



COLLEGE OF THE NORTH ATLANTIC

OPERATIONAL PROCEDURE

TOPIC: DONATIONS

Procedure No.	DA-701-PR	Division	Development/College Advancement
Related Policy	DA-701	Board Policy Ref.	BP-FA-301B
Related Policies	FA-306, DA-702 & DA-703	Effective Date:	January 24, 2008

PROCEDURE

1.0 Definitions

Donor

A transfer of property which satisfies all three of the following conditions:

1. The property consists of cash, stocks, bonds, gifts-in-kind, land etc. which are to be transferred to College of the North Atlantic;
2. The transfer is voluntary and any legal obligation by the donor would cause the transfer to lose its status as a gift; and
3. The transfer is made without an expectation of return.

Unit

A unit is a campus, program, department or other administrative division of the College.

Stewardship

Stewardship is the art of conveying the ongoing impact of a donor's gift and the institution's appreciation over time. It's about building and strengthening a relationship based on trust.

Prospect Clearance

The process and approval which is required before donor solicitation can be initiated.

Annual Appeal

An annual broad-based appeal to alumni, students, faculty, staff, parents, friends of the College, previous donors, foundations, corporations, etc. for a gift of less than \$1,000 for individuals and \$10,000 for organizations.

Project-Based Appeal

Project-based appeal is a specific approach to targeted donors for one-time or multi-year pledges for a specific set of purposes. The appeal period is usually less than one year.

Campaign

A campaign is a comprehensive approach to a large number of donors.

Special Fundraising Event

A special fundraising event is an event for a specific project, typically in the \$5,000 to \$25,000 range. The event may be singular or annual and is typically led by volunteers associated with a unit.

Major Gift

A major gift is one of \$1,000 or more for individuals and \$10,000 or more for organizations.

Lifetime Giving

Lifetime Giving refers to an individual or organization's accumulated total in donations or pledges (that are still ongoing) to the College. This is calculated in consideration for the Vice President, President and Governor's Circle membership (as indicated in Policy DA-703-PR).

Planned Giving

Planned giving is the process of designing charitable gifts so that the donor realizes philanthropic objectives while maximizing tax and other financial benefits. Planned gifts include outright gifts and deferred gifts

such as bequests, life insurance policies, charitable remainder trusts, gifts of residual interests, etc.

2.0 Proper Approvals

Any small-scale fundraising initiative(s) solicited by a Campus Administrator, Chair/Dean, manager, faculty member, Student Development Officer, volunteer or student organization, through the Manager of Student Recruitment/Enrollment, must be first approved as per Policy DA-702_PR, Prospect Clearance.

Most large scale fundraising efforts will be centralized and carried out through the Division of Development.

3.0 Accepting and Receipting Cash Donations

- A. Cheques must be made payable to College of the North Atlantic.
- B. All cash donations are to be forwarded to the Accountant at Headquarters for appropriate coding and documentation.
- C. The cheque will then be forwarded to the Head Cashier who will receipt it in the PeopleSoft Finance system.
- D. The original receipt and a copy of the cheque will be stamped and forwarded to the Manager of Alumni and Advancement who will send appropriate acknowledgment letter and original receipt to the donor.

4.0 Payroll Deductions

College employees may choose to make a regular donation to the College through payroll deductions. Pledge cards indicating start date and amount per pay period can be completed and forwarded to the Manager of Alumni and Advancement. Pledge amounts will be keyed into the donations database, appropriately coded and then forwarded to the Payroll office at Headquarters for processing. A thank you letter (as per Policy DA-703-PR Stewardship) will be sent to each donor.

5.0 Gifts-in-Kind

“Gifts-in-kind” are defined as items of personal property excluding cash or securities whether owned by an individual, corporation, foundation or other entity which are transferred to the College for its ownership and use. Gifts-in-kind include works of art, books, transcripts and manuscripts, equipment, furniture, computer software and software licenses. Generally Accepted Accounting Principles (GAAP),

which guide the presentation of the College's financial statements and review by the Auditor General, place strict requirements on the treatment of gifts-in-kind.

