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# Memorandum

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**TO:** Board of Governors  
**FROM:** Marc Weinstein, Vice Principal (University Advancement)  
**SUBJECT:** Revised Gift Acceptance Policy  
**DATE:** October 1, 2020  
**DOCUMENT #:** GD20-10

**ACTION REQUIRED:**  INFORMATION  APPROVAL/DECISION

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**ISSUE & EXPECTED OUTCOME** Proposed revisions to the *Gift Acceptance Policy* are presented to the Board of Governors for consideration. (Draft guidelines that are being transmitted along with the draft Policy are for information only, and are not subject to the formal review and approval process outlined below.)

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**BACKGROUND & RATIONALE** The University's 2014 *Gift Acceptance Policy* is out-of-date. The Policy has been revised to provide greater clarity and precision to the practice of accepting gifts. The Policy serves to inform the University community, including donors, of the types of gifts that may be accepted by the University.

In the last several years, University Advancement has been increasingly dealing with more complex and large-scale donations. There have also been situations that have arisen with respect to philanthropic donations where the current Policy provides limited guidance.

With the launch of the Made by McGill Campaign, the breadth and complexity of potential donations will continue to increase. Therefore, revisions to the current Policy are needed.

Specifically, revisions to the Policy aim to:

- 1) Streamline workflow by establishing clear processes, roles and responsibilities for the review and acceptance of gifts (see Section 2.3 and 5.6 of the Policy) and their stewardship (see Section 4.5);
  - 2) Clarify the definition of a gift to the University, and distinguish from the receipting aspects (see Sections 2.2 and 6.2);
  - 3) Elaborate further on the University's principles, to provide high-level guidance on the University's various considerations when evaluating whether to accept a gift, including that the University may refuse a gift where its acceptance would incur a cost, risk or uncertainty deemed too high (see Section 3);
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- 4) Establish the University's authority to redirect gifts to a new purpose when it is no longer necessary, practical, desirable or possible to use all or part of a gift for the purpose(s) originally specified by the Donor (see Section 6.5);
- 5) Remove sections or guidelines describing issues covered by other University policies, regulations or guidelines to avoid potential inconsistencies (see Section 5.5, and deletion of 2014 Appendix 4 – *Guidelines: Donations from Employees and Related Financial Management Issues*, and Appendix 5 – *Guidelines: Endowments*);
- 6) Provide terms of references for the Approval Committee for Gifts (see Guidelines, Appendix 2 of the Policy).

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<b>ALIGNMENT WITH MISSION AND STRATEGIC PRIORITIES</b>	The revised <i>Gift Acceptance Policy</i> aligns with the University's fundraising strategy and complies with all other University policies in effect. Specifically, a guiding principle of the revised Policy is that any gift accepted by the University must be consistent with the scope of the University's mission, commitments, priorities and needs (see Sections 1.1, 3.2 and 3.3 of the Policy).
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<b>COMPLIANCE WITH UNIVERSITY POLICY</b>	<p>The revised Policy reflects the latest associated policies in effect:</p> <ul style="list-style-type: none"> <li>• <i>Policy on Approval of Contracts and Designation of Signing Authority.</i></li> <li>• <i>Regulation on Conflicts of Interest:</i> Handling proposed gifts from a member of staff, governing or advisory body, or active volunteer who may be in a position to influence the conduct of research, academic, financial or other matters in ways that could lead to personal gain or give improper advantage to others, to the detriment of the University or other members of the University community.</li> <li>• <i>Donations from Employees and related Financial Management issues Policy:</i> Handling proposed gifts from members of staff.</li> <li>• <i>Sponsorship Policy:</i> Handling contributions received in exchange for an advantage, in the form of association with the University.</li> </ul>
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<b>COMPLIANCE WITH LEGISLATION/ EXTERNAL REGULATIONS</b>	The revised Policy aligns with Canada Revenue Agency (CRA) requirements for gift receipting to ensure compliance (see Section 6.2 of the Policy).
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<b>RISK FACTORS</b>	N/A
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<b>SUSTAINABILITY CONSIDERATIONS</b>	N/A
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<b>IMPACT OF DECISION AND NEXT STEPS</b>	The revised Policy will continue to be a University-wide Policy, applicable to all gifts that may be accepted by the University.
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Once the new Policy is reviewed and approved by members of the Board of Governors, the Policy will be distributed to relevant University Advancement staff members (and a training will be provided), Deans, the Office of the Provost and Vice-Principal (Academic) and the Office of the Secretary-General. It will also be posted on the Secretariat website for the

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University community and general public.

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**MOTION OR  
RESOLUTION  
FOR APPROVAL**

*Be it resolved that the Board of Governors, on the recommendation of the Vice-Principal (University Advancement), approve the revised Gift Acceptance Policy, as presented in Appendix A.*

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**APPENDICES**

Appendix A: Draft Revised *Gift Acceptance Policy* and *Guidelines*

Appendix B: Draft Revised *Gift Acceptance Policy* (comparison version to the 2014 Policy)

Appendix C: Draft Revised *Gift Acceptance Policy Guidelines* (comparison version to the 2014 Policy)

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# DRAFT

September 10, 2020

<b>POLICY NAME</b>	<b>GIFT ACCEPTANCE POLICY</b>
<b>Approving Body</b>	Board of Governors
<b>Initial Approval Date</b>	October 2, 2014 – Board of Governors
<b>Date of last review</b>	
<b>Date of next review</b>	2025
<b>Executive Sponsor</b>	Vice-Principal (University Advancement)

<b>Related Documents</b>	<ul style="list-style-type: none"> <li>(1) Policy on the Approval of Contracts and Designation of Signing Authority</li> <li>(2) Regulation on Conflict of Interest</li> <li>(3) Policy Relating to the Naming of University Assets</li> <li>(4) Gift-in-Kind Policy</li> <li>(5) Donations from Employees and related Financial Management issues Policy (Financial Services policy applicable to all employees)</li> <li>(6) Sponsorship Policy</li> </ul>
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## PART I - PURPOSE AND SCOPE

### 1. Purpose

- 1.1. Philanthropy is the voluntary act of providing private financial support to non-profit institutions, an important element in advancing education and research. McGill University welcomes gifts that support its academic mission and enhance its programs and services to students and researchers. Such financial support must be provided for the sole purpose of benefiting the institution's mission and its social impact, without the expressed or implied expectation that the donor will receive anything more than recognition as the result of such support.
- 1.2. This Gift Acceptance Policy and the documents it refers to have been established to create a framework for the solicitation, review, acceptance, administration and stewardship of philanthropic gifts (as defined under Section 2.2 below) to McGill University / The Royal Institution for the Advancement of Learning (hereafter, "**McGill University**" or the "**University**").
- 1.3. This Policy and associated documentation have been established to ensure:

- (a) the University's principles, policies and procedures are reflected throughout the gift acceptance process, including appropriate due diligence;
- (b) informed decisions are made concerning the acceptance of gifts;
- (c) gifts are handled in compliance with applicable federal and provincial legislation;
- (d) efficient administrative, legal and accounting practices are followed; and
- (e) consistent and ethical relations with all donors and other supporters of the University are maintained.

## 2. Scope

- 2.1. Scope. This Policy applies to philanthropic gifts made to the University, or being considered by the University, in furtherance of McGill University's charitable, educational and research purposes. This Policy applies to all philanthropic gifts to the University, even where a donor is not eligible for or seeking an official donation receipt for tax purposes.
- 2.2. Definition of Gift. For the purposes of this Policy, a "gift" is a philanthropic gift (also referred to herein as a "donation"), including planned/deferred gifts, where there is an irrevocable transfer of any money or other property to the University by a donor who expects no substantial advantage in return, for the donor or to any third party designated by the donor, subject to the following exceptions:
  - (a) donor recognition commensurate with the gift and applicable University recognition and naming policies and practices;
  - (b) use of the gift as agreed by the donor and the University, in accordance with the University's gift principles under this Policy;
  - (c) life income in the case of some planned/deferred gifts.

In this context, "irrevocable" means the following, in each case subject to the University being able to use the gift for a purpose consistent with the gift terms or any revised purpose pursuant to section 6.5:

- (d) the gift cannot be returned to the donor or the donor's successor's or a third party designated by the donor;
- (e) the gift remains the property of the University unless disposed of by the University, even if a particular staff member leaves the University or if the programmatic or financial needs of the benefitting unit change; and
- (f) there shall be no additional performance-related terms relative to the gift which could result in the gift being forfeited or payments being withheld by the donor.

A gift implies there is no University obligation to provide the donor with a product, service, technical or scientific report, or intellectual property. However, University's status reports or other reports to donors are consistent with philanthropic gifts.

- 2.3. Other Forms of Financial Support. This Policy does not govern other forms of financial support (i.e. “non-philanthropic gift”) to the University, such as:
- (a) sponsorships, where the funding party receives a substantial advantage in return for the funding, in the form of a permitted association with the University (Refer to the University’s *Sponsorship Policy*); or
  - (b) sponsored research, where determined by the University.

In this context, “sponsored research” (versus a gift) involves (i) funding from governmental funding agencies and other accredited funding organizations, (ii) contract research or (iii) funding from corporations, foundations or other organizations or partners where there is an advantage to the sponsor. It is possible to have a gift in support of research, where such support fits within the definition of “gift” under Section 2.2 above. A gift in support of research may still require some administrative and technical support from University units responsible for such internal support.

In certain cases a contribution to the University may be part “gift” and part “funding or support that does not qualify as a gift”. The University will manage and recognize the gift portion in accordance with this Policy.

Questions concerning the review and acceptance of “non-philanthropic gift” financial support shall be referred to the appropriate staff at the University in accordance with the *Policy on the Approval of Contracts and Designation of Signing Authority*.

- 2.4. Types of Donors and Donations. This Policy governs gift acceptance with respect to gifts from donors such as individuals, associations, foundations, and corporations, made in support of existing or new initiatives at the University, whether the gifts are made during the donor’s lifetime or planned/deferred (e.g. through life insurance proceeds, trusts and estates).
- 2.5. University-Wide Scope. This Policy governs all fundraising activities and gift acceptance conducted by the University, including every unit of the University, or by any person authorized by the University.
- 2.6. Gift Review Framework for University Community. This Policy governs University employees, volunteers and leaders on matters of gift acceptance and provides them with an efficient review framework.
- 2.7. Donor Information. This Policy and its published Guidelines provide information about University’s framework and procedures related to gift acceptance to assist current and potential donors with their gift planning.

## PART II – POLICY PROVISIONS

### 3. Principles

3.1. General Statement. McGill University will not accept gifts where such acceptance would compromise any of the principles in this Section 3.

3.2. University Commitments. McGill University is committed to:

3.2.1 academic freedom, freedom of expression, and institutional autonomy;

3.2.2 respecting the rights and dignity of individuals; and

3.2.3 pursuing excellence in the advancement of learning and knowledge.

McGill University will only accept gifts that support these University commitments.

