

Gift Acceptance & Management	
Category: Administrative	Approval Date: September 7, 2021
Policy Owner: Vice President, External	Effective Date: July 1, 2021
Policy Administrator: Partnerships & Advancement and Financial Services	Review Period: 2 years
Recommended by: Service Council	
Associated Documents Donations: Gift Acceptance Procedures Fundraising: Sponsorships Standard Practice Recognition: Naming Opportunity Standard Practice	

PURPOSE

- To govern the acceptance and management of all gifts made to the College.
- To ensure the proper steps are taken when accepting gifts.
- To maintain the College’s high level of commitment to donor stewardship.
- To establish which gifts should be accepted or declined, and under which circumstances.
- To describe the general objectives and management guidelines regarding the College’s endowments.
- To ensure:
 - a. Informed decisions are made on the acceptance of gifts.
 - b. Gifts are managed in accordance with federal and provincial laws and regulations.
 - c. Efficient administrative, legal and accounting practices are followed.
 - d. Accurate reporting of all gifts and sponsorship.
 - e. Consistent ethical and respectful relations with all donors and sponsors.

SCOPE

This policy applies to all types of donations, and to all departments and members of the College involved in the gift acceptance process encompassing donations, gifts in-kind, endowment contributions, and all other fundraising activities.

POLICY

Gifts – General

1. RDC welcomes gifts that support the pursuit of its mission.
2. The Vice President, External is authorized to accept all gifts to RDC.
3. The College has an ethical responsibility to every donor / sponsor.
4. All staff, volunteers and professional representatives acting on behalf of the College will conduct themselves in accordance with accepted professional standards of accuracy, truth and integrity. The professional standards and code of behaviors are set out by Imagine Canada in its Ethical Fundraising and Financial Accountability Code.

Types of Gifts

1. RDC will consider accepting any monetary gift that aligns with the College's values, is ethically aligned, and serves the objectives of the institution. Common types of gifts accepted include:
 - a. Donations
 - b. Gift in Kind
 - c. Endowments
 - d. Marketable Securities
 - e. Bequests
 - f. Life Insurance
 - g. Real Estate
 - h. Charitable Trusts
 - i. Charitable Gift Annuities

Endowments

1. *Definition, Purposes and Holding of Endowment Assets:* funds with provisions that prohibit encroachment on the donors capital contribution which is maintained in perpetuity (unless otherwise designated by the donor) to generate income for annual use for such purposes as agreed to between the donor and RDC Foundation. All endowment assets are held by Red Deer College.
2. *Minimum Requirement and Designated Usage:* An endowment may be created with donations over \$30,000. The income generated from these endowments may be used by the College for a variety of scholarships and awards, specific programs, investment or special projects as designated by the donor.
3. *Preservation of Donors' Capital Contributions:* Seventy-five percent (75%) of the annual interest earned will be transferred to an expendable operating account to fund the purpose for which it was established (ex. To generate a scholarship(s)). Twenty-five percent (25%) of the annual interest earned will

be re-invested into the principal portion of the endowment to offset the effects of inflation and fluctuations in annual earnings. The long-term objective will be to preserve the capital of the endowment within two percent (2%) of a five (5) year rolling average of the Alberta Consumer Price Index (ACPI) and adjust the cumulative total of the endowment pool for any shortfall. Partnerships & Advancement, in consultation with Financial Services, will review annually the expendable endowment balances and make recommendations to the Donor to increase annual expenditures or to re-invest any excess funds. If reasonable steps have been taken and the Donor cannot be reached, or there is no known primary contact, RDC reserves the right to make any decisions regarding increased spending or re-investment of excess funds.

4. *Shortfalls in Annual Expendable Amount:* The College and RDC Foundation adheres to the practice that only expendable interest earned in previous fiscal periods shall be made available for use in the subsequent fiscal year. In the event of any annual shortfall, the College reserves the right to use undesignated donations to ensure its scholarships and annual commitments are covered.

Negotiating Gifts

1. Acceptance of any gift that involves a proposal to name is conditional upon final approval of the naming by the President, upon recommendation of the Vice President, External. Ongoing brand and reputational status of the College as it relates to namings is always under the purview of the President and Vice President, External.
2. When negotiating a gift on behalf of the College, individuals must consult with the Vice President, External to ensure due diligence prior to making a decision to accept a gift, which:
 - a. Might expose the College to an uncertain and potentially significant liability or operational financial risk;
 - b. Is precedent-setting or involves sensitive issues;
 - c. Has an ambiguous financial source;
 - d. Involves a proposal to name;
 - e. Because of its unusual nature, presents questions as to whether it is within the role and scope of the College.

Acceptable Gifts

1. RDC welcomes gifts that support the pursuit of its mission. The following are indicators that a gift is acceptable:
 - a. The College has a need for the gift or, when there is no immediate or foreseeable need, the gift is resalable;
 - b. The gift and its accompanying terms are legal and meet all legislation, regulations or statutes that may impact its receipt;
 - c. The purpose of the gift is compatible with the work and priorities of the RDC;

- d. There does not appear to be a physical hazard and/or liability concern associated with the gift.

Declining a Gift

1. The College is committed to preventing the use of its operations for any illegal purposes, not limited to fraudulent, criminal or terroristic in nature. All of the College's and Foundation's officers will not knowingly accept a gift or enter into transactions that may be considered illegal.
2. Factors that may cause RDC to decline a gift may include, but are not limited to:
 - a. If the gift constitutes a non-gift as per CRA guidelines;
 - b. There are unusual features to the gift that are contrary with the objectives, values and goals of the College;
 - c. The gift could not be fairly assessed and processed prior to calendar year-end as per CRA gift-in-kind guidelines;
 - d. The gift could financially or morally jeopardize the donor and/or the College;
 - e. The gift or terms of the gift are illegal;
 - f. The College is unable to honor the terms of the gift;
 - g. An appropriate fair market value cannot be determined, or will result in unwarranted or unmanageable expense to the College;
 - h. There are physical or environmental hazards to the College in accepting the offered gift;
 - i. The gift involves false promises on the part of either party;
 - j. The gift could jeopardize the College's charitable status;
 - k. The gift could improperly benefit any individual.

Receipting

1. The RDC Foundation receives and acknowledges all donations made to the College in accordance with the receipting policies and practices defined by the Canada Revenue Agency, related agencies, or its successors.
2. As a charitable organization under the Income Tax Act, the College may issue official charitable donation receipts, which the donor/taxpayer may use to claim a non-refundable tax credit using the RDC Foundation's Charitable Business Registration number: BN 89051 5570 RR00001.
3. No benefit of any kind may be provided to the donor or to anyone designated by the donor, except where the benefit is of nominal value. The Canada Revenue Agency definitions of nominal value as a fair market value shall apply. Should the College provide something of value in return for a gift, the donor's tax receipt must be adjusted according to the CRA's provisions.
4. All charitable donations accepted by the College will be receipted in accordance with RDC's Charitable Tax Receipt Issuance Procedure.

Administrative Fees

1. RDC shall collect fees for administrative purposes for both non-endowment and endowment gifts. The application of the Administrative Fee shall be as follows:
 - a. Up to 10% of all new non-endowment gifts directed to the cost of recognition and gift acquisition and administration. Annual awards will be exempt from this fee.
 - b. Each year, 1% of the book value of the total endowment principal balance directed to the infrastructure, people and systems that indirectly support its intended purpose, as well as to programs that raise funds for endowments.