



Category :	Community & Corporate Relations
Approved By:	Senior Administrative Team (SAT)
Approval Date:	July 26, 2010
Effective Date:	July 26, 2010
Revised Date(s):	
Policy Sponsor:	President and Chief Executive Officer
Policy Administrator:	Executive Director Advancement

Donations and Fundraising Policy

Purpose

The purpose of this policy is to establish principles and guidelines for fundraising activities which will serve to enhance the mission, vision and values of Lethbridge College. Lethbridge College will accept Gift-in-Kind gifts (GIK), planned gifts (e.g. gifts of securities, insurance, and bequests), gifts to establish scholarships, bursaries, and awards, sponsorships and Sponsorship Agreements.

Scope/Limits

This policy covers all fundraising activities. This policy does not relate to Applied Research.

Definitions

Gift A gift is a voluntary transfer of property without valuable consideration. Generally a gift is made if all three of the conditions listed below are satisfied:

- a. some property-usually cash-is transferred by a donor to a registered charity;
- b. the transfer is voluntary; and
- c. the transfer is made without expectation of return. 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.

Unless subject to an agreement to use the gift for a specific purpose, gifts are received unconditionally and may be used for such purposes as Lethbridge College determines are most appropriate.

Award All other awards that do not meet the criteria of either a scholarship or a bursary.

Bursary An award that recognizes demonstrated financial need. Additional selection criteria may also be considered.

Designated Donation A donation given where the donor has specified where the support is to be directed.

Donation A voluntary transfer of property of value for which the donor expects and receives nothing in return. The term donation may be used interchangeably with "gift".

Gift-In-Kind Donated tangible and intangible property including real property, notes, mortgages, limited partnership interests, royalty or copyright interests, art, books, equipment, automobiles, inventory, personal property, software, securities, planned gifts, and other physical assets or materials which represent a value to Lethbridge College.

Planned Gifts Includes but not limited to a bequest, life insurance, charitable gift annuity, charitable trust (remainder or residual) and a gift of securities.

Scholarship An award that recognizes academic achievement. Additional selection criteria may also be considered.

Sponsorship A sponsorship is defined as a voluntary transfer of resources from a person, organization, or business to the College based on the expectation that the sponsor will receive promotional consideration in exchange for the support provided

Official Donation Receipt A receipt issued by Lethbridge College Foundation to a donor for income tax purposes.

Undesignated Donation A donation given to Lethbridge College where the donor has not specified where the support is to be directed.

Policy Statements

1. Lethbridge College reserves the right to accept or reject any gift in its sole discretion and may or may not indicate the reasons for acceptance or rejection.
2. A proposed gift/donation may require review and approval from the President of Lethbridge College and/or the Board of Governors.
3. All gifts must conform to Federal and Provincial government regulations for the general definition of a gift as per Income Tax Interpretation Bulletins, or as subsequently amended by government.
4. All fund raising activities, including those not requiring assistance from the college Advancement Office, will be coordinated through the college Development Office.
5. The College Advancement Office will act as a communications/coordination source for information regarding outside funding sources, (i.e. Foundations, etc).
6. All fund raising activities shall be conducted in a positive, professional manner to enhance long lasting relationships with donors, prospective donors and the community.

7. Fundraising activities shall be conducted for the purpose of supporting operating and capital initiatives of the College and must comply with all applicable government regulations.
8. All fund raising projects will be systematically planned in advance, including appropriate levels of approval.
9. All financial arrangements will be carried out in a manner consistent with college accounting policies and procedures.
10. All funds and/or gifts-in-kind are for the purpose of the college and not for any individual or corporate partner.
11. The donor recognition policy will ensure the consistency of recognition among all donors.

