



Medicine Hat College Policy DONATIONS AND FUND DEVELOPMENT

Policy #:	CA-02
Policy Authority:	Executive Director, Advancement and Community Relations
Executive Sponsor:	President and CEO
Approved by:	President and CEO
Effective Date:	October 11, 2023
Next Mandatory Review Date:	October 11, 2028
Frequency of Review:	Every 5 years

1. OBJECTIVE

This policy provides direction to ensure the long-term success of community relationships and fund development. This will be achieved by establishing principles, directives, and procedures to manage the identification, cultivation, solicitation, recognition, and stewardship of the individuals and organizations who provide support to Medicine Hat College (MHC).

2. SCOPE

This policy applies to all employees and students of MHC.

3. DEFINITIONS

- **Business Receipt:** a document confirming that MHC has received a financial or other contribution.
- **Charitable Donation Receipt:** a receipt that complies with legislation and guidance as evidence of a charitable donation for the purpose of filing income tax returns.
- **Donations and Fund Development:** the solicitation, receipt, recognition, and stewardship of gifts and contributions from individuals, corporations, or other organizations. This includes any solicitation activity on behalf of the college or in any circumstance in which the college would be perceived as the beneficiary of the support provided.
- **Gift:** a contribution to MHC that may include financial or physical resources, services, or other assets.
- **Honorific Naming:** recognition of a leadership or other non-financial contribution by naming a space, program, service, or other college asset for the contributor.
- **MHC or the College:** Medicine Hat College.
- **Naming:** recognition of a financial contribution by naming a space, program, service, or other college asset for the donor.
- **Pledge:** the intent to donate a specific amount in a future period, paid in installments.

- **Recognition:** the communication and public acknowledgement of a gift.

4. PRINCIPLES

Donation and fund development activities and projects will be:

- aligned to the college's purpose; and
- conducted in a professional manner where prospective and existing donors are respected.

5. DIRECTIVES

General

- 5.1 The President and CEO is responsible for establishing fund development priorities for the college and determining the validity of donation and fund development activity to support an initiative.
- 5.2 The college encourages the participation and leadership of employees in donations and fund development. Employees must consult with Advancement and Community Relations before contacting an individual or organization for the purpose of soliciting a donation. This ensures existing relationships are respected and that outreach to donors is coordinated.
- 5.3 Materials and information provided to donors must be accurate and reflect the college's purpose and intended use of solicited funds.
- 5.4 Donors will not normally be approached with a request for contributions more than once in 12 months.
- 5.5 Employees are expected to provide prompt, truthful, and forthright responses to questions asked by potential donors.
- 5.6 Donations will receive appropriate acknowledgement and recognition.
- 5.7 MHC may name facilities, services, programs, and other attributes of the college to honour leadership and financial contributions made by individuals and organizations.
- 5.8 Donations will be used for the purposes for which they were given.
- 5.9 If the donor is not contactable and the gift is no longer applicable to the original intent (eg: program no longer exists), MHC will align the gift to support another program, area, or project, that best reflects the donor's original intent.
- 5.10 MHC cannot provide legal, accounting, tax or financial advice to donors or their agents with respect to gifts to MHC.
- 5.11 MHC collects, uses, maintains, stores, discloses, and disposes of donor information in accordance with federal and provincial regulations relating to charities, provincial privacy legislation, the Freedom of Information and Protection of Privacy Act, and MHC's policies and procedures. MHC respects a donor's request for anonymity to the extent legally possible.

Acceptance of Gifts

5.12 The college reserves the right to accept or reject any donation. MHC does not knowingly accept:

- gifts that compromise college policies or academic freedoms,
- gifts that obligate the college to undertake responsibilities, financial or otherwise, that it is not capable of meeting during the period required by the terms of the donation.

MHC encourages and accepts gifts in accordance with Canada Revenue Agency (CRA) guidelines and provincial charitable fund development legislation. A charitable gift is made and a charitable tax receipt for the full value of the gift is offered where the following conditions are met:

- (a) the donor transfers the property to MHC,
- (b) the transfer is voluntary,
- (c) the donor makes the transfer without expectation of return, and
- (d) neither the donor nor anyone designated by the donor receives consideration beyond nominal value.

5.13 If MHC provides something of value in return for a gift (including admission to a fund development event), the tax receipt value is reduced by the fair market value of the benefit received, provided the intent to give threshold is met and complies with the CRA's split receipting rules. If the benefit's value exceeds the intent to give threshold, the transaction will be considered quid pro quo and no charitable tax receipt will be issued.

5.14 For gifts requiring significant and ongoing stewardship, Advancement and Community Relations will consult with the vice-president of the area that will benefit from the gift when determining acceptance.

5.15 Gifts that are precedent-setting or involve sensitive issues with legal, political, social, or other ramifications, require the approval of the President and CEO.

5.16 MHC encourages donors to make unrestricted and undesignated gifts, however it will honour a donor's request for a gift to be designated if its purpose is consistent with MHC's mission, academic priorities, and this policy. Donors may direct their gift to a specific program, department, operational area, or project provided that no benefit accrues to the donor, and the directed gift does not benefit any person not dealing at arm's length with the donor.