3.3. Alignment, Administration. McGill University (i) seeks and depends upon gifts aligned with its priorities and needs; (ii) uses gifts as agreed by the donor and the University, in accordance with the University's gift principles under this Policy; and (iii) maintains control and flexibility regarding the use and administration of gift funds. McGill University's gift acceptance and gift administration processes are based on and in accordance with its mission, academic priorities and strategic plan.

3.4. University Financial Controls and Compliance. McGill University uses and administers gifts in accordance with applicable University financial and other relevant policies and procedures.

3.5. Cost/Benefits. McGill University will only accept a gift if: (i) the time and cost of handling the gift is proportionate to its expected value; (ii) the gift does not expose the University to excessive liability or risks; and (iii) the University's prospects for realizing cash from the disposal of an asset are not distant or disproportionate to the costs and benefits of holding the asset. In this context, a (potential) gift may be identified by the Advancement unit, or by Legal Services, as requiring special review and consideration in consultation with Senior Leaders of the University before the University may agree to accept it. Such gifts may fall under the non-standard gift types as set out in Guidelines or may be referred to the Approval Committee for Gifts ("**ACOG**") pursuant to Section 4.2 below.

3.6. Avoiding Conflicts of Interest. McGill University is committed to managing actual or perceived conflicts of interest in its acceptance of gifts in accordance with its University *Regulation on Conflicts of Interest*. The *Regulation on Conflicts of Interest* applies to the review and acceptance of all gifts, and governs all members of the University community. When considering philanthropic support for the educational and research activities of the University, decisions should be guided by an overarching concern for advancing learning and knowledge. A gift must not put the University in an institutional conflict of interest; for example, a gift must not:

- (a) create a situation where the University could be influenced by the donor, or where the perception of influence may be created;
- (b) create expectations for research deliverables that provide an advantage to the donor (e.g. early access to findings, influence on research outcomes; expectation of intellectual property interest, consulting or partnership);
- (c) create the appearance of endorsement of the donor by the University; or
- (d) constrain the University's use of vendors.

- 3.7. Compliance with Applicable Legislation. McGill University must comply with all applicable federal and provincial legislation. This includes, for example, taxation, employment, human rights, equity, anti-bribery, anti-money laundering, and anti-terrorism legislation. This Policy, and all other University policies, guidelines and procedures described in this Policy, were designed to comply with and support current legislation. In the event of any disparity, federal and provincial laws supersede the University documents.
- 3.8. Compliance with *Income Tax Act* and CRA Guidelines. McGill University is a registered charity recognized by the Canada Revenue Agency ("**CRA**") and complies with the *Income Tax Act* and CRA guidelines, including those addressing the receipting of charitable gifts.
- 3.9. McGill University as Donee. McGill University is the owner of all gifts it accepts, whether for the benefit of the University generally or for some specific purpose in it. If a gift is designated to a unit or part of the University, it shall be deemed to be a gift for the University, but it will be used for the benefit of the designated unit or part.

## 4. Responsibilities

- 4.1. The Vice-Principal (University Advancement) is responsible for ensuring that McGill University's gift acceptance process is compliant with this Policy.
- 4.2. Over time, gifts may emerge that have aspects or characteristics that were not contemplated within this Policy. In such cases, the Vice-Principal (University Advancement) shall (i) recommend the establishment of different policies for such gifts; or (ii) request that the ACOG conduct a case-by-case review in order to decide whether accepting or declining a particular gift is in the University's best interest. The ACOG shall also review any potential gift that, in the opinion of the Vice-Principal (University Advancement) or other senior leader of the University, carry potential risks or special considerations. Given their fact-specific nature, case-by-case decisions will not be considered precedent-setting.
- 4.3. The Advancement unit, under the direction of the Vice-Principal (University Advancement), has the authority and responsibility to develop operational guidelines and procedures, to support the gift acceptance process, in compliance with this Policy.
- 4.4. The Advancement unit, under the direction of the Vice-Principal (University Advancement), is primarily responsible for managing University fundraising activities to meet University

objectives, in accordance with the University's mission and current academic priorities. All persons and units wishing to raise philanthropic funds for programs or areas at the University, must work within plans and guidelines established by Advancement. The Advancement unit must be consulted prior to or during preliminary discussions with potential donors.

- 4.5. The relevant receiving unit(s) shall be responsible for stewardship of gifts to the University. The Advancement unit, under the direction of the Vice-Principal (University Advancement), supports stewardship practices through strategic University-wide programming as well as the provision of guidelines and procedures to units concerning gifts they have received. This may include appropriate acknowledgement and recognition for gifts, impact communications/reporting, and donor engagement.
- 4.6. In considering or negotiating a gift to the University that is unusual in nature, University employees or other representatives must consult with the Vice-Principal (University Advancement) or his/her designate prior to or during preliminary discussions with potential donors. (Refer to Guidelines for examples of where such consultation is required.)
- 4.7. Advancement unit staff and other relevant University staff shall refer to Guidelines for examples of appropriate questions to guide the review/due diligence process for accepting a gift.
- 4.8. Both the Advancement unit and the relevant receiving unit are responsible for following guidelines concerning indirect costs of research on philanthropic gifts received by the University, as communicated by the Research and Innovation unit, under the direction of the Vice-Principal (Research and Innovation).

## 5. Gift Acceptance

- 5.1. The University may elect to accept or decline any gift. When an offer of a gift is judged contrary to the University's best interest, the Vice-Principal (University Advancement) or his/her designate may request that the terms be revised or may decline the offer. The *Policy on the Approval of Contracts and Designation of Signing Authority* applies to the approval and signing of any gift agreement.
- 5.2. The acceptance of a gift does not imply that the University endorses the donor's views, opinions, businesses, or activities.
- 5.3. The Advancement unit, under the direction of the Vice-Principal (University Advancement), will consult with relevant representatives of the potential receiving unit during the gift acceptance process, in order to consider the receiving unit's views concerning acceptance of a potential gift, and to confirm the receiving unit's ability and commitment to perform any obligations associated with a gift.
- 5.4. Without prejudice to Section 5.2 above, where donors wish to provide an advisory role in the project/program/other initiative to which they have provided funding, the University will consider such advisory role on an exceptional and case-by-case basis, taking account of relevant

legislation and University policies, procedures and authorities. Any such advisory role must be in compliance with the University's principles of academic freedom, freedom of expression, and institutional autonomy. Given their fact-specific nature, case-by-case decisions will not be considered precedent-setting.

- 5.5. University faculty and staff members and their immediate family members are welcome to offer gifts to the University, and these may be accepted if the purpose of the gift is to support University activities. Such gifts are subject to all other applicable University policies and procedures, including the *Regulation on Conflict of Interest* and other University or Financial Services policies treating donations from employees.
- 5.6. University faculty and staff members may welcome prospective gifts to the University, however, in accordance with Section 4.4 of this Policy, any fundraising activities must be referred to the Advancement unit for gift negotiation and approval. Gift acceptance may only occur with proper University authority, in compliance with this Policy and the *Policy on the Approval of Contracts and Designation of Signing Authority*.
- 5.7. Where Gift Acceptance involves the naming of any University asset, such naming must be in compliance with the University's *Policy Relating to the Naming of University Assets*.

## **6. University Management of Different Types of Gifts**

- 6.1. Planned/Deferred Gifts. The University may renounce or disclaim a gift that originates from an estate or trust for any reason, such as illiquidity, lack of marketability, holding costs, liability exposure and unacceptable gift restrictions, or any reason for refusal as per the Guidelines.
- 6.2. Eligibility for a Tax Receipt. Gifts to the University may qualify as "tax receiptable gifts" or may be "gifts that are not eligible for a tax receipt", and will be managed as follows:
  - 6.2.1 Tax receiptable gifts. These are gifts (or some portion of gifts) which the University determines meet the CRA guidelines for issuance of an official donation receipt for tax purposes to donor. Such gifts also qualify for appropriate donor recognition by the University.
  - 6.2.2 Gifts that are not eligible for a tax receipt. These gifts do not qualify for issuance of an official donation receipt for tax purposes as determined by the University in accordance with CRA guidelines, but are still treated as gifts to the University with appropriate gift confirmation and donor recognition.
- 6.3. Main Financial and Gift Administration Classifications. For financial and gift administration purposes, gifts (or portions of gifts) to the University are classified and managed as follows:
  - 6.3.1 Current use gifts. A "current use gift" (sometimes referred to as "expendable gift" or direct spend gift") is to be spent down over a period of time to support the purpose(s) of the gift, in accordance with an established schedule or at the University's discretion, until funds are depleted.

6.3.2 Endowed gifts. An “endowed gift” is providing capital to be invested in the University’s endowment (the “**Endowment**”), in order to produce income which can be used to support the designated purpose(s) of the gift, normally in perpetuity. The management of the capital of the Endowment and the distributions of income from the Endowment to support the purpose(s) of the gift are made according to the University’s investment policies and procedures in effect from time to time. An endowed gift may establish an Endowment fund or augment an existing one. The capital of Endowment funds shall not be encroached upon or “spent down”.

Except for endowment funds resulting from testamentary dispositions, every new Endowment fund established by a gift must be based on a written Gift Agreement, which includes:

- (a) Purpose provision [may be restricted (e.g. to fund a specific unit or area of research) or unrestricted (e.g. to support the University’s academic priorities)]
- (b) Revised Purpose Clause
- (c) Payment/Pledge schedule (if applicable).

Any deviation from the foregoing Endowment requirements in this section 6.3.2 requires the written approval of the Vice-Principal (Administration and Finance) or delegate.

6.4. Restricted Versus Unrestricted Gifts. Gifts (or distinct allocations of gifts) may be classified as either “restricted gifts” or “unrestricted gifts” as follows:

6.4.1 Restricted gifts. A “restricted gift” is a gift for which the donor and the University have agreed upon specific directions on how the gift is to be used within the University and/or within one of its units.

6.4.2 Unrestricted gifts. An “unrestricted gift” is a gift for which the donor has left it to the University (and/or a specified unit) to decide how to use the funds (e.g. use of wording such as “to support the University’s academic priorities” or “for the general support of the University”, or silent as to purpose).

6.5. Revised Purpose. In exceptional circumstances and to ensure timely use of gifts over time, if, in the University’s opinion, it is no longer necessary, practical, desirable or possible to use all or part of a gift for the original purpose(s) specified, the University, in consultation with the Donor where possible, may redirect the affected portion of the gift to a new purpose that is consistent with the original spirit and intent of the donor when making the gift. Any such change shall be reviewed and approved by the University Advancement unit in consultation with the affected unit(s), University Legal Services and University senior leaders, as applicable.

## 7. **Gift Receipting**

7.1. Advancement is the only University unit authorized to issue receipts related to philanthropic gifts, whether gift confirmation receipts or official donation receipts for tax purposes, the latter

being in compliance with the requirements of applicable taxation legislation, and in accordance with the procedures established by the University.

