



ACCEPTANCE OF PHILANTHROPY PROCEDURE

Procedure Type:	Institutional	Initially Approved:	November 19, 2024
Procedure Sponsor:	President and CEO	Last Revised:	November 19, 2024
Administrative Responsibility:	Vice President, Advancement	Review Scheduled:	November 2029
Approver:	President and CEO		

A. PURPOSE

This Acceptance of Philanthropy Procedure outlines how the Acceptance of Philanthropy Policy is implemented.

B. PROCEDURES

1. ROLES AND RESPONSIBILITIES

- 1.1 The Office of Advancement:
 - a) Acts as an intermediary between the philanthropist and the relevant team benefitting from the philanthropic gift and must be aware of any discussions that have taken place before any commitments are made.
 - b) Manages Philanthropic Gift Agreements and is responsible for liaising with relevant units to ensure the appropriate administration of gifts.
 - c) Records all philanthropic information on behalf of the university.
 - d) Manages relationships with philanthropists.
- 1.2 Involvement by the philanthropist in the use of funds and future fundraising can at times be beneficial to philanthropic efforts of the university, but can also pose risks or issues for the university. The Philanthropic Gift Agreement outlines acceptable involvement.

2. GENERAL

- 2.1 Offers of Philanthropy can be declined in accordance with the Acceptance of Philanthropy Policy.
- 2.2 Gifts can be returned in accordance with the the Acceptance of Philanthropy Policy.
- 2.3 All procedures will be in accordance with the Canada Revenue Agency and best practices of fundraising and any other relevant legislation/regulations.

C. PROCEDURES FOR ACCEPTANCE

1. CASH

- 1.1 AUArts accepts cash, credit cards, cheques and monthly or annual pledges and the Office of Advancement processes and appropriately acknowledges the contribution and contributor according to Canada Revenue Agency guidelines.

2. PUBLIC AND PRIVATELY TRADED SECURITIES

- 2.1 AUArts accepts gifts of public and privately traded securities.
 - a) Public Securities
 - i. Public Securities are securities traded on a recognized stock exchange as determined by federal tax legislation. This includes bonds, mutual funds and T-bills.
 - ii. Tax receipts are issued for the gift amount as determined by the value at the close of trading on the date received in AUArts' investment account.
 - b) Private Securities
 - i. Professional, independent valuation determines the value of the contribution of private securities.
 - ii. Tax receipts are issued based on professional, independent valuation.
 - iii. The cost of professional, independent evaluation is the philanthropist's responsibility.

3. GIFTS-IN-KIND

- 3.1 AUArts accepts Gifts-in-Kind that are tangible (artworks, equipment, furnishings, materials) if:
 - a) They advance the work in achievement of the priorities identified in the university's strategic plan.
 - b) There are resources to support any associated costs relevant to the acceptance of the gift
 - c) Gifts can be sold for cash, with proceeds to be directed to areas of need as determined by the Office of Advancement.
- 3.2 AUArts may issue a tax receipt for the fair market value of Gifts-in-Kind. This requires appraisal by an independent appraiser at arm's length from the philanthropist and AUArts.
- 3.3 If no tax receipt is required by the philanthropist, AUArts can make its own appraisal if the philanthropist wishes to be publicly acknowledged for the value of the Gift-in-Kind. If the philanthropist wishes no recognition, these steps are not required.

4 GIFTS-OF-SERVICE

- 4.1 AUArts accepts Gifts-of-Service, such as consulting, advertising space, printing and creative services if they advance the work in achievement of the priorities identified in the university's strategic plan.
- 4.2 Tax receipts are not issued for Gifts-of-Service.

- 4.3 AUArts can publicly recognize contributors of Gifts-of-Service but there will be no dollar value attached to such recognition.
- 4.4 The solicitation of Gifts-of-Service must be transparent. Any contributed services cannot be tied to the reason for the selection of a specific vendor. Gifts-of-Services can be accepted if the service is included as an additional value-add component to services purchased through a procurement contract.