Receipting

5.17 A charitable donation receipt will be issued if the voluntary transfer of property meets the CRA's definition of a gift. Financial Services will provide a charitable receipt on direction of Advancement and Community Relations as defined in departmental processes.

Donations that are not deemed to qualify as "gifts" according to the CRA's definition will be acknowledged with a business receipt. Financial Services will provide a business receipt on direction of Advancement and Community Relations as defined in procedures.

- 5.18 Charitable donation receipts may be issued for the value of a financial donation, gift in kind, or gift of art. The value of a gift in kind or gift of art must be established by a qualified appraisal.
- (a) Items with a value of \$1,000 or less must be appraised by a qualified, objective, and credible individual who is independent of the donor. The appraiser may be an employee of the college.
 - (b) Items with a value over \$1,000 must be appraised by a qualified, objective, and credible individual who is independent of MHC and the donor.
 - (c) Items with a value over \$25,000 must be appraised by two qualified, objective, and credible individuals who are independent of MHC and the donor.
 - (d) Depending upon the complexity or value of a proposed gift, the President and CEO has the right to determine the appropriate appraisal process to be employed.

Recognition

- 5.19 MHC will maintain administrative processes for the purposes of donor recognition including communication tools such as the donor wall, letters, events, the donor impact report, signage, and the use of donor logos and names on communications and signage.
- 5.20 When applicable, MHC will generate media releases, stories, and social media posts to share successes and inspire others to support the college. The human impact of the story is a relevant consideration when expressing this form of recognition.
- 5.21 MHC will maintain annual donor recognition categories for the purposes of equitable and consistent processes.

Recognition Naming

- 5.22 Naming recognition should be term specific, with the length of the naming opportunity aligned to the impact of the gift. Permanent naming may be considered only in cases of exceptional gifts and contributions.
- 5.23 Gifts of \$25,000 and above may be considered for recognition naming. Names will be provided for a minimum of five years.
- 5.24 The term, and prestige of the space name, will increase with the value of the contribution, or the impact of the leadership provided.
- 5.25 Gifts over \$250,000 may be assigned spaces with the expectation that the name would appear in college and community lexicon.
- 5.26 When a tax receipt is provided, the cost associated with the naming such as signage and maps must be considered within federal guidelines for donor recognition.
- 5.27 MHC recognizes two spaces with legacy naming rights, the Vera Bracken Library and Eresman Theatre.
- 5.28 MHC will vet the names of those to be recognized by conducting appropriate background checks.

Change of Name

- 5.29 MHC retains the right to terminate naming when the activities of the individual or organization reflect negatively on the college's public image or in a manner that is in material conflict with the college's purpose. The President and CEO has the right to terminate the naming and return any funds remaining from the original donation.
- 5.30 The donor may request a change to a naming. The costs associated with the change are paid by the donor.
- 5.31 Should there be significant change to a named service, program, space, or other asset of the college, the name may be transferred in acknowledgement of the former name. When it is proposed that a physical and academic asset be relocated within the same building or to a different building serving the same purpose, no recommendation or approval is required to rename the relocated physical, academic, or other asset.
- 5.32 Advancement and Community Relations will notify the donor in writing and in person (where possible) at least one year prior to expiry of the applicable gift agreement between the donor and the college. When a naming term has expired or will expire in the near future, the donor may provide a further donation to the college, in accordance with this policy, to enable the continuation of the name. MHC will work with the donor to provide appropriate transition timing which may include extending the naming recognition period.

6. RESPONSIBILITIES

- 6.1 **Executive** is responsible for promoting the long-term success of donation and fund development activities.
- 6.2 **Advancement and Community Relations** is responsible for
 - (a) conducting donation and fund development activities on behalf of the institution in accordance with best practices;
 - (b) engaging with other departments and employees to plan and support donation and fund development activities; and
 - (c) managing donor engagement including prospecting, solicitation, engagement, recognition, and record keeping.
- 6.3 **Financial Services** is responsible for
 - (a) providing charitable and business receipts in accordance with college policy and applicable legislation;
 - (b) providing support in navigating federal and provincial legislation and regulations; and
 - (c) managing the recording and disbursement of funds, in consultation with the budget centre manager.

7. APPLICABLE LEGISLATION/REGULATIONS

Canada Revenue Agency <https://www.canada.ca/en/services/taxes/charities.html>
Provincial <https://www.alberta.ca/fundraising-solicitation-responsibilities.aspx>

8. RELATED POLICIES

FN-02 Purchasing
GA-04 FOIP
HR-10 Code of Conduct
4.1 Partnership with External Organizations
4.17 Signing Authority and Limitations

9. RELATED PROCEDURES

PR-CA-02-01: Endowments
PR-CA-02-02: Gifts in Kind
PR-CA-02-03: Securities
PR-CA-02-04: Recognition Naming
PR-GA-04-01: FOIP

10. RELATED INFORMATION

Appendix A Roles and Responsibilities

ORIGINAL COPY SIGNED

Kevin Shufflebotham
President and CEO

Date: October 11, 2023

DOCUMENT HISTORY

October 2023 Policy Approved