations or organizations outside the University
4. Students

Acceptance of gifts of works of art will be the responsibility of an ad hoc Art Committee consisting of the Chair of the Department of Visual Arts (in consultation with Department Faculty) and the Director of University Advancement.

The following guidelines must be observed when considering the acquisition of works of art:

1. The proposed work of art should be compared with the artist's best work. The acquisition shall strengthen the collection.
2. The physical condition of the work of art shall be ascertained and any requirements for immediate or future conservation shall be noted. Special storage, display and loan requirements are also considerations before acquisition.
3. Donations may not normally be accepted where a condition of donation requires permanent exhibition of a work of art, or the work of art is too expensive to maintain or cannot be safely maintained.
4. The University will attempt to honour a request that a work of art be placed in a specific location. The Art Committee will consider such requests, only at the time of acquisition.

Appraisals, Receipts and Recognition: Once the acquisition of the work of art has been approved, an appraisal must be completed. For art valued under \$1,000 the appraisal process will be completed by the Lakehead University Visual Arts Department. For works with estimated values between \$1,000 and \$5,000 there may be an opportunity for the appraisal to be performed locally. For works estimated at a value above \$5,000, the Art Dealers Association of Canada (ADAC) must be used for appraisal purposes. **The appraisal is to be provided by and paid for by the donor or the accepting Faculty or Department.**

It is then the responsibility of the Office of University Advancement to issue a receipt reflecting the value of the artwork as indicated in the appraisal, and to extend appropriate recognition to the donor. The Office of University Advancement will hold the appraisal and copies of the receipt in the donor files located in the Office of University Advancement.

**Collection Management / Maintenance:** Although Lakehead University will accept gifts of art in compliance with this policy, display of the art, security, and inventory maintenance must be considered. Lakehead University does not have a venue designed for displaying art; therefore donors will be encouraged to donate art to galleries and other institutions with appropriate facilities.

A specific Faculty or Department may accept a donation of art, provided the Faculty or Department agrees to be wholly responsible for the art including obtaining the required appraisals, storage or installation of the pieces, security, and ongoing maintenance of the art.

All art accepted by Lakehead University, including pieces accepted by a specific Faculty or Department, shall bear proper identification including the name of the artist, the name of the artwork, the name of the donor, and the date of donation. Such identification shall be affixed to the back of the piece of art or contained on a small plaque attached to or mounted next to it.

The Office of University Advancement will maintain an art inventory catalogue.

## **Donations of Real Estate**

**Definition:** "Real estate" is defined as land and anything permanently attached to it, such as buildings, stationary mobile homes, fences and trees. For the purposes of this document, "real estate" may also be referred to as "property".

**Acquisition Guidelines:** Acquisition includes transfer of real estate to the University by donation, whereby the ownership of the property is transferred to the University. The University can acquire property by donation in the following ways:

1. Individual donors by gift or bequest

## 2. Corporations or organizations outside the University by gift.

When a donor makes property available, the Director of University Advancement will contact the user (i.e. Faculty or Vice President (Administration & Finance)). The Dean of the user Faculty, if appropriate, and the Vice President (Administration & Finance) or the Director of Physical Plant will then evaluate the property to ensure that it is of value to them and meets the mission and needs of Lakehead University.

The Priorities and Planning Group (PPG) will assess the site to ensure the property does not present a liability or present other issues such as high maintenance costs.

The Vice-President (Administration & Finance) will be advised of the potential acquisition once a thorough review of the property has been completed and upon approval of the documents by Lakehead University's attorney.

Review of a donation of real estate will involve the Director of University Advancement, the Vice-President (Administration & Finance), the donor, and the attorneys representing both the donor and Lakehead University. Various factors, including zoning restrictions, environmental factors, marketability, current use, and cash flow, will be taken into account to ascertain that acceptance of the offered property is in the best interests of the University.

Lakehead University reserves the right to decline a donation of real estate (see Declining a Donation)

**Appraisals and Receipts:** Donors shall seek and provide a qualified written appraisal of the property at their expense. Once the property and the appraisal have been accepted by Lakehead University's attorneys and the President has given formal approval, the property will be transferred to the University. Following this transfer, the Office of University Advancement will issue a receipt reflecting the value as indicated in the approved appraisal.

**Property Management:** The accepting Faculty/Department will be responsible for the maintenance of the property unless otherwise directed by the President.

Stewardship: If the donor requests formal naming of the property with corresponding signage, the accepting Faculty/Department will be responsible for the cost of installation and maintenance of the signage.

### **Gifts-In-Kind Other Than Works of Art or Real Estate**

Lakehead University receives gifts-in-kind other than artwork and property such as musical instruments, books, equipment, and collections.

For the above gifts, similar procedures will apply. These procedures include appraisal, acquisition, receipts and responsibility for preservation and maintenance of the donation. The Office of University Advancement and the involved Faculty or Department will determine the purpose of the gifts in accordance with the mission and plans of Lakehead University.

### **Stewardship of Gifts-In-Kind**

The Office of University Advancement will be responsible for working with a donor and ensuring that there is a clear understanding as to the degree of complexity that can be involved with the donation of a piece of Art, Property, etc. As each donation is unique in nature, it is imperative that the donor be made aware that such donations may require a lengthy period of time to administer. It is important to ascertain the interest that the donor has in the work of art, as absolute ownership must pass to the University. This will be accomplished through dialogue between the donor and a member of the Office of University Advancement.

### **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. If the donation constitutes a non-qualifying contribution as per CRA IT-110R3, outlined in Part 1 (15) of *Gifts and Official Donations Receipts*.
2. The University is unable to honour the proposed terms of the donation.
3. An appropriate fair market value cannot be determined, or will result in unwarranted or unmanageable expense to the University.

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4. There are unusual features to the donation that are contrary with the objectives, values, and goals of the University.
  5. The donation could financially or morally jeopardize the donor and/or the University.
    - The donation or donation terms are illegal or contrary to public policy.
    - There are physical or environmental hazards to the University in accepting the offered donation.
    - The donation could jeopardize the University's charitable status.

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**Review Period:** 7 years;

**Date for Next Review:** 2021-2022;

**Related Policies and Procedures:** To be determined;

**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: 807-346-7929 or Email: [univsec@lakeheadu.ca](mailto:univsec@lakeheadu.ca).