## **8. Unfulfilled Payments (Pledges)**

- 8.1. The University will notify donors concerning any unfulfilled payments/pledges, where possible. If, for any reason, a payment/pledge is not fulfilled as outlined in a gift agreement and it is not possible to come to a new agreement with the donor, the University will have the authority to redirect any partial funds toward one or more of the areas designated in the gift agreement, or other purpose(s) which is/are, in the University's opinion, consistent with the spirit and intent of the donor's gift. Any such change shall be reviewed and approved by the University Advancement unit in consultation with the affected unit(s), University Legal Services and University senior leaders, as applicable.

## **9. Ethics**

- 9.1. All University employees, volunteers and professional representatives acting on behalf of the University will conduct themselves in accordance with accepted professional standards of accuracy, truth and integrity.

## **10. No Advice to Donors**

- 10.1. McGill University does not provide legal, tax or financial advice to donors. Therefore, donors are encouraged to discuss all gift planning decisions with their own independent legal, financial or tax advisors before entering into any commitment to make a gift to the University. Donors are responsible for all costs in relation to obtaining such independent professional advice.

## **11. Confidentiality**

- 11.1. Information concerning all transactions between a donor and the University shall be held by the University in strict confidence and may be publicly disclosed only with the permission of the donor, or in accordance with applicable laws.

## **12. Anonymity**

- 12.1. McGill University shall respect the wishes of donors wishing to support the University anonymously and will take reasonable steps to safeguard those donors' identity, subject to the limitations outlined below. "Anonymous" treatment of records requires the University to take more steps than it does when treating records in a confidential manner, since this involves the usual confidentiality treatment referred to in Section 11.1 above, in addition to internal restrictions on access to "anonymous" records.

- 12.1.1 Records, as required by taxation legislation for charitable organization receipting purposes, are maintained by the Advancement unit. Access to these records is restricted to appropriate staff within the Advancement and Finance and Administration units, and senior officers of the University, on a need-to-know basis;
- 12.1.2 The University will comply with any legal obligation to disclose the names of donors and the nature and value of their gifts (for example, obligations that may arise under *Income Tax Act* or other relevant statutes);
- 12.1.3 The identity of a donor requesting anonymity may be provided to the Board of Governors on an oral basis if the Board so requests. Such information will not be included in the minutes of the meeting nor used by Board members or officers outside the meeting of the Board of Governors (except as may be required by applicable laws); and
- 12.1.4 Prospective donors requesting anonymity shall be advised by the Advancement unit that their names, and the nature and amounts of their gifts, will be disclosed as above.

## **PART III – AUTHORITY TO APPROVE PROCEDURES**

The Vice-Principal (University Advancement) is vested with the authority to approve procedures as they relate to this Policy.

## **PART IV – REVIEW**

This Policy shall be reviewed every five (5) years.

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**GUIDELINES FOR GIFT ACCEPTANCE POLICY**

## **1. Standard Gift Types**

The following types of gifts are generally eligible for consideration by the University:

- (a) cash or cash equivalents -- e.g. currency, cheques, credit card payments, electronic funds transfers, payroll deductions, but excluding any form of alternative currency (including cryptocurrency) that cannot be easily and immediately redeemed for cash
- (b) publicly-traded securities, on recognized exchanges
- (c) bequests (testamentary gifts through wills or trust documents)
- (d) life insurance
- (e) payments from charitable trusts
- (f) charitable gift annuities
- (g) gifts-in-kind (e.g.: rare books, equipment, and other) consistent with the University's Gifts-In-Kind Policy in effect.

## **2. Non-Standard Gifts / Early Consultation Required**

If considering or negotiating a gift to the University that is non-standard in nature, University staff members must consult with the Vice-Principal (University Advancement) or his/her designate prior to or early on during discussions with potential donors. For example, such consultation is required where proposed gifts:

- (a) present questions as to whether they are consistent with the educational and research mission of the University
- (b) are from an individual or organization whose philosophy and values could be considered inconsistent with the philosophy and values of the University
- (c) may expose the University to an uncertain liability
- (d) may be perceived to come from illegal or unethical activities
- (e) involve a proposal to name a program or facility (See Policy Relating to the Naming of University Assets)
- (f) involve restricted securities (e.g. thinly-traded, non-publicly traded on a recognized exchange, closely-held, illiquid or otherwise unmarketable securities) or other business interests (e.g. ownership interests in non-corporate business entities, such as partnerships and limited liability companies)
- (g) involve instruments that are otherwise of a "non-standard" nature (refer to Item 1 above re. generally standard gift types).

## **3. Reasons for Refusal of Gift**

To protect the University's institutional autonomy, reasons for the refusal of a proposed gift include:

- (a) gift does not accord with the University's mission, academic priorities or strategic plan
- (b) gift could compromise the University's public image, reputation or commitment to its mission and values
- (c) gift is from an individual or organization whose philosophy and values could be considered inconsistent with those of the University
- (d) gift may expose the University to unacceptable risk or liability

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- (e) donor applies restrictions or conditions on the gift that are unacceptable to the University
- (f) gift will be unreasonably onerous to administer
- (g) gift may have come from illegal or unethical activities
- (h) gift has advantages inappropriately directed to a specific individual, group of individuals or organization
- (i) gift violates provincial or federal legislation or relevant University policies or guidelines concerning human rights or equity
- (j) (intended) “gift” is determined to be something other than a charitable gift, where donor has indicated donor wishes to obtain an official donation receipt for tax purposes
- (k) gift is too narrowly restricted
- (l) gift involves thinly-traded/illiquid securities
- (m) gift jeopardizes the University’s registered charity status
- (n) gift is being donated to the University with instructions to transfer it (or some portion of it) to a third party

## Examples:

The University will not accept as a “gift” any transaction that would require it to give special consideration for employment to the donor, or to anyone designated by the donor, or that would allow the donor to inappropriately influence University appointments, research programs or curriculum.

The University will not accept as a “gift” any transaction that would allow the donor to influence admissions.

The University will not accept as a “gift” any transaction that would give special consideration to the procurement of products or services associated with the donor, or to any person designated by the donor.

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## TERMS OF REFERENCE FOR THE APPROVAL COMMITTEE FOR GIFTS

### 1. Terms of Reference

The Approval Committee for Gifts (“ACOG”) is a standing Committee charged with assisting McGill’s University Advancement in determining the acceptability of gifts proposed by donors, to ensure such gifts are:

- aligned with the University’s mission, academic priorities and strategic plan, enhancing its programs and services to students and researchers;
- respecting principles of academic freedom, freedom of expression, and institutional autonomy;
- in the best interest of the University; and
- in accordance with the University’s policies

### 2. Membership

The standing members of the ACOG are as follows:

- (a) Chair, the Vice Principal (Administration and Finance)
- (b) The Provost and Vice-Principal (Academic)
- (c) The Vice-Principal (University Advancement)
- (d) The General Counsel & Director Legal Services; and
- (e) Dean or equivalent head of the potential receiving unit.

ACOG members may appoint a delegate to represent them at the Committee’s meeting. In the absence of the Vice-Principal (Administration and Finance), the Provost and Vice-Principal (Academic) shall serve as the Chair of the ACOG.

### 3. Specific Areas of Responsibility

- 3.1. Determine, on a case-by-case basis, if the University should accept or not proposed gifts that:
  - (a) are not covered by the Gift Acceptance Policy or the Gifts-in-Kind Policy; or
  - (b) carry identified risks and/or special considerations.
- 3.2. For gifts-in-kind, determine, on a case-by-case basis, if the University should accept or not gifts:
  - (a) with a fair market value of \$250,000 or above;
  - (b) which would put the donor at the cumulative giving level of \$250,000 or more for gifts-in-kind; or
  - (c) where there are special considerations.
- 3.3. Approve the acceptance of giving vehicles not covered by the Gift Acceptance Policy, or giving vehicles that are considered to be illiquid.
- 3.4. Approve proposed change of purpose of gifts, upon such request by University Advancement, affected unit(s), University Legal Services or University senior leaders.

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<b>POLICY NAME</b>	<b>GIFT ACCEPTANCE POLICY</b>
<b>Approving Body</b>	Board of Governors
<b>Initial Approval Date</b>	October 2, 2014
<b>Date of last review</b>	<del>N/A</del>
<b>Date of next review</b>	<u>2025</u>
<b>Executive Sponsor</b>	Vice-Principal (University Advancement)

<b>Related Documents</b>	<p>(1) Policy on the Approval of Contracts and Designation of Signing Authority</p> <p>(2) Regulation on Conflict of Interest</p> <p>(3) Policy Relating to the Naming of University Assets</p> <p>(4) Gift-in-Kind Policy</p> <p>(5) <u>Donations from Employees and related Financial Management issues Policy (Financial Services policy applicable to all employees)</u></p> <p>(6) <u>Sponsorship Policy</u></p>
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<b>SECTION 1 – PREAMBLE</b>	<b><u>PART I - PURPOSE AND SCOPE</u></b>	
	<b>1. <u>Purpose</u></b>	
1.1 Philanthropic support is an important element in advancing research and education. McGill University welcomes gifts which enable it to advance	1.1. <u>Philanthropic</u> <del>Philanthropy</del> <u>is the voluntary act of providing private financial support</u> <del>is to non-profit institutions,</del> an important element in advancing <del>research and</del> education <u>and research</u> . McGill	

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its academic mission and to enhance its programs and services to students and researchers.	University welcomes gifts <del>which enable it to advance that support</del> its academic mission and <del>to</del> enhance its programs and services to students and researchers. <u>Such financial support must be provided for the sole purpose of benefiting the institution’s mission and its social impact, without the expressed or implied expectation that the donor will receive anything more than recognition as the result of such support.</u>	
1.2 This Gift Acceptance Policy and the documents it refers to have been established to create a framework for the solicitation, review, acceptance, administration and stewardship of philanthropic gifts to McGill University / The Royal Institution for the Advancement of Learning (hereafter, “ <b>McGill University</b> ” or the “ <b>University</b> ”).	1.2 This Gift Acceptance Policy and the documents it refers to have been established to create a framework for the solicitation, review, acceptance, administration and stewardship of philanthropic gifts <u>(as defined under Section 2.2 below)</u> to McGill University / The Royal Institution for the Advancement of Learning (hereafter, “ <b>McGill University</b> ” or the “ <b>University</b> ”).	
1.3 This Policy and associated documentation have been established to ensure:	1.3 This Policy and associated documentation have been established to ensure:	
(a) the University’s principles, policies and procedures are reflected throughout the gift acceptance process	(a) the University’s principles, policies and procedures are reflected throughout the gift acceptance process, <u>including appropriate due diligence;</u>	
(b) informed decisions are made concerning the acceptance of gifts	(b) informed decisions are made concerning the acceptance of gifts; <u>;</u>	
(c) gifts are handled in compliance with applicable federal and provincial legislation	(c) gifts are handled in compliance with applicable federal and provincial legislation; <u>;</u>	
(d) efficient administrative, legal and accounting practices are followed	(d) efficient administrative, legal and accounting practices are followed; <u>and</u>	