A. Policy Supports

[General Procedure \(Appendix A\)](#)

[General Gift Receipting and Acknowledgement Procedure \(Appendix B\)](#)

[Gifts-In-Kind Procedure \(Appendix C\)](#)

[Planned Gifts Procedure \(Appendix D\)](#)

[Scholarship Procedure \(Appendix E\)](#)

[Sponsorship Procedure \(Appendix F\)](#)

[Affinity Program Procedures \(Appendix G\)](#)

B. Legislated References

Post Secondary Learning Act Sections:

Academic Council

Board of Governors

Interpretation Bulletin IT-110R3

Canada Revenue Agency

C. Other References

Association of Fundraising Professionals' (www.afpnet.org)

Donor Bill of Rights and Code of Ethical Principles

Imagine Canada's (www.imaginecanada.ca)

Fundraising Code of Conduct.

D. Related Policies

Lethbridge College Code of Conduct

Naming

Student Awards and Financial Aid



Parent Policy:	Donations and Fundraising
Effective Date:	July 26, 2010
Revised Date(s):	
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Policy Administrator:	Executive Director Advancement
Appendix A	

General Procedures

1. Submission of Development Office Business Plan: The college Development Office will identify and present plans for fund raising needs as part of the annual budgeting process.
2. Prioritized funding needs: Funding needs will be presented to the Senior Leadership Team for their approval, as part of the annual budget process. Funding needs which arise outside of the normal budgeting process should be prepared in an appropriate format and presented by the Director Development and Alumni Engagement to the President for approval.
3. Formal Funding Requests to the Advancement Office: Projects must be approved by the appropriate senior administrator prior to requests for funding and must align with institutional priorities. All fund raising proposals and plans must be submitted to the Advancement Office with appropriate advance notice.

Submissions to include:

- a. project description
- b. project budget
- c. anticipated time line
- d. benefit to the College
- e. benefit to the donor
- f. potential donors
- g. implications such as installation, renovations, maintenance, operation costs
- h. pertinent information to assist in understanding the proposal and expected completion date

The Director, Development and Alumni Engagement is responsible to bring the project to the Senior Leadership Team.

4. Privacy and Confidentiality: Lethbridge College maintains a database of biographical and gift/pledge information about alumni and friends in accordance with the general needs and expectations of the College community. The information contained in this database is intended exclusively for the purposes related to the Lethbridge College Advancement Office.

College records are to be created and maintained ensuring appropriate documentation of operating activities to demonstrate operational, legal, regulatory and fiscal requirements and in accordance with the Freedom of Information and Protection of Privacy (FOIP) Act to provide public access to information and protection of personal information.

Records Management: All records created, received, and/or maintained by Lethbridge College employees and those acting as agents in the course of their duties on behalf of Lethbridge College, regardless of physical form or characteristics (paper, electronic, audiovisual, microform), are considered college property and subject to its control.

Request for Information: All requests for information from the database must be presented in writing to the Advancement Office for approval and monitoring. No personal information is given to the requesting party without consent of the individual.

Donors and Alumni may access their own records on submission of acceptable identification. The Development Office will produce the records within 5 business days of the request.

5. Cause Marketing: Lethbridge College will not knowingly accept a donation that has been generated by adding a mark-up to the published suggested retail price of the goods sold or services rendered.
6. Fundraising Event Recognition: All third party fundraising events will be included in the appropriate recognition category.
7. Gifts Flowed Through Third Parties: Gifts forwarded through United Way, Community Foundations or other third parties will be recognized in the appropriate giving category.
8. Compliance: From time to time, the Canada Revenue Agency updates or revises legislation with respect to the receipt and handling of gifts. Any such changes may cause Lethbridge College to change any of our policies for the purposes of compliance immediately and without notice.



