

The UNIVERSITY of WESTERN ONTARIO
POLICIES and PROCEDURES

2.1 GIFT ACCEPTANCE

Classification: Financial

Effective Date: 24JUN08

Supersedes: 26JAN06

INTRODUCTION

This policy is consistent with Foundation Western Policy #1,000 as approved by the Foundation Western Board of Directors.

For the purpose of this policy, The University of Western Ontario and Foundation Western are referred to as “Western,” and the governing bodies of The University of Western Ontario and Foundation Western are referred to as “the Boards.”

This policy is intended to guide Western’s professional staff, volunteers and Board members on matters of gift acceptance and is to be used in conjunction with the [Gift Valuation Policy 2.28](#) and [Naming Policy 1.44](#) as approved by the Board.

POLICY

1.00 Authorization

The Development Office and other units or individuals designated by the Vice-President (External) are authorized by the Boards to negotiate gifts and create gift agreements with prospective donors. All gifts will be authorized by the Vice-President (External) or his/her designate.

All gift agreements, including documentation relating to the administration of estates, will be signed by the Vice-President (External) or designate. Gift agreements for funds to be endowed at Foundation Western will also be signed by the Executive Director or designate of the Foundation.

2.00 Types of Gifts Accepted

Western encourages and solicits contributions of cash, publicly traded securities, and personal and real property, either as outright gifts or through planned gift vehicles that are acceptable to Canada Revenue Agency and the laws of the Province of Ontario. Planned gift vehicles include, but are not limited to, bequests, life insurance policies, charitable gift annuities, charitable remainder trusts, gifts of residual interest, and gifts of retirement benefits.

The following gifts, whether outright or deferred, must be reviewed and approved by the Vice-President (External), or his/her designate, or Executive Director of Foundation Western, or his/her designate: gifts of real estate, shares in privately-owned companies, and property interests not readily negotiable or valued.

Documentation of gifts which are not readily valued must be prepared before acceptance. Relevant information shall be obtained and reviewed, including a copy of any appraisal by an independent qualified appraiser(s) secured by the donor, according to Canada Revenue Agency guidelines. The responsibility for fees will be determined by the Vice-President (External), or the Executive Director, Foundation Western. It is Western’s general practice to have the donor pay for appraisals. Western reserves the right to secure and rely on its own appraisal.

Any gifts entailing potential material financial liability or placing unusual conditions on Western must be referred directly to the Boards for approval. The Development Office may, at its discretion, bring to the Boards other gift agreements, or proposals, as appropriate, or as required by other University policies.

From time to time, donors may make gifts to the University that have aspects or characteristic that do not conform with other current University policies—for example, the University investment policy. These gifts will be reviewed by the President, on a case by case basis, and will be subject to the approval of the committee or governing body responsible for oversight and approval of the areas of non-conformity—for example, in the case of non-conformity with the University investment policy, the

gift would be subject to approval by the University Investment Committee. In approving these gifts, consideration will be given to opinion of the Fund Raising & Donor Relations Committee, the size of the gift, its impact at the University and the financial liability (if any) to the University raised by the gift. Case by case decisions will not be considered as setting precedent for the next occasion.

Outright gifts of cash, publicly traded securities, gifts-in-kind, gifts-in-purchase-discount, gifts-in-service, bequests, life insurance, reinsured gift annuities, gifts of retirement benefits, residual interest gifts, charitable remainder trusts, realized estates, and sponsorships do not require approval by the Boards.

3.00 Gift Valuation

All gifts shall be valued and receipted in accordance with the [Gift Valuation Policy 2.28](#), as approved by the Boards.

4.00 Charitable Gift Annuities

It is not the practice of the University or Foundation to manage gift annuities, but rather to purchase reinsured gift annuities from life insurance companies.

5.00 Charitable Remainder Trusts

Western can serve as trustees of charitable remainder trusts at the request of the donor. If preferred, donors may also select a trust institution, or other qualified trustee, to manage the trust.

6.00 Asset Management

All assets held by the University or the Foundation are invested in accordance with policies established and approved by the respective Boards.

7.00 Responsibility to Donors

While the primary interest of Western's Development Office is to seek donations, it has an ethical responsibility to the donor. Accordingly, professional staff, volunteers and members of the Boards will adhere to the following principles:

(a) Conflict of Interest

In all matters involving the donor, the interest and well being of the donor must take priority. In cases of potential conflict of interest those acting on behalf of Western must declare the conflict and allow an impartial individual to act for the Institution. A conflict of interest is deemed to occur when individuals who present themselves as representatives of Western attempt to sell their own product to the donor; however, if the individuals present themselves as representatives of an outside firm and part of their financial counseling involves arranging planned gifts for Western, no conflict would exist.

(b) Legal and Other Professional Counsel

Professional staff and members of the Boards shall in all cases encourage the donor to discuss proposed gifts with an independent financial planner, legal adviser and/or tax adviser of the donor's choice and at the donor's expense, to ensure that the donor receives a full and accurate explanation of all aspects of the proposed charitable gift. In some cases, Western may decline a gift if the donor has not obtained independent advice.

As a service to the donor, Western's legal counsel may draft the gift agreement or other legal documents providing for a gift to Western, or assist the donor's legal counsel in drafting such documents. In these cases, Western will accept the responsibility for the fees incurred by its own legal counsel. If a potential conflict of interest exists, Western's legal counsel shall declare such conflict to the donor before proceeding.

In the case of instruments drafted solely by the donor's lawyer, counsel for Western may review such documents before they are accepted.

(c) Ethics

All professional staff, volunteers and members of the Boards will conduct themselves in accordance with accepted professional standards of accuracy, truth and integrity. They will inform, serve, guide and otherwise assist donors who wish to support Western's activities but not pressure or unduly persuade.

(d) **Direction of Gifts**

All donors can choose to have their gift fully expended or endowed, and can direct their gift to a specific faculty/department or project. The use of the gift may affect whether it can be expended or endowed. On rare occasions, a gift may be declined as a result of the restrictions on the gift.

(e) **Documentation**

The Vice-President (External) or his/her designate will develop guidelines for documentation of gifts and their designation to ensure that the donor's wishes are articulated and met.

- 8.00 **Namings of Gifts Approved in Accordance with the University's Naming Policy [MAPP 1.44]**
Notwithstanding any other provisions in this Policy or other policies, a donor name for a supported project (including, for example, academic positions, student awards and campus buildings), will not be approved, or if approved will be revoked, if the name may undermine the public respect for the University. Ultimate authority to revoke an approved name rests with the Board of Governors on the recommendation of the President.