5 GIFTS OF LIFE INSURANCE

- 5.1 AUArts accepts gifts of whole life and term life insurance
 - a) Copies of the philanthropist's life insurance policy are required, designating AUArts as the owner and beneficiary.
 - b) The policy must be appraised by a qualified third-party professional if its value is not readily determinable.
 - c) AUArts may seek legal advice to review the policy for compliance with applicable laws.
 - d) AUArts issues charitable tax receipts for a philanthropist's existing insurance policy's cash surrender value including accumulated dividends and interest upon the confirmation of the irrevocable transfer of a life insurance policy to AUArts as owner and beneficiary.
 - e) For uncompleted policies, annual written notices of premium payment are required from the philanthropist's life insurance company and tax receipts will then be issued for the value of the annual payment.
 - f) Where premiums on uncompleted policies remain outstanding, the university will determine, at its discretion and on the guidance of professional advisors, whether to pay the premiums or to cash in the policy.
 - g) Charitable tax receipts are issued to the estate for the cash value of the gift if AUArts is the beneficiary of all or part of the death benefit upon the death of the philanthropist.

6 BEQUESTS BY WILL

- 6.1 Upon notification by the executor or personal representative who has been granted probate that AUArts is the beneficiary of a gift left in a will, AUArts will work with them on next steps which may include consultation with legal counsel.

7 REAL ESTATE

- 7.1 AUArts may accept donations of real estate (such as a principal residence, recreation property, farms, land or commercial property) if it advances the work in the achievement of the priorities identified in the university's strategic plan.
- 7.2 Unless otherwise noted in the Philanthropic Agreement, real estate can be immediately sold with monies going to the area of greatest need at the University or as agreed upon in the Philanthropic Agreement.
- 7.3 In rare circumstances, the property may be retained for AUArts investment purposes or uses such as teaching or research. The primary condition in making this decision is the university's short and long-term ability to provide financial and human resources to support such an arrangement.
- 7.4 Acceptance of Real Estate considers:

- a) Various factors including zoning restrictions, environmental factors, marketability, current use and cash flow, will be taken into account when ascertaining whether the gift acceptance is in the best interests of the university
- b) AUArts always commissions an environmental assessment and independent valuation of a property to ensure it does not present a liability to the university or present significant implications on financial and human resources.

8 OTHER

- 8.1 AUArts may consider acceptance of other forms of Philanthropy including annuities and trusts and will obtain appropriate counsel to advise the university and the philanthropist.

D. DEFINITIONS

Philanthropic Gift Agreement: A document signed between the philanthropist and Alberta University of the Arts, outlining the terms of philanthropy.

Philanthropist: An individual, foundation, corporation or organization that contributes for the benefit of the University and its students, alumni, faculty, staff and volunteers. Also known as “donor”, “sponsor”, “partner”, “contributor”.

Philanthropy: Support by an individual, foundation, corporation or organization that supports the achievement of AUArts’ mission, vision and Strategic Plan. This can be in the form of a contribution of cash, gifts-in-kind, gifts-of-service, securities, bequests, life insurance, real estate, insurance, bequests, annuities, trusts, grants, sponsorship, community collaborations and projects. These contributions may/may not be for one-time use, restricted use, and any other agreements made. Also known as “donation”, “charity”, “gift”, “contribution”.

E. RELATED POLICIES

- Acceptance of Philanthropy Policy
- Philanthropy Policy

F. RELATED LEGISLATION/REGULATIONS

- Alberta Charitable Fundraising Act
- Association of Fundraising Professionals Code of Ethical Standard
- Canada Income Tax Act (Canada Revenue Agency)
- Post-secondary Learning Act (Alberta)

G. RELATED DOCUMENTS

- Philanthropy Procedure
- Philanthropy Agreement

H. REVISION HISTORY

Date (mm/dd/yyyy)	Description of Change	Sections	Person who Entered Revision (Position Title)	Person who Authorized Revision (Position Title)
11/19/2024	NEW Procedure	All	Vice President, Advancement	President and CEO