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(e) consistent and ethical relations with all donors and other supporters of the University are maintained.	(e) consistent and ethical relations with all donors and other supporters of the University are maintained.	
<b>SECTION 2 – SCOPE OF POLICY</b>	<b>2. <u>Scope</u></b>	
	<p>2.1 <u>Scope. This Policy applies to philanthropic gifts made to the University, or being considered by the University, in furtherance of McGill University’s charitable, educational and research purposes. This Policy applies to all philanthropic gifts to the University, even where a donor is not eligible for or seeking an official donation receipt for tax purposes.</u></p>	New
	<p>2.2 <u>Definition of Gift. For the purposes of this Policy, a “gift” is a philanthropic gift (also referred to herein as a “donation”), including planned/deferred gifts, where there is an irrevocable transfer of any money or other property to the University by a donor who expects no substantial advantage in return, for the donor or to any third party designated by the donor, subject to the following exceptions:</u></p> <ul style="list-style-type: none"> <li>(a) <u>donor recognition commensurate with the gift and applicable University recognition and naming policies and practices;</u></li> <li>(b) <u>use of the gift as agreed by the donor and the University, in accordance with the University’s gift principles under this Policy;</u></li> <li>(c) <u>life income in the case of some planned/deferred gifts.</u></li> </ul>	New

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	<p><u>In this context, “irrevocable” means the following, in each case subject to the University being able to use the gift for a purpose consistent with the gift terms or any revised purpose pursuant to section 6.5:</u></p> <p>(d) <u>the gift cannot be returned to the donor or the donor’s successor’s or a third party designated by the donor;</u></p> <p>(e) <u>the gift remains the property of the University unless disposed of by the University, even if a particular staff member leaves the University or if the programmatic or financial needs of the benefitting unit change; and</u></p> <p>(f) <u>there shall be no additional performance-related terms relative to the gift which could result in the gift being forfeited or payments being withheld by the donor.</u></p> <p><u>A gift implies there is no University obligation to provide the donor with a product, service, technical or scientific report, or intellectual property. However, University’s status reports or other reports to donors are consistent with philanthropic gifts.</u></p>	
<p>2.1 This Policy governs gift acceptance with respect to gifts from donors such as individuals, associations, foundations, and corporations, made in support of existing or new initiatives at the University, whether the gifts are made during the donor’s lifetime or testamentary (trusts and estates).</p>	<p>2.4. <u>Types of Donors and Donations.</u> This Policy governs gift acceptance with respect to gifts from donors such as individuals, associations, foundations, and corporations, made in support of existing or new initiatives at the University, whether the gifts are made during the donor’s lifetime or <del>testamentary</del> <u>(planned/deferred (e.g. through life insurance proceeds,</u> trusts and estates).</p>	

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<p>2.2 This Policy governs all fundraising activities and gift acceptance conducted by the University, including every unit of the University, or by any person authorized by the University.</p>	<p>2.5. <u>University-Wide Scope.</u> This Policy governs all fundraising activities and gift acceptance conducted by the University, including every unit of the University, or by any person authorized by the University.</p>	
<p>2.3 This Policy governs University employees, volunteers and leaders on matters of gift acceptance and provides them with an efficient review framework.</p>	<p>2.6. <u>Gift Review Framework for University Community.</u> This Policy governs University employees, volunteers and leaders on matters of gift acceptance and provides them with an efficient review framework.</p>	
<p>2.4 This Policy and its published guidelines provide public information about the University’s gift acceptance policies and procedures, in order to inform the public about University procedures, and to stimulate interest and support among the University’s current and potential donors.</p>	<p>2.7 <u>Donor Information.</u> This Policy and its published <del>g</del>Guidelines provide <del>public</del> information about <del>the</del> University’s <u>framework and procedures related to</u> gift acceptance <del>policies and procedures, in order to inform the public about University procedures, and to stimulate interest and support among the University’s to assist</del> current and potential donors.</p>	
<p>2.5 Financial support to the University that provides an advantage for the person offering such financial support, or for a person designated by the person offering such financial support, is not considered a gift. While the University Advancement (“<b>Advancement</b>”) unit may be involved in the acceptance of these (non-philanthropic) forms of financial support from time to time (e.g. event sponsorships), it is not the unit of the University that oversees such matters. Questions concerning the review and acceptance of such financial support shall be referred to the relevant Dean or equivalent head of unit that is to receive the intended financial support.</p>	<p>2.3 <u>Other Forms of Financial Support. This Policy does not govern other forms of financial support (i.e. “non-philanthropic gift”) to the University, such as:</u></p> <p><u>(a) sponsorships, where the funding party receives a substantial advantage in return for the funding, in the form of a permitted association with the University (Refer to the University’s Sponsorship Policy); or</u></p>	<p>Sections 2.5 &amp; 2.6 of the 2014 Policy were reworded under 2.3 of the Revised Policy</p>

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<p>Refer to Appendix 3 – Gift Eligibility Guidelines for examples of advantages to the person offering support or to a person designated by the person offering support. In certain cases, Advancement may determine that a specific form of funding or support may be part gift and part non-philanthropic funding or support, and will recognize and receipt accordingly.</p> <p>2.6 Advancement is not a unit of the University that oversees research grants. Questions concerning grant applications or grants shall be referred to the relevant Dean or equivalent head of unit or his/her designate for research matters, and ultimately to the Vice-Principal (Research and International Relations). The following forms of funding generally do not constitute philanthropic gifts:</p> <ul style="list-style-type: none"> <li>(a) funding for the purpose of research where there is an advantage to the funder or sponsor (e.g. an advantage in the form of rights to the results of the research); and</li> <li>(b) grants from funding agencies.</li> </ul> <p>However, research grants from foundations or other charitable organizations that support the advancement of knowledge by a systematic or scientific approach, and where there is no other advantage to the donor, do constitute philanthropic gifts.</p>	<p><u>(b) sponsored research, where determined by the University.</u></p> <p><u>In this context, “sponsored research” (versus a gift) involves</u></p> <p><u>(i) funding from governmental funding agencies and other accredited funding organizations, (ii) contract research or (iii) funding from corporations, foundations or other organizations or partners where there is an advantage to the sponsor. It is possible to have a gift in support of research, where such support fits within the definition of “gift” under Section 2.2 above. A gift in support of research may still require some administrative and technical support from University units responsible for such internal support.</u></p> <p><u>In certain cases a contribution to the University may be part “gift” and part “funding or support that does not qualify as a gift”. The University will manage and recognize the gift portion in accordance with this Policy.</u></p>	

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	<p><u>Questions concerning the review and acceptance of “non-philanthropic gift” financial support shall be referred to the appropriate staff at the University in accordance with the <i>Policy on the Approval of Contracts and Designation of Signing Authority</i>.</u></p>	
<p><b>SECTION 3. – PRINCIPLES</b></p>	<p><b><u>PART II – POLICY PROVISIONS</u></b></p> <p><b>3. <u>Principles</u></b></p>	
<p>3.1 McGill University is committed to the principles of academic freedom, freedom of expression, and institutional autonomy.</p>	<p>3.2 <u>University Commitments</u>. McGill University is committed to <del>the principles of:</del></p> <p>3.2.1 academic freedom, freedom of expression, and institutional autonomy;</p> <p>3.2.2 <u>respecting the rights and dignity of individuals; and</u></p> <p>3.2.3 <u>pursuing excellence in the advancement of learning and knowledge.</u></p> <p><u>McGill University will only accept gifts that support these University commitments.</u></p>	
<p>3.2 McGill University’s gift acceptance process is based on and in accordance with its mission, academic priorities and strategic plan.</p>	<p>3.3 <u>Alignment, Administration</u>. McGill University <u>(i) seeks and depends upon gifts aligned with its priorities and needs; (ii) uses gifts as agreed by the donor and the University, in accordance with the University’s gift principles under this Policy; and (iii) maintains control and flexibility regarding the use and administration of gift funds.</u> McGill University’s gift acceptance <del>and gift administration process is</del> <u>processes are</u> based on and in accordance with its mission, academic priorities and strategic plan.</p>	

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	<p><u>3.4 University Financial Controls and Compliance.</u> McGill University uses and administers gifts in accordance with applicable University financial and other relevant policies and procedures.</p>	New
	<p><u>3.5 Cost/Benefits.</u> McGill University will only accept a gift if: (i) the time and cost of handling the gift is proportionate to its expected value; (ii) the gift does not expose the University to excessive liability or risks; and (iii) the University’s prospects for realizing cash from the disposal of an asset are not distant or disproportionate to the costs and benefits of holding the asset. In this context, a (potential) gift may be identified by the Advancement unit, or by Legal Services, as requiring special review and consideration in consultation with Senior Leaders of the University before the University may agree to accept it. Such gifts may fall under the non-standard gift types as set out in Guidelines or may be referred to the Approval Committee for Gifts (“ACOG”) pursuant to Section 4.2 below.</p>	New
<p>3.3 McGill University is a registered charity recognized by the Canada Revenue Agency (“CRA”) and complies with the <i>Income Tax Act</i> and CRA guidelines, including those addressing the receipting of charitable gifts.</p>	<p><u>3.8 Compliance with <i>Income Tax Act</i> and CRA Guidelines.</u> McGill University is a registered charity recognized by the Canada Revenue Agency (“CRA”) and complies with the <i>Income Tax Act</i> and CRA guidelines, including those addressing the receipting of charitable gifts.</p>	
<p>3.4 McGill University complies with all applicable federal and provincial legislation. This includes, for example, taxation, employment, human rights, equity, anti-bribery, anti-money laundering, and anti-terrorism legislation. This Policy, and all other</p>	<p><u>3.7 Compliance with Applicable Legislation.</u> McGill University complies with all applicable federal and provincial legislation. This includes, for example, taxation, employment, human rights, equity, anti-bribery, anti-money laundering, and anti-terrorism</p>	

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<p>University policies, guidelines and procedures described in this Policy, were designed to comply with current legislation. In the event of any disparity, federal and provincial laws supersede the University documents.</p>	<p>legislation. This Policy, and all other University policies, guidelines and procedures described in this Policy, were designed to comply with <u>and support</u> current legislation. In the event of any disparity, federal and provincial laws supersede the University documents.</p>	
<p>3.5 McGill University is committed to managing actual or perceived conflicts of interest in its acceptance of gifts in accordance with its University Regulation on Conflicts of Interest. The Regulation on Conflicts of Interest applies to the review and acceptance of all gifts, and governs all members of the University community.</p>	<p>3.6 <u>Avoiding Conflicts of Interests.</u> McGill University is committed to managing actual or perceived conflicts of interest in its acceptance of gifts in accordance with its University <i>Regulation on Conflicts of Interest</i>. The <i>Regulation on Conflicts of Interest</i> applies to the review and acceptance of all gifts, and governs all members of the University community. <u>When considering philanthropic support for the educational and research activities of the University, decisions should be guided by an overarching concern for advancing learning and knowledge. A gift must not put the University in an institutional conflict of interest; for example, a gift must not:</u></p> <ul style="list-style-type: none"> <li>(a) <u>create a situation where the University could be influenced by the donor, or where the perception of influence may be created;</u></li> <li>(b) <u>create expectations for research deliverables that provide an advantage to the donor (e.g. early access to findings, influence on research outcomes; expectation of intellectual property interest, consulting or partnership);</u></li> <li>(c) <u>create the appearance of endorsement of the donor by the University; or</u></li> </ul>	