Parent Policy:	Donations and Fundraising
Effective Date:	July 26, 2010
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Policy Administrator:	Executive Director Advancement
Appendix B	

Gift Receipting and Acknowledgement Procedures

1. **Gift Receipts and Acknowledgments:** Lethbridge College will refer to the formal document issued as a "receipt" and will (1) confirm the gift has been received by the college and (2) contains the necessary information to serve as documentation for the donor's claim of a charitable deduction for their income tax. Acknowledgments for the gift has a broader connotation, these acknowledgements are addressed by the Donor Recognition Policy.
2. Receipt guidelines: The donors of Lethbridge College will receive a formal printed receipt for their contributions of \$20 or more. The Development Office will process the recording of the gift and generate the receipt. A charitable donation must be a voluntary transfer of property, usually cash that is made without expectation of benefit to the donor or to anyone designated by the donor. Donations that are not deemed to qualify as 'gifts' according to the Income Tax Act, will be acknowledged with a business or non-charitable donation receipt.
3. Receipts will reflect the dollar value of the gift. They will also indicate the name of the fund to which the gift was applied.
4. Gifts shall be receipted for the same calendar year in which they are given.
5. The receipt will be issued in the name of the individual or corporation listed on the cheque or other form of payment, except when a cheque is written on an account held jointly by spouses, that is that both names appear on the cheque, the receipt can be issued in either or both names.
6. Receipts will be issued for in-kind gifts, but in accordance with CRA rules.
7. Donations are deposited within 3 business days of receipt. Official receipts are generated within 10 business days of the deposit date.
8. Gift-In-Kind: Refer to Gift-in-Kind Acceptance Procedures later in this document.
9. Gift of Services: In accordance with Canada Revenue Agency guideline, receipts are not issued for gifts of services.

Donor Recognition

1. Donors shall be credited for the receipted value of their gifts and shall be acknowledged in Advancement's current Donor Recognition Program.
2. The Advancement Office shall review additional requests on a case-by-case basis. For instance naming requests shall be reviewed within the context of the Donor Recognition Policy.
3. The Advancement Department and the donor shall be consulted regarding publicity surrounding specific gifts.



Parent Policy:	Donations and Fundraising
Effective Date:	July 26, 2010
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Policy Administrator:	Executive Director Advancement
Appendix C	

Gift-in-kind Procedures

The following is the definition of a Gift-in-Kind per the Canada Revenue Agency’s Income Tax Interpretation Bulletin IT-297R2:

Gifts in kind of a taxpayer include capital property, depreciable property, personal-use property including listed personal property, a leasehold interest, a residual interest, a right of any kind whatever, a license, a share, chose in action and inventory of a business.

Gifts of Service

In accordance with Canada Revenue Agency guidelines, receipts are not used for gifts of service.

Solicitation Gift-in-Kind: All solicitation activities shall be coordinated through the appropriate academic or service department leader.

Gift-in-kind Acceptance Procedures

To initiate the acceptance process for a Gift-in-Kind, the Senior Administrator responsible for a department/division must notify the Advancement Department of the opportunity for the college to receive an unconditional gift-in-kind donation. This notification must be made through the submission of a Gift-in-Kind Acceptance Form. These forms can be obtained from the Advancement Department. Upon notification, the Advancement Department will inform the Director of Finance and other appropriate campus personnel.

Acceptance of Gift-in-Kind

1. Gifts in kind to be used by the college may be accepted at the departmental level, but they must be reported to the Advancement Department for acknowledgement and gift recording purposes. The President or appropriate Vice-President, along with the Director of Finance except as noted below must approve any gift that will require college expenditures for maintenance, upkeep and repair in writing. It must be confirmed that the college has a legitimate use of the gift-in-kind prior to considering acceptance.
2. All gifts of land, buildings, or vehicles must have prior approval from the appropriate senior administrator, through the Director Development and Alumni Engagement before acceptance from the donor.