A gift-in-kind may qualify as a charitable gift if it is "a voluntary transfer of money or property for which the donor expects and receives nothing of value in return". Canada Customs and Revenue Agency's *IT-110R3 Gifts and Official Receipts* regulates the receiving and receipting of such gifts. Gifts-in-kind may also qualify for matching funds under certain provincial and federal programs (such as CFI) but must be properly evaluated and accounted in order to do so.

Not all gifts-in-kind can be accepted. The College may decline a gift-in-kind if:

- a) There are unusual features to the gift that are contrary to the objectives, values or goals of the College;
- b) The gift could financially or morally jeopardize the donor and/or the College or the reputation and/or values of the donor are inconsistent with the values of the College;
- c) The gift or terms of the gift are illegal or otherwise contravene federal or provincial regulations;
- d) The College is unable to honour the terms of the gift;
- e) An appropriate fair market value cannot be determined or will result in unwarranted or unmanageable expense to the College;
- f) There are physical or environmental hazards to the College in accepting the gift;
- g) A suitable physical location or storage cannot be located for the gift. The gift involves false promises on the part of either party.

6.0 Asset/Equipment Donations

Notification of an asset or equipment donation shall be sent to the Manager of Alumni and Advancement. The decision to accept the donation will be made by the Campus Administrator, who in consultation with the Division of Development, the Facilities Manager and the General Counsel, will consider any issues or risks involved with acceptance of the donation such as support costs, third party evaluation costs, impact on space, and health and safety issues.

- i. The Manager of Alumni and Advancement will co-ordinate all searches, evaluation, etc. before the College takes ownership of the item(s).
- ii. All non-cash donations will be received at the appropriate Campus where the donation will be housed; additional costs will be the responsibility of the recipient Campus.

- iii. The Vice President Finance & Administration shall be advised of any gift that involves computer hardware, software or software licenses. The Vice President Finance & Administration may review the proposed gift and recommend whether it be accepted.
- iv. The Vice Presidents shall be advised of any gifts of books intended for the permanent collection of any College Library. Such gifts shall be subject to consideration of and approval by the Vice President of Academic & Learner Services.
- v. The Campus Fixed Asset Clerk will tag the donation, where applicable, and forward forms to Headquarters Fixed Asset Clerk for entry into the College's database.
- vi. The Facilities Manager shall be advised of all gifts of fine art and all other gifts-in-kind valued at \$100,000 or more. The Facilities Manager shall ensure that appropriate insurance is procured for the gift.
- vii. The Controller shall be advised of any gift where the donor has indicated that a charitable tax receipt will be required. The Controller will review the gift to determine if it meets College and/or Canada Customs and Revenue regulations.
- viii. If a tax receipt is requested, the Division of Development will forward the donor and gift documentation, appraisal and Gift-in-Kind Donation form to the Controller.
- ix. Appraisal fees shall be paid by the Campus/Department receiving the gift. In the case where the Campus/Department is unable to pay this fee, the Office of Alumni and Advancement shall assist.
- x. The Controller shall generate a charitable tax receipt to the donor for the fair market value. A copy of the tax receipt together with the documentation, appraisal(s) and Gift-in-Kind Donation Form is forwarded to the Associate Director of Finance.
- xi. Receipt(s) for donor and applicable acknowledgement correspondence will be completed by the Manager of Alumni and Advancement and forwarded to donor.
- xii. Copy of the receipt will be sent to Headquarters Controller.
- xiii. Gifts-in-Kind (art, books and archival materials) intended for the permanent collection of a College Library or the College Archives are

evaluated and processed separately within the Student Services Division. Final documentation will be forwarded to the Controller's Office for tax receipt issuance and then to the Associate Director of Finance for recording and accounting purposes. Original tax receipts will be mailed as above.

Normally it will take 6 to 8 weeks to complete all required documentation. Donors requesting a charitable tax receipt should be advised that the gift is deemed to be made on the date that the property/item is transferred to the College. This date will also serve as the date for the charitable tax receipt though that receipt may not be available to the donor for 8 to 10 weeks.

Approval History	
Approved by President	January 24, 2008
Next Review	January 2012