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	(d) <u>constrain the University's use of vendors.</u>	
<p>3.6 McGill University is the owner of all gifts it accepts, whether for the benefit of the University generally or for some specific purpose in it. If a gift is designated to a unit or part of the University, it shall be deemed to be a gift for the University, but it will be used for the benefit of the designated unit or part.</p>	<p>3.9. <u>McGill University as Donee.</u> McGill University is the owner of all gifts it accepts, whether for the benefit of the University generally or for some specific purpose in it. If a gift is designated to a unit or part of the University, it shall be deemed to be a gift for the University, but it will be used for the benefit of the designated unit or part.</p>	
<p>3.7 McGill University will not accept gifts where such acceptance would compromise any of the above principles.</p>	<p>3.1 <u>General Statement.</u> McGill University will not accept gifts where such acceptance would compromise any of the <del>above</del> principles <u>in this Section 3.</u></p>	
<p><b>SECTION 4 – RESPONSIBILITIES</b></p>	<p><b>4. <u>Responsibilities</u></b></p>	
<p>4.1 The Vice-Principal (Advancement) is responsible for ensuring that McGill University's gift acceptance process is compliant with this Policy.</p>	<p>4.1 The Vice-Principal (<u>University</u> Advancement) is responsible for ensuring that McGill University's gift acceptance process is compliant with this Policy.</p>	
<p>4.2 Over time, emerging gift types may have aspects or characteristics that that were not contemplated within this Policy. In such cases, the Vice-Principal (Advancement) shall recommend the establishment of different policies for such gifts; or shall request that the Approval Committee for Gifts (“ACOG”) conduct a case-by-case review of such cases in order to decide whether accepting or declining a particular gift is in the University's best interest. Given their fact-specific nature, case-by-case decisions will not be considered precedent-setting. The standing members of the ACOG are as follows:</p>	<p>4.2 Over time, <u>emerging gift types gifts</u> may <u>emerge that</u> have aspects or characteristics that <del>that</del> were not contemplated within this Policy. In such cases, the Vice-Principal (<u>University</u> Advancement) shall <u>(i)</u> recommend the establishment of different policies for such gifts; or <del>shall</del> <u>(ii)</u> request that the <del>Approval Committee for Gifts (“ACOG”)</del> <u>ACOG</u> conduct a case-by-case review <del>of such cases</del> in order to decide whether accepting or declining a particular gift is in the University's best interest. <u>The ACOG shall also review any potential gift that, in the opinion of the Vice-Principal (University Advancement) or other senior leader of the University, carry potential risks or special considerations.</u> Given their fact-specific</p>	

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	nature, case-by-case decisions will not be considered precedent-setting. <del>The standing members of the ACOG are as follows:</del>	Membership Deleted Now in Terms of reference for ACOG
(a) Chair, the Vice Principal (Administration and Finance)	<del>(a) Chair, the Vice Principal (Administration and Finance)</del>	
(b) The Provost or delegate appointed by this individual	<del>(b) The Provost or delegate appointed by this individual</del>	
(c) The Vice-Principal (Advancement)	<del>(c) The Vice-Principal (Advancement)</del>	
(d) The General Counsel & Director Legal Services or delegate appointed by this individual; and	<del>(d) The General Counsel &amp; Director Legal Services or delegate appointed by this individual; and</del>	
(e) Dean or equivalent head of the potential receiving unit.	<del>(e) Dean or equivalent head of the potential receiving unit.</del>	
4.3 The Advancement unit, under the direction of the Vice-Principal (Advancement), has the authority and responsibility to develop operational guidelines and procedures, to support the gift acceptance process, in compliance with this Policy.	4.3 The Advancement unit, under the direction of the Vice-Principal ( <u>University</u> Advancement), has the authority and responsibility to develop operational guidelines and procedures, to support the gift acceptance process, in compliance with this Policy.	
4.4 The Advancement unit, under the direction of the Vice-Principal (Advancement), is primarily responsible for managing University fundraising activities to meet University objectives, in accordance with the University’s mission and current academic priorities. All persons and units wishing to raise gift funds for programs or areas at the University, must work within plans and guidelines established by Advancement. The Advancement unit must be consulted prior to or during preliminary discussions with potential donors.	4.4 The Advancement unit, under the direction of the Vice-Principal ( <u>University</u> Advancement), is primarily responsible for managing University fundraising activities to meet University objectives, in accordance with the University’s mission and current academic priorities. All persons and units wishing to raise <u>gift philanthropic</u> funds for programs or areas at the University, must work within plans and guidelines established by Advancement. The Advancement unit must be consulted prior to or during preliminary discussions with potential donors.	

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<p>4.5 The Advancement unit, under the direction of the Vice-Principal (Advancement), oversees stewardship of gifts for the University through the provision of guidelines and procedures to units concerning gifts they have received, and certain central support. This includes appropriate acknowledgement and recognition for gifts. Where reports are provided to donors, such reports will conform with University policies and legal requirements, and will be managed and shared with donors by the appropriate unit relevant to the donation.</p>	<p>4.5 <u>The relevant receiving unit(s) shall be responsible for stewardship of gifts to the University.</u> The Advancement unit, under the direction of the Vice-Principal (<u>University Advancement</u>), <u>oversees supports</u> stewardship <u>practices of gifts for the University</u> through <u>strategic University-wide programming as well as</u> the provision of guidelines and procedures to units concerning gifts they have received, <del>and certain central support</del>. This <u>includes may include</u> appropriate acknowledgement and recognition for gifts, <del>Where reports are provided to donors, such reports will conform with University policies and legal requirements, and will be managed and shared with donors by the appropriate unit relevant to the donation</del> <u>impact communications/reporting, and donor engagement.</u></p>	<p>Clarification of responsibilities</p>
<p>4.6 In considering or negotiating a gift to the University that is unusual in nature, University employees or other representatives must consult with the Vice-Principal (Advancement) or his/her designate prior to or during preliminary discussions with potential donors. Refer to Appendix 3 – Gift Eligibility Guidelines for examples where such consultation is required.</p>	<p>4.6 In considering or negotiating a gift to the University that is unusual in nature, University employees or other representatives must consult with the Vice-Principal (<u>University Advancement</u>) or his/her designate prior to or during preliminary discussions with potential donors. <u>(Refer to Appendix 3 – Gift Eligibility Guidelines for examples of where such consultation is required.)</u></p>	
<p>4.7 Refer to Appendix 3 – Gift Eligibility Guidelines for examples of appropriate questions to guide the review/due diligence process for accepting a gift.</p>	<p>4.7 <u>Refer to Appendix 3 – Gift Eligibility Advancement unit staff and other relevant University staff shall refer to</u> Guidelines for examples of appropriate questions to guide the review/due diligence process for accepting a gift.</p>	
<p>4.8 Both the Advancement unit and the relevant receiving unit are responsible for following guidelines</p>	<p>4.8 Both the Advancement unit and the relevant receiving unit are responsible for following guidelines</p>	

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concerning indirect costs of research on philanthropic donations received by the University, as communicated by the Research and International Relations unit, under the direction of the Vice-Principal (Research and International Relations).	concerning indirect costs of research on philanthropic <del>donations</del> <u>gifts</u> received by the University, as communicated by the Research and <del>International Relations</del> <u>Innovation</u> unit, under the direction of the Vice-Principal (Research and <del>International Relations</del> <u>Innovation</u> ).	
<b>SECTION 5 – GIFT TYPES AND ELIGIBILITY</b>	<b><u>6. University Management of Different Types of Gifts</u></b>	Section moved after “Gift Acceptance” Section
5.1 In general terms, for the purposes of this Policy, a gift means a gift of money or other property irrevocably given to the University, without any expectation of advantage to the donor or third party designated by the donor. More specific University and <i>Income Tax Act</i> requirements in effect establish relevant criteria for the recognition and receipting of gifts.	- DELETED -	Definition of gift now in 2.2 of Revised Policy
	6.1. <u>Planned/Deferred Gifts. The University may renounce or disclaim a gift that originates from an estate or trust for any reason, such as illiquidity, lack of marketability, holding costs, liability exposure and unacceptable gift restrictions, or any reason for refusal as per the Guidelines.</u>	New
5.2 Gifts to the University may qualify as “tax receiptable gifts” or may be “philanthropic gifts that are not eligible for a tax receipt”:	6.2 <u>Eligibility for a Tax Receipt.</u> Gifts to the University may qualify as “tax receiptable gifts” or may be “ <del>philanthropic</del> gifts that are not eligible for a tax receipt”, <u>and will be managed as follows:</u>	
<ul style="list-style-type: none"> <li><u>Tax receiptable gifts.</u> These are gifts (or some portion of gifts) which the University determines meet the CRA guidelines for</li> </ul>	6.2.1 <u>Tax receiptable gifts.</u> These are gifts (or some portion of gifts) which the University determines meet the CRA guidelines for issuance	

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<p>issuance of a charitable gift tax receipt to donor. Such gifts also qualify for appropriate donor recognition by the University.</p>	<p>of <del>a charitable gift tax</del> <u>an official donation</u> receipt <u>for tax purposes</u> to donor. Such gifts also qualify for appropriate donor recognition by the University.</p>	
<ul style="list-style-type: none"> <li>Philanthropic gifts that are not eligible for a tax receipt. These gifts do not qualify for issuance of a charitable gift tax receipt under CRA guidelines, as determined by the University in accordance with CRA guidelines, but are nevertheless gifts to the University that are recognized by the University by a receipt and appropriate donor recognition.</li> </ul>	<p>6.2.2 <u>Philanthropic gifts</u> Gifts that are not eligible for a tax receipt. These gifts do not qualify for issuance of <del>a charitable gift tax</del> <u>an official donation</u> receipt <u>for tax purposes under CRA guidelines</u>, as determined by the University in accordance with CRA guidelines, but are <del>nevertheless</del> <u>still treated as</u> gifts to the University <del>that are recognized by the University by a receipt and with</del> appropriate <u>gift confirmation and</u> donor recognition.</p>	
<p>5.3 For accounting and administrative purposes, gifts (or portions of gifts) are classified into two main categories, as either “expendable gifts” or “endowments”:</p>	<p>6.3 <u>Main Financial and Gift Administration Classification</u>. For <del>accounting financial and gift administration</del> <u>administrative</u> purposes, gifts (or portions of gifts) <u>to the University</u> are classified <del>into two main categories, as either “expendable gifts” or “endowments”</del> <u>and managed as follows</u>:</p>	
<ul style="list-style-type: none"> <li><u>Expendable gifts</u>. An “expendable gift” (sometimes referred to as “direct spend gift”) is a gift that will be spent during a limited period of time, in accordance with an established schedule or at the University’s discretion. Once an expendable gift is spent, the associated fund no longer exists, unless a donor replenishes the fund.</li> </ul>	<p>6.3.1 <u>Expendable Current use gifts</u>. An <u>A</u> “<u>expendable current use</u> gift” (sometimes referred to as “<u>expendable gift</u>” or “direct spend gift”) is <del>a gift that will to</del> be spent <u>down during a limited over</u> a period of time <u>to support the purpose(s) of the gift</u>, in accordance with an established schedule or at the University’s discretion, <u>until funds are depleted</u>. <del>Once an expendable gift is spent, the associated fund no longer exists, unless a donor replenishes the fund.</del></p>	