3. When a potential donation has been identified or has been offered to the college, the institute representative should ask the donor to provide a letter offering the donation and providing particulars, including any conditions which the donor attaches to the donation. Sufficient information about the donor should be provided to enable the Development Office to properly acknowledge the donation.
4. Prior to acceptance gifts of in-kind, Deans and Directors must review all requirements associated with the gift and consult relevant departments regarding all costs (including the cost of obtaining appraisals if required) and implications associated with acceptance of the gift.
 - a. Consult with appropriate departments regarding additional insurance requirements.
 - b. Consult with appropriate departments regarding renovation or maintenance requirements.
 - c. Consult with appropriate departments regarding technology requirements or implications.
 - d. Identify any cataloguing, delivery, display or space requirements for exhibiting or storage.
5. All costs for appraisals, transportation, installation, insurance, signage or warranties for donated items shall be the responsibility of the receiving department.
6. All gifts of in-kind shall be reviewed with special care to ensure that acceptance will not involve undue financial commitments or other obligations disproportionate to the usefulness of the gift. Acceptance of a gift that may impose a legal obligation to comply with the terms established by the donor may not be accepted. Therefore, the nature and extent of this obligation must be clearly understood. Accordingly, the terms of each restricted gift will be reviewed carefully to ensure that they do not hamper the usefulness and desirability of the gift to the college. If the gift is deemed unacceptable because of the restrictions the donor has placed on its use, the donor shall be counseled to remove or modify restrictions. Gifts shall be refused or returned when the purpose:
 - a. is inappropriate or not conducive to the best interest of the college,
 - b. is clearly commercial, or
 - c. would obligate the college to undertake responsibilities, financial or otherwise, that it may not be capable of meeting during the period required by the terms of the gift.
7. Any dispute arising from the guidelines, procedures, and interpretation of this policy shall be forwarded in writing to the college President for resolution.

Gift Valuation and Receipting Guidelines for Approved Gifts-In-Kind

1. When gifts-in-kind are offered to the college with the donor intent of receiving a tax credit, it shall be the responsibility of the college to ensure that an appropriate valuation of the gift is obtained.
2. Fair market value can be determined by :

- a. the value of an item in a retail store as shown by an official receipt;
 - b. independent appraisal, or
 - c. highest price that the property would bring in an open and unrestricted market between a willing buyer and a willing seller who are both knowledgeable, informed and prudent, and who are acting independently of each other.
3. Valuation documents are required to issue charitable receipts to the donor and must be forwarded to the Development Office. The following would be acceptable valuation documents:
 - a. An independent appraisal. If the gift is valued in excess of \$1,000, two independent appraisals are required. Canada Revenue Agency (CRA) requires that an appraiser who is knowledgeable about the product and is "not associated with" the Donor or the college performs the necessary appraisal. If finding an independent appraiser is difficult, or involves unreasonable expense, the government will consider an appraisal done by qualified staff members of the college. When the value of the gift is \$1,000 or less, the government will accept an appraisal by a qualified staff member of the College.
 - b. An invoice from the donor specifying the item, the value and the worth "donation".
4. The valuation document(s) should include specifics about the gift. For example:
 - a. Equipment: Year, make, model, serial number, condition and value in Canadian dollars.
 - b. Artwork: Title of work, identification number, artist, size of piece, date of work, medium, condition and fair market value in Canadian dollars.
5. It shall be the responsibility of the Development Office to record officially and ensure acknowledgement of receipt of all gifts to the College. Therefore, all gifts must be processed through the Development Office. A complete and accurate record of every donor to the College shall be maintained by the Development Office and shall be kept strictly confidential. Donor anonymity shall be protected whenever requested.



Parent Policy:	Donations and Fundraising
Effective Date:	July 26, 2010
Revised Date(s):	
Policy Sponsor:	President and Chief Executive Officer
Policy Administrator:	Director Development and Alumni Engagement
Appendix D	

Planned Gifts Procedures

Planned Gift Acceptance Procedures

Planned gifts are legacy gifts to Lethbridge College. The gift can be immediate, or can be deferred through a will, life insurance, stocks, a trust, an annuity, or a gift of residual interest.