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<ul style="list-style-type: none"> <li>• <u>Endowments</u>. An “endowment” is a gift for which the capital is preserved and annual expenditures are restricted to a portion of the income from investment. A gift may establish an endowment fund or augment an existing one. An endowment normally exists in perpetuity. Refer to Appendix 5 – Guidelines for Endowments.</li> </ul>	<p>6.3.2 <u>Endowments</u> <u>Endowed gifts</u>. An “<u>endowment endowed gift</u>” <u>is a gift for which the capital is preserved and annual expenditures are restricted to a portion of the income from investment is providing capital to be invested in the University’s endowment (the “Endowment”), in order to produce income which can be used to support the designated purpose(s) of the gift, normally in perpetuity. The management of the capital of the Endowment and the distributions of income from the Endowment to support the purpose(s) of the gift are made according to the University’s investment policies and procedures in effect from time to time. A An endowed gift may establish an endowment fund or augment an existing one. The capital of Endowment funds shall not be encroached upon or “spent down”. An endowment normally exists in perpetuity. Refer to Appendix 5 – Guidelines for Endowments.</u></p> <p><u>Except for endowment funds resulting from testamentary dispositions, every new Endowment fund established by a gift must be based on a written Gift Agreement, which includes:</u></p> <p>(a) <u>Purpose provision [may be restricted (e.g. to fund a specific unit or area of research) or unrestricted (e.g. to support the University’s academic priorities)]</u></p> <p>(b) <u>Revised Purpose Clause</u></p> <p>(c) <u>Payment/Pledge schedule (if applicable).</u></p>	<p>Section related to endowed gifts was expanded, (i) in view of more frequent requests from donors for divergence from the University’s usual management of endowments and (ii) considering the deletion of the Guidelines on Endowments.</p>

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	<p><u>Any deviation from the foregoing Endowment requirements in this section 6.3.2 requires the written approval of the Vice-Principal (Administration and Finance) or delegate.</u></p>	
<p>5.4 Expendable gifts and endowments (or portions of these types of gifts) may be classified as either “restricted gifts” or “unrestricted gifts”.</p>	<p><u>6.4 Restricted Versus Unrestricted Gifts. Expendable gifts and endowments Gifts (or portions of these types distinct allocations of gifts) may be classified as either “restricted gifts” or “unrestricted gifts” - as follows:</u></p>	
<ul style="list-style-type: none"> <li><u>Restricted gifts.</u> A “restricted gift” is a gift for which the donor has given specific directions on how the gift is to be used.</li> </ul>	<p><u>6.4.1 Restricted gifts.</u> A “restricted gift” is a gift for which the donor <u>and the University has given have agreed upon</u> specific directions on how the gift is to be used <u>within the University and/or within one of its units.</u></p>	
<ul style="list-style-type: none"> <li><u>Unrestricted gifts.</u> An unrestricted gift is a gift for which the donor has left it to the University to decide how to use the funds (e.g. use of wording such as “to support the University’s academic priorities” or “for the general support of the University”, or silent as to purpose).</li> </ul>	<p><u>6.4.2 Unrestricted gifts.</u> An “unrestricted gift” is a gift for which the donor has left it to the University <u>(and/or a specified unit)</u> to decide how to use the funds (e.g. use of wording such as “to support the University’s academic priorities” or “for the general support of the University”, or silent as to purpose).</p>	
<p>5.5 Refer to Appendix 3 – Gift Eligibility Guidelines for examples of types of gifts the University will typically consider.</p>	<p><u>- DELETED -</u></p>	
	<p><u>6.5. Revised Purpose. In exceptional circumstances and to ensure timely use of gifts over time, if, in the University’s opinion, it is no longer necessary, practical, desirable or possible to use all or part of a gift for the original purpose(s) specified, the</u></p>	<p>New Revised purpose was previously covered only in the Endowment Guidelines, but it</p>

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	<p><u>University, in consultation with the Donor where possible, may redirect the affected portion of the gift to a new purpose that is consistent with the original spirit and intent of the donor when making the gift. Any such change shall be reviewed and approved by the University Advancement unit in consultation with the affected unit(s), University Legal Services and University senior leaders, as applicable.</u></p>	<p>may also apply to expendable funds.</p>
<p><b>SECTION 6. – GIFT ACCEPTANCE</b></p>	<p><b>5. <u>Gift Acceptance</u></b></p>	
<p>6.1 The University may elect to accept or decline any gift. When an offer of a gift is judged contrary to the University’s best interest, the Vice-Principal (Advancement) or his/her designate may request that the terms be revised or may decline the offer. The Vice-Principal (Advancement) or his/her designate may refer potential gifts to the ACOG for a case-by-case decision on whether accepting a particular gift would be in the University’s best interest or on admissibility under this Policy. Given their fact-specific nature, case-by-case decisions will not be considered precedent-setting. University Regulations Relating to the Approval of Contracts and Signing Authority apply to the signing of any gift agreements. Refer to Appendix 3 – Gift Eligibility Guidelines for examples of reasons for the refusal of a gift.</p>	<p>5.1 The University may elect to accept or decline any gift. When an offer of a gift is judged contrary to the University’s best interest, the Vice-Principal (<u>University</u> Advancement) or his/her designate may request that the terms be revised or may decline the offer. <del>The Vice-Principal (Advancement) or his/her designate may refer potential gifts to the ACOG for a case-by-case decision on whether accepting a particular gift would be in the University’s best interest or on admissibility under this Policy. Given their fact-specific nature, case-by-case decisions will not be considered precedent-setting. University Regulations Relating to</del> <u>The Policy on</u> the Approval of Contracts and <u>Designation of</u> Signing Authority <del>apply</del> <u>applies</u> to the <u>approval and</u> signing of any gift <u>agreement.</u> <del>agreements. Refer to Appendix 3 – Gift Eligibility Guidelines for examples of reasons for the refusal of a gift.</del></p>	
<p>6.2 The University can only accept and recognize a “gift” if there is no advantage to the donor or to any person designated by the donor resulting from the</p>	<p>- DELETED -</p>	<p>Now covered by the Definition of a Gift (Section 2.2), and</p>

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<p>payment, . For example, the University will not accept as a “gift” any transaction that would require it to give special consideration for employment to the donor, or to anyone designated by the donor, or that would allow the donor to inappropriately influence University appointments, research programs or curriculum. The University will not accept as a “gift” any transaction that would allow the donor to influence admissions. Further, the University will not accept as a “gift” any transaction that would give special consideration to the procurement of products or services associated with the donor, or to any person designated by the donor.</p>		<p>Conflict of Interest (Section 3.6)</p>
	<p><u>5.2 The acceptance of a gift does not imply that the University endorses the donor’s views, opinions, businesses, or activities.</u></p>	
<p>6.3 The Advancement unit, under the direction of the Vice-Principal (Advancement), will consult with relevant representatives of the potential receiving unit during the gift acceptance process, in order to consider the receiving unit’s views concerning acceptance of a potential gift, and to confirm the receiving unit’s ability and commitment to perform any obligations associated with a gift.</p>	<p>5.3 The Advancement unit, under the direction of the Vice-Principal (<u>University</u> Advancement), will consult with relevant representatives of the potential receiving unit during the gift acceptance process, in order to consider the receiving unit’s views concerning acceptance of a potential gift, and to confirm the receiving unit’s ability and commitment to perform any obligations associated with a gift.</p>	
<p>6.4 Without prejudice to Section 6.2 above, where donors seek to provide an advisory role in the project/program/other initiative to which they have provided funding, the ACOG will consider such advisory role on a case-by-case basis, taking account of relevant legislation and University policies, procedures and authorities. Any such advisory role</p>	<p>5.4 Without prejudice to Section <del>6.2</del> <u>5.2</u> above, where donors <u>seek wish</u> to provide an advisory role in the project/program/other initiative to which they have provided funding, the <del>ACOG</del> <u>University</u> will consider such advisory role on <del>a</del> <u>an exceptional and</u> case-by-case basis, taking account of relevant legislation and University policies, procedures and</p>	

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<p>must be in compliance with the University’s principles of academic freedom, freedom of expression, and institutional autonomy. Given their fact-specific nature, case-by-case decisions will not be considered precedent-setting.</p>	<p>authorities. Any such advisory role must be in compliance with the University’s principles of academic freedom, freedom of expression, and institutional autonomy. Given their fact-specific nature, case-by-case decisions will not be considered precedent-setting.</p>	
<p>6.5 University faculty and staff members are encouraged to offer gifts to the University, and these may be accepted if the purpose of the donation is to support <i>bona fide</i> University activities. Such gifts are subject to all other University policies and procedures, including the Regulation on Conflict of Interest and the Policy on Donations from Employees and Related Financial Management Issues. Refer to Appendix 4 – Guidelines for Donations from Employees and Related Financial Management Issues.</p>	<p>5.5 University faculty and staff members <u>and their immediate family members</u> are <u>encouraged welcome</u> to offer gifts to the University, and these may be accepted if the purpose of the <u>donation gift</u> is to support <u>bona fide</u> University activities. Such gifts are subject to all other <u>applicable</u> University policies and procedures, including the <u>Regulation on Conflict of Interest</u> and <u>other University or Financial Services policies treating donations from employees</u>.<del>the Policy on Donations from Employees and Related Financial Management Issues. Refer to Appendix 4 – Guidelines for Donations from Employees and Related Financial Management Issues.</del></p>	
<p>6.6 University faculty and staff members are encouraged to welcome prospective gifts to the University, in collaboration with the Advancement unit. However, gift acceptance may only occur with proper University authority, in compliance with this Policy and other relevant University policies concerning authority.</p>	<p>5.6 University faculty and staff members <del>are encouraged to</del> <u>may</u> welcome prospective gifts to the University, <del>however,</del> <u>in collaboration accordance</u> with <u>Section 4.4 of this Policy, any fundraising activities must be referred to</u> the Advancement unit <u>for gift negotiation and approval</u>. <del>However, gift</del> Gift acceptance may only occur with proper University authority, in compliance with this Policy and <del>other relevant University policies concerning authority</del> <u>the Policy on the Approval of Contracts and Designation of Signing Authority</u>.</p>	

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6.7 Where Gift Acceptance involves the naming of any University asset, such naming must be in compliance with the University’s Policy Relating to the Naming of University Assets.	5.7 Where Gift Acceptance involves the naming of any University asset, such naming must be in compliance with the University’s Policy Relating to the Naming of University Assets.	
<b>SECTION 7 – GIFT RECEIPTING</b>	<b>7. <u>Gift Receipting</u></b>	
7.1 Advancement is the only University unit authorized to issue receipts related to philanthropic gifts, whether gift receipts or charitable gift tax receipts, the latter being in compliance with the requirements of applicable taxation legislation, and in accordance with the procedures established by the University.	7.1 Advancement is the only University unit authorized to issue receipts related to philanthropic gifts, whether gift <u>confirmation</u> receipts or <del>charitable gift tax official donation</del> receipts <u>for tax purposes</u> , the latter being in compliance with the requirements of applicable taxation legislation, and in accordance with the procedures established by the University.	
<b>SECTION 8 – UNFULFILLED PAYMENTS (PLEDGES)</b>	<b>8. <u>Unfulfilled Payments (Pledges)</u></b>	
8.1 The University will notify donors concerning any unfulfilled payments/pledges, where possible. If, for any reason, a payment/pledge is not fulfilled as outlined in a gift agreement, the University will have the authority to redirect any partial funds toward one or more of the areas designated in the gift agreement, or other purpose(s) which is/are, in the ACOG’s opinion, consistent with the spirit and intent of the donor's gift.	8.1 The University will notify donors concerning any unfulfilled payments/pledges, where possible. If, for any reason, a payment/pledge is not fulfilled as outlined in a gift agreement <u>and it is not possible to come to a new agreement with the donor</u> , the University will have the authority to redirect any partial funds toward one or more of the areas designated in the gift agreement, or other purpose(s) which is/are, in the <del>ACOG’s</del> <u>University’s</u> opinion, consistent with the spirit and intent of the donor's gift. <u>Any such change shall be reviewed and approved by the University Advancement unit in consultation with the affected unit(s), University Legal Services and University senior leaders, as applicable.</u>	
<b>SECTION 9 – ETHICS</b>	<b>9. <u>Ethics</u></b>	

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9.1 All University employees, volunteers and professional representatives acting on behalf of the University will conduct themselves in accordance with accepted professional standards of accuracy, truth and integrity.	9.1 All University employees, volunteers and professional representatives acting on behalf of the University will conduct themselves in accordance with accepted professional standards of accuracy, truth and integrity.	
<b>SECTION 10 – RESPONSIBILITY TO DONORS</b>	- DELETED -	Donor’s objectives are not necessarily aligned with University’s objectives
10.1 McGill University, its staff and representatives shall endeavour to assist donors in accomplishing their philanthropic objectives in providing support for the University,.		
<b>SECTION 11 – NO ADVICE TO DONORS</b>	<b>10. <u>No Advice to Donors</u></b>	
11.1 McGill University does not provide legal, tax or financial advice to donors. Therefore, donors are encouraged to discuss all gift planning decisions with their own legal, financial or tax advisors before entering into any commitment to make a gift to the University. Donors are responsible for all costs in relation to obtaining such independent professional advice.	10.1 McGill University does not provide legal, tax or financial advice to donors. Therefore, donors are encouraged to discuss all gift planning decisions with their own <u>independent</u> legal, financial or tax advisors before entering into any commitment to make a gift to the University. Donors are responsible for all costs in relation to obtaining such independent professional advice.	
<b>SECTION 12 – CONFIDENTIALITY</b>	<b>11. <u>Confidentiality</u></b>	
12.1 Information concerning all transactions between a donor and the University shall be held by the University in strict confidence and may be publicly disclosed only with the permission of the donor, or in accordance with applicable laws.	11.1 Information concerning all transactions between a donor and the University shall be held by the University in strict confidence and may be publicly disclosed only with the permission of the donor, or in accordance with applicable laws.	
<b>SECTION 13 – ANONYMITY</b>	<b>12. <u>Anonymity</u></b>	
13.1 McGill University shall respect the wishes of donors wishing to support the University anonymously and will take reasonable steps to	12.1 McGill University shall respect the wishes of donors wishing to support the University anonymously and will take reasonable steps to	

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<p>safeguard those donors’ identity, subject to the limitations outlined below. “Anonymous” treatment of records requires the University to take more steps than it does when treating records in confidential manner, since this involves the usual confidentiality treatment referred to in Section 12 above, in addition to internal restrictions on access to “anonymous” records.</p>	<p>safeguard those donors’ identity, subject to the limitations outlined below. “Anonymous” treatment of records requires the University to take more steps than it does when treating records in <u>a</u> confidential manner, since this involves the usual confidentiality treatment referred to in Section <del>12</del> <u>11.1</u> above, in addition to internal restrictions on access to “anonymous” records.</p>	
<p>(a) Records, as required by taxation legislation for charitable organization receipting purposes, are maintained by the Advancement unit. Access to these records is restricted to appropriate staff within the Advancement and Finance and Administration units, and senior officers of the University, on a need-to-know basis;</p>	<p><b>12.1.1</b> Records, as required by taxation legislation for charitable organization receipting purposes, are maintained by the Advancement unit. Access to these records is restricted to appropriate staff within the Advancement and Finance and Administration units, and senior officers of the University, on a need-to-know basis;</p>	
<p>(b) The University will comply with any legal obligation to disclose the names of donors and the nature and value of their gifts (for example, obligations that may arise under <i>Income Tax Act</i> or other relevant statutes);</p>	<p><b>12.1.2</b> The University will comply with any legal obligation to disclose the names of donors and the nature and value of their gifts (for example, obligations that may arise under <i>Income Tax Act</i> or other relevant statutes);</p>	
<p>(c) The identity of a donor requesting anonymity may be provided to the Board of Governors on an oral basis if the Board so requests. Such information will not be included in the minutes of the meeting nor used by Board members or officers outside the meeting of the Board of Governors (except as may be required by applicable laws); and</p>	<p><b>12.1.3</b> The identity of a donor requesting anonymity may be provided to the Board of Governors on an oral basis if the Board so requests. Such information will not be included in the minutes of the meeting nor used by Board members or officers outside the meeting of the Board of Governors (except as may be required by applicable laws); and</p>	
<p>(d) Prospective donors requesting anonymity shall be advised by the Advancement unit that their</p>	<p><b>12.1.4</b> Prospective donors requesting anonymity shall be advised by the Advancement</p>	

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names, and the nature and amounts of their gifts, will be disclosed as above.	unit that their names, and the nature and amounts of their gifts, will be disclosed as above.	
	<b><u>PART III – AUTHORITY TO APPROVE PROCEDURES</u></b>	New
	<u>The Vice-Principal (University Advancement) is vested with the authority to approve procedures as they relate to this Policy.</u>	
	<b><u>PART IV – REVIEW</u></b>	New
	<u>This Policy shall be reviewed every five (5) years.</u>	



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**GUIDELINES FOR GIFT ACCEPTANCE POLICY**

Deleted  
Related policies & regulations are now listed  
on the first page of the revised policy

## ~~APPENDIX 1 – GUIDELINES: RELATED POLICIES AND DOCUMENTS~~

### ~~1. McGill University Policies & Regulations~~

~~Gift-In-Kind Policy (Non-monetary donations)~~

~~<https://mcgill.ca/secretariat/files/secretariat/gift-in-kind-policy-non-monetary-donations.pdf>~~

~~Policy Relating to the Naming of University Assets~~

~~<https://mcgill.ca/secretariat/files/secretariat/policy-related-to-the-naming-of-university-assets.pdf>~~

~~Regulation on Conflict of Interest~~

~~<https://mcgill.ca/secretariat/files/secretariat/conflict-of-interest-regulation-on-0.pdf>~~

~~Policy on the Approval of Contracts and Designation of Signing Authority~~

~~<https://www.mcgill.ca/secretariat/files/secretariat/final-signing-policy-may-2018-with-appendices-dec-2018-1.pdf>~~

### ~~2. Other Related Documents~~

~~Council for Advancement and Support of Education (CASE) Statement of Ethics~~

~~<https://www.case.org/resources/case-statement-ethics>~~

Deleted  
Required definitions have been  
included in the revised policy

## APPENDIX 2 – GUIDELINES: GLOSSARY

Note: The key terms below are described in reference to the Gift Acceptance Policy (the “Policy”), for ease of reference. There is no implied or intended University-wide use for this glossary.

<b>Term</b>	<b>Description</b>
Advantage	An advantage is the total value, at the time the gift is made, of all property, services, compensation, or other benefits that a person is entitled to receive in relation to the gift. The advantage may be conditional or receivable in the future, either by the donor or a person or partnership not dealing at arm's length with the donor.
Anonymity or “Anonymous treatment of records”	“Anonymous” treatment of records involves the usual confidentiality treatment referred to in Section 12 of the Policy, in addition to internal restrictions on access to “anonymous” records. The Anonymous treatment of records by McGill University is subject to the limitations set out in Section 13 of the Policy, in accordance with applicable laws.
Approval Committee for Gifts (“ACOG”)	Committee that makes decisions about the acceptance of certain gifts, in accordance with the Policy. The standing members of the ACOG are:  (a) Chair, the Vice Principal (Administration and Finance) or his/her designate;  (b) The Provost or his/her designate;  (c) The Vice Principal (Advancement) or his/her designate;  (d) The General Counsel & Director Legal Services or his/her designate; and  (e) Dean or equivalent head of the potential receiving unit, or his/her designate.
Endowment	An “endowment” is a gift of cash or property given for the University's permanent use, or use for a period of time. Income is distributed in accordance with the University's investment and income distribution policies and procedures as they may be from time to time. Investment objectives of the University's endowment, invested through the McGill Investment Pool (“MIP”), may include obtaining a total return (yield plus capital appreciation) necessary to provide a dependable and optimal source of income for endowment beneficiaries, and preserving (in real dollar terms) the capital of the MIP. A gift may establish a new endowment fund or augment an existing one.

<b>Term</b>	<b>Description</b>
Expendable gift	An “expendable gift” (sometimes referred to as “direct spend gift”) is a gift that will be spent during a limited period of time, in accordance with an established schedule or at the University’s discretion.—Once an expendable gift is spent, the associated fund no longer exists, unless a donor replenishes the fund.
Philanthropic gifts that are not eligible for a tax receipt	These gifts do not qualify for issuance of a charitable gift tax receipt under Canada Revenue Agency (CRA) guidelines, as determined by the University in accordance with CRA guidelines, but are nevertheless gifts to the University that are recognized by the University by a receipt and appropriate donor recognition.
Restricted gift	A “restricted gift” is a gift for which the donor has given specific directions on how the gift is to be used.
Tax receiptable gift.	A “tax receiptable gift” is a gift (or some portion of a gift) which the University determines meets the CRA guidelines for issuance of a charitable gift tax receipt to donor. Such a gift also qualifies for appropriate donor recognition by the University.
Unrestricted Gift	An unrestricted gift is a gift for which the donor has left it to the University to decide how to use the funds (e.g. use of wording such as “to support the University’s academic priorities” or “for the general support of the University”, or silent as to purpose).