Persons acting on behalf of Lethbridge College shall, in all cases, encourage the donor to discuss the proposed gift with independent legal and/or tax advisors of the donor's choice as to ensure that the donor receives a full and accurate explanation of all aspects of the proposed charitable gift.

Immediate Planned Giving

1. Outright gift of cash, securities, real estate or other tangible personal property may be gifted to Lethbridge College and benefit a donor's tax situation.

Life Insurance

1. A donor may make a gift of life insurance to the college by:
 - a. Irrevocably assigning ownership and beneficiary rights of a paid-up life insurance policy to the college.
 - b. Irrevocably assigning ownership and beneficiary rights of a life insurance policy to the college on which premiums remain to be paid.
 - c. Naming the college as a beneficiary of a policy.

2. When ownership and beneficiary rights are irrevocably assigned to the college, the donor is entitled to:
 - a. A charitable tax receipt for the net cash surrender value of the policy (if any), plus any accumulated dividends.
 - b. A charitable tax receipt for any premiums subsequently paid on the policy.
 - c. The college is not able to issue a charitable tax receipt for any premiums paid on a policy where it is a beneficiary but does not irrevocably own the policy.

3. If the original donor is no longer willing or able to make the required premium payments, the college may continue the premium payments or take other action, such as redeem the policy for its cash surrender value, as deemed prudent in each particular case.

Residual Interest

1. A residual interest gift is an arrangement under which property is deeded to the college, but the donor retains use of the property for their lifetime or a term of years.

Securities

1. The securities of publicly traded companies that are acceptable by the college are those that are registered for trade at a securities exchange in Canada or the US. These also include mutual funds and some retirement plans.
2. Publicly listed securities that are freely traded and which are gifted to the college may be delivered by the donor directly to the college or they may be deposited by the donor into a College account to be designated. The receipt of such gifts shall be supervised by the Director of Financial Services in consultation with the Development Office.
 - a. The college will at all times reserve the right to accept or decline a donation of securities. Gifts of securities shall have a value greater than \$1,000. The college will decline a gift of securities if any of the following conditions apply:
 - I. the security is extremely illiquid.
 - II. the security is under scrutiny for suspicious trading activity.
 - III. the acceptance of such securities may put the college at risk, financially and/or from a public perception standpoint.
 - b. All donated securities are governed by CCRA's Income Tax Act IT-110R3, Section 110.1 and 118.1 and will comply with Alberta Securities Commission guidelines.
 - c. All donations of securities will be supported by written documentation (Gift of Publicly Traded Securities Transfer form or notarization of certificates as appropriate). Prior to acceptance, all securities will be scrutinized for thinly traded volumes or any restrictions on immediate sale. Acceptance of securities requires both the appropriate documentation to be received from the donor and delivery of the securities.
 - d. As a general principle, all securities gifted to the college, once accepted, will be immediately sold at market value with the proceeds flowing to the college. The college will value the gift of securities based on the proceeds at the time of donation. The Director of Financial Services is authorized to place this order of said securities. In the event the security is retained (for instance, if the number of securities is sufficient to have a depressing impact on the price of the securities on the advice of the college investment counsel), the Vice President, Corporate Services will regularly review it, and ensure that it is sold at the most opportune time.

3. The college will prepare a tax receipt and initiate the proper recognition. In the event that the security was retained as per 2 (d), above, the gift will be valued at the fair market value of the securities at market close on the day ownership transferred from the donor to the college.



Parent Policy:	Donations and Fundraising
Effective Date:	July 26, 2010
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Policy Administrator:	Director Development and Alumni Engagement
Appendix E	

Scholarship Procedures

All scholarships, bursaries, and awards to be distributed by the Student Awards Office must be coordinated through the Development Office. Approval of scholarship and bursary criteria must be coordinated through the Student Awards Office to ensure the criteria can be executed.