## APPENDIX 3 – GUIDELINES: GIFT ELIGIBILITY

### Guidelines, Appendix 1 GIFT ELIGIBILITY

#### 1. Standard Gift Types

The following types of gifts are generally eligible for consideration by the University:

- (a) cash or cash equivalents (~~for example, – e.g.~~ currency, cheques, credit card payments, electronic funds transfers, payroll deductions, but excluding any form of alternative currency (including cryptocurrency) that cannot be easily and immediately redeemed for cash)
- (b) ~~publicly-traded securities, on recognized exchanges gifts-in-kind (for example, artwork, rare books and other assets) and real estate consistent with the University's Gifts-In-Kind Policy (Non-monetary donations) in effect~~
- (c) bequests (testamentary gifts through wills or trust documents)
- (d) life insurance
- (e) payments from charitable trusts
- (f) charitable gift annuities
- (g) ~~publicly-traded securities, on recognized exchanges gifts-in-kind (for example, artwork, rare books and other assets) and real estate consistent with the University's Gifts-In-Kind Policy (Non-monetary donations) in effect.~~

#### 2. Non-Standard Gifts / Early Consultation Required

If considering or negotiating a gift to the University that is non-standard in nature, University staff members must consult with the Vice-Principal (University Advancement) or his/her designate prior to or early on during discussions with potential donors. For example, such consultation is required where proposed gifts:

- (a) present questions as to whether they are ~~within consistent with~~ the role and scope educational and research mission of the University
- (b) are from an individual or organization whose philosophy and values could be considered inconsistent with the philosophy and values of the University
- (c) may expose the University to an uncertain liability
- (d) may be perceived to come from illegal or unethical activities
- (e) involve a proposal to name a program or facility (See Policy Relating to the Naming of University Assets)
- (f) involve restricted securities ~~that are not publicly-traded (e.g. thinly-traded, non-publicly traded~~ on a recognized exchange, closely-held, illiquid or otherwise unmarketable securities) or other business interests (e.g. ownership interests in non-corporate business entities, such as partnerships and limited liability companies)
- (g) involve instruments that are otherwise of a “non-standard” nature (refer to Item 1 above re. generally standard gift types).

#### 3. Reasons for Refusal of Gift

Examples of To protect the University's institutional autonomy, reasons for the refusal of a proposed gift include:

- (a) gift does not accord with the University's mission, academic priorities or strategic plan

- (b) gift could compromise the University's public image, reputation or commitment to its mission and values
- (c) gift is from an individual or organization whose philosophy and values could be considered inconsistent with those of the University
- (d) gift may expose the University to unacceptable risk or liability
- (e) donor applies **unacceptable** restrictions or conditions on the gift that are unacceptable to the University
- (f) gift will be unreasonably onerous to administer
- (g) gift may have come from illegal or unethical activities
- (h) gift has advantages inappropriately directed to a specific individual, group of individuals or organization
- (i) gift violates provincial or federal legislation or relevant University policies or guidelines concerning human rights or equity
- (j) (intended) "gift" is determined to be something other than a charitable gift, where donor has indicated donor wishes to obtain **a tax an official donation** receipt for **a charitable gift tax purposes**
- (k) gift is too narrowly restricted
- (l) gift involves thinly-traded/illiquid securities
- (m) gift jeopardizes the University's registered charity status.
- (n) gift is being donated to the University with instructions to transfer it (or some portion of it) to a third party

#### Examples:

The University will not accept as a "gift" any transaction that would require it to give special consideration for employment to the donor, or to anyone designated by the donor, or that would allow the donor to inappropriately influence University appointments, research programs or curriculum.

The University will not accept as a "gift" any transaction that would allow the donor to influence admissions.

The University will not accept as a "gift" any transaction that would give special consideration to the procurement of products or services associated with the donor, or to any person designated by the donor.

#### 4. ~~Examples of Benefits to Persons Offering Financial Support~~

~~Certain forms of financial support to the University involve a contractually binding agreement between the University and a corporation or business entity whereby the person providing financial support gains commercial or marketable benefits through association with the University. In exchange for these marketable benefits (e.g. logo placement, hyperlinks, direct marketing opportunities) the University receives services, products or cash. (These forms of financial support do not result in a gift to the University as there is an advantage for the person providing the financial support, or to a person designated by the person providing the financial support.)~~

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## Guidelines, Appendix 2      TERMS OF REFERENCE FOR THE APPROVAL COMMITTEE FOR GIFTS

### **1. Terms of Reference**

The Approval Committee for Gifts (“ACOG”) is a standing Committee charged with assisting McGill’s University Advancement in determining the acceptability of gifts proposed by donors, to ensure such gifts are:

- aligned with the University’s mission, academic priorities and strategic plan, enhancing its programs and services to students and researchers;
- respecting principles of academic freedom, freedom of expression, and institutional autonomy;
- in the best interest of the University; and
- in accordance with the University’s policies

### **2. Membership**

The standing members of the ACOG are as follows:

- (a) Chair, the Vice Principal (Administration and Finance)
- (b) The Provost and Vice-Principal (Academic)
- (c) The Vice-Principal (University Advancement)
- (d) The General Counsel & Director Legal Services; and
- (e) Dean or equivalent head of the potential receiving unit.

ACOG members may appoint a delegate to represent them at the Committee’s meeting. In the absence of the Vice-Principal (Administration and Finance), the Provost and Vice-Principal (Academic) shall serve as the Chair of the ACOG.

### **3. Specific Areas of Responsibility**

3.1. Determine, on a case-by-case basis, if the University should accept or not proposed gifts that:

- (a) are not covered by the Gift Acceptance Policy or the Gifts-in-Kind Policy; or
- (b) carry identified risks and/or special considerations.

3.2. For gifts-in-kind, determine, on a case-by-case basis, if the University should accept or not gifts:

- (a) with a fair market value of \$250,000 or above;
- (b) which would put the donor at the cumulative giving level of \$250,000 or more for gifts-in-kind; or
- (c) where there are special considerations.

3.3. Approve the acceptance of giving vehicles not covered by the Gift Acceptance Policy, or giving vehicles that are considered to be illiquid.

3.4. Approve proposed change of purpose of gifts, upon such request by University Advancement, affected unit(s), University Legal Services or University senior leaders.

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## **APPENDIX 4 – GUIDELINES: DONATIONS FROM EMPLOYEES AND RELATED FINANCIAL MANAGEMENT ISSUES**

### **1. Tax Receiptable Gifts – General**

~~To qualify as a tax receiptable gift, a gift from an employee must meet the same requirements as a gift from any other donor.~~

### **2. Tax Receiptable Gifts / No Donor Benefit**

~~A charitable gift tax receipt will not be issued where the donation is to be used for the donor's own advantage or the advantage of a person with whom the donor does not deal at arm's length. Therefore, an employee deriving a direct or indirect advantage from a tax receipted donation contravenes tax legislation and places both the employee and the University's registered charity status at risk. It is the responsibility of all McGill University parties to avoid situations, whether in fact or in appearance, where a donor is obtaining an advantage in relation to donated funds.~~

### **3. Specific Guidelines Concerning Gifts/Funds for Donor Benefit/Control**

~~Gifts may not be credited to a fund set up specifically under the control or for the benefit of the individual donor.~~

- ~~(a) Gifts from employees intended for their research are addressed in the Regulation on Conflict of Interest.~~
- ~~(b) Unrestricted gifts from employees should be directed to a faculty's top academic priorities and greatest needs, as elaborated in their planning documents and aligned with the strategic plans of the University. The Dean is typically the Fund Financial Manager. Unrestricted donations must not be directed to a fund where the donor is the signing officer (known as the "Fund Financial Manager"), nor should the donor be deriving a direct or indirect advantage.~~
- ~~(c) Restricted gifts from employees will be subject to the customary requirements relating to these types of gifts. The spending restriction must be clearly stated and must not be directed to a fund where the donor is the signing officer (known as the "Fund Financial Manager").~~

### **4. Receipting Responsibility**

~~The Advancement unit is the only University unit authorized to issue receipts related to philanthropic gifts, whether gift receipts or charitable gift tax receipts, all in compliance with the requirements of applicable taxation legislation, and in accordance with the procedures established by the University.~~

### **5. Administrative Responsibility and Further Information**

~~Contact the University Controller's Office for clarification or advice regarding matters relating to these guidelines.~~

### **6. Gifts in Kind**

~~Gifts in kind from employees are subject to the same guidelines as above. Refer also to the Gifts In-Kind Policy (Non-monetary donations).~~

## APPENDIX 5—GUIDELINES: ENDOWMENTS

### 1. Endowments

~~An endowment is a gift of cash or property given for the University's permanent use, or use for a period of time. Income is distributed in accordance with the University's investment and income distribution policies and procedures as they may be from time to time. Investment objectives of the University's endowment, invested through the McGill Investment Pool ("MIP"), may include obtaining a total return (yield plus capital appreciation) necessary to provide a dependable and optimal source of income for endowment beneficiaries, and preserving (in real dollar terms) the capital of the MIP. A gift may establish a new endowment fund or augment an existing one.~~

### 2. Restrictions on Expenditure / Purpose

~~An endowment fund can be restricted (e.g. to fund a specific faculty, area of research or student awards) or unrestricted (e.g. to support the University's academic priorities) as to its purpose (i.e. the designated area of expenditure).~~

### 3. Revised Purpose Clause

~~Donors who designate a gift to a specific purpose must be advised of the right of the University to vary the gift purposes in certain circumstances. A Revised Purpose Clause must be included in all Gift Agreements for endowments involving a restriction.~~

~~A Revised Purpose Clause must be substantially similar to the below clause:~~

~~*"If, in the opinion of the University, it should become no longer practical or possible to use this gift for the specified purpose (for example, if the program to which it relates is restructured or discontinued), the University's Approval Committee on Gifts (ACOG) will redirect the gift to a new purpose that is, in their opinion, consistent with the original spirit and intent of the donor, in consultation with the donor (or the donor's immediate family) where possible."*~~

### 4. Gift Agreement

~~Except for endowment funds resulting from testamentary dispositions, every Endowment fund must be based on a written Gift Agreement, which includes:~~

- ~~(a) Fund name~~
- ~~(b) Purpose provision [may be restricted (e.g. to fund a specific faculty or area of research) or unrestricted (e.g. to support the University's academic priorities)]~~
- ~~(c) Revised Purpose Clause~~
- ~~(d) Payment/Pledge schedule (if applicable).~~

### 5. Endowment Expenditure

~~Subject to there being sufficient funds in an endowment fund, endowment income will be expended on a periodic basis.~~

**6. ~~Threshold Amounts for Establishing Endowments~~**

~~Given the administrative cost of setting up endowments and the need for a reasonable income to be paid out once established, in order to meet the objectives of the endowment fund, the Vice-Principal (Administration and Finance) or his/her designate will establish threshold amounts for the creation of endowments.~~

**7. ~~Minimum Balance for Endowments Before Income Used~~**

~~An endowment fund requires a minimum balance in order for it to generate sufficient annual income for the support of programs and services. This level will be determined periodically by the Vice-Principal (Administration and Finance) or his/her designate.~~

**8. ~~Exceptions. Any exceptions to the above guidelines must have the explicit written approval of the Vice-Principal (Advancement) or his/her designate and the Vice-Principal (Administration and Finance) or his/her designate attached to the gift agreement.~~**

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