Final approval of the scholarship, bursary, or award must be given by the Provost and Vice President Academic (or their designate), the Student Awards Office and the Development Office.

There are three ways to fund a scholarship, bursary, or award at Lethbridge College:

1. Creating an **endowment** fund that will finance an award in perpetuity.
2. Creating an **annual** award.
3. Creating a **special annual** award.

Endowment Funds

1. Endowment definition: Generally a donation made on the understanding that the "capital" or "principal" amount of the donation (the "contribution") will be invested in perpetuity. The investment earnings are used according to the institutional policy and to the purpose of the donor.
2. The intent of these funds is to preserve principle and allocate up to 50% of the earned income (unless otherwise specified by the donor) each year to a variety of scholarships and bursaries as specified by the donor.
3. The minimum amount required to establish an endowment is \$10,000 with the income from which to be used as negotiated between the donor and appropriate representatives of the college. The endowment may be financed over a negotiated period of time.
4. A gift agreement between the college and the endowment donor is required and is to be signed by both parties. This agreement will contain the program of support, criteria of the endowment, and pledge terms.

Annual Awards

1. Annual award definition: An award contributed to by the donor on an annual basis. The entire gift will be presented to the recipient annually based on the criteria established.
2. The minimum amount required to establish a named annual award is \$500 or more. Award funds below \$500 will be applied towards the general scholarship fund and the donor will be recognized for the donation. This annual award must be paid prior to August 31st of the awarding year or the award may not be presented.

Special Annual Awards

1. Special Annual award definition: An award contributed to by the donor with a single gift. The gift will be presented over an established period of time in accordance with the donor criteria. The gift will be held within an interest bearing account. The entire amount of the gift will be distributed, with the final gift from the award granting the generated interest.



Parent Policy:	Donations and Fundraising
Effective Date:	July 26, 2010
Revised Date(s):	
Policy Sponsor:	President and Chief Executive Officer
Policy Administrator:	Director Development and Alumni Engagement
Appendix F	

Sponsorship Procedures

Sponsorship Acceptance Procedures

1. It is probable that the college will have several sponsorships in place at any one time. To ensure each sponsor is dealt with equitably, the value placed on a business sponsorship must be established within the context of other current agreements. It is the responsibility of the college employee accountable for a sponsored project to contact Advancement and Development to discuss any potential sponsorship conflicts and establish sponsorship values.
2. The Director, Development and Alumni Engagement will review a list of potential sponsors and identify any conflicts of interest.
3. All event sponsors, whether by way of cash or gift-in-kind, will receive recognition for their contribution at the specific event only. The donor/sponsor is to receive distinct marketing value at the event to reflect their contribution. The type of recognition will vary from one event to another in accordance with sponsorship levels established at respective events.
4. Sponsorships will be receipted as non-charitable, unless a charitable receipt is requested. A charitable receipt will be provided in accordance with CRA guidelines. A sponsor/donor will not be provided with a charitable receipt if any of the following conditions applies:
 - a. The sponsorship dollars are directed by the donor
 - b. Exclusive provider status is guaranteed
 - c. Table or space to display and/or sell product is provided
5. Where practical, all sponsorships will be defined by written agreements.
6. Details of all confirmed sponsorships will be forwarded to the Advancement Office for entry into the database.



Parent Policy:	Donations and Fundraising
Effective Date:	October 29, 2012
Revised Date(s):	
Policy Sponsor:	President and Chief Executive Officer
Policy Administrator:	Director Development and Alumni Engagement
Appendix G	

Affinity Program Procedures

1. Affinity programs are administered by external service providers and must align with Lethbridge College goals and priorities.
2. Affinity programs must provide a positive benefit for alumni, create good will and enhance the college's reputation.
3. The objective of affinity programs is to offer voluntary programs of economic benefit designed to serve the needs of alumni by providing high quality products and services. Participation is voluntary and alumni are assured that the programs offered represent the best combination of quality, convenience, reliability and service.