



Gifts-In-Kind Policy (Non-monetary donations)

Last revised by:

Executive Committee

March 27, 2012

Minute 5

Effective:

September 27, 2011

Overview

This policy establishes the conditions under which gifts-in-kind may be accepted by the University as a charitable donation for tax and non-tax receipting purposes, and assigns authority for such acceptance. Gifts-in-kind are non-cash gifts, such as books, archival records, artwork, real estate... McGill may accept a gift of tangible property as a charitable donation if such property supports the goals of the University, respects its academic freedom and preserves its integrity.

1. Principles:

- 1.1. To be considered for acceptance by McGill – a gift-in-kind must conform to the following principles:
 - a. Be consistent with the scope of the University's mission, goals, priorities and strategic plan;
 - b. Be easily convertible into cash unless it is intended for retention. In either case (i.e. disposal or retention) it must:
 - ✓ Either support the training of the mind, advance the knowledge or abilities of the University, contribute to the appreciation of art in the community, or improve a useful branch of human knowledge through research;
 - ✓ Be financially neutral to the University operation. That is, the costs related to the acceptance and maintenance are allowable, once they have been assessed, and a source of funds to sustain these costs has been identified and secured.
 - c. Comply with the policies and guidelines of the Canada Revenue Agency (www.cra-arc.gc.ca) and the University;
 - d. The donor agrees that the donation can be disposed of or redirected at the discretion of the University once title transfers to McGill;
 - e. McGill is committed to avoiding actual or perceived conflicts of interest in its acceptance of gifts.
- 1.2. The gifts-in-kind described below will not be recognized as charitable donations by the University:
 - a. Professional or personal services from an individual or corporation;
 - b. Items of personal clothes;
 - c. Human organs;
 - d. Items from employees gained from the normal conduct of University business.
- 1.3. The Vice-Principal Administration and Finance is the authority mandated with the application of this policy.

DETERMINING THE ADMISSIBILITY OF A GIFT-IN-KIND:

Gifts-in-kind will be reviewed, approved, and recorded according to the following steps:

- 1.4. First and foremost, the University must determine if it is willing to accept the gift-in-kind. All approaches from potential donors of gifts-in-kind must be directed to one of the following individuals who will determine the admissibility of the gift:
 - a. Books, manuscripts, documents, prints, recordings and similar material in print and multimedia formats (slides, videos, films,...) – The Trenholme Dean of Libraries;
 - b. Archival records in all media – The Director and University Archivist;
 - c. Artwork, Paintings, artifacts, art prints – The Curator, Visual Arts Collection;
 - d. Cultural artifacts (non-Canadian) – Curator, World Cultures Collection – Redpath Museum
 - e. Natural history specimens – Curator in Chief for Natural Science – Redpath Museum
 - f. Real Estate – The Vice-Principal Administration and Finance.
 - g. Other gifts-in-kind – The Dean or Head of the receiving Unit;
- 1.5. Gifts-in-kind with a Fair Market Value of \$250,000 or more must be presented to the Approval Committee on Gifts-in-Kind (ACOG) for approval;
- 1.6. The parties identified in 1.3 or DAR reserves itself the right to take forward to the ACOG other potential gifts-in-kind below the threshold of \$250,000 which may need special consideration in the determination of their admissibility;
- 1.7. The standing members of the ACOG are as follows:
 - a. Chair, The Vice-Principal Administration and Finance or delegate appointed by this individual;
 - b. The Provost or delegate chosen by this individual;
 - c. The Vice-Principal Development and Alumni Relations (DAR) or delegate appointed by this individual;
 - d. The General Counsel and Director Legal Services or delegate appointed by this individual;
 - e. Representative(s) of the potential receiving unit;

2. Appraisals-Determining Fair Market Value:

- 2.1. Determination of Fair Market Value must be conducted according to professional standards and principles. For gifts valued under \$1,000, an external professional appraisal may not be required if recent invoices, receipts or other supporting documents are available from the donor, or if an internal appraisal is conducted by qualified professional staff;
- 2.2. For a donation of \$1,000 to \$19,999, one independent appraisal is required from a qualified and knowledgeable expert as defined by the Canada Revenue Agency guidelines. For donations of \$20,000 and more, 2 such independent appraisals may be required. Valuations must be current at the time of the donation;
- 2.3. For donations of real estate, the appraisals must be done by a licensed real estate evaluator or appraiser and building inspector approved by the University;
- 2.4. The appraiser(s) will need to provide the University with a certificate confirming that she/he is qualified or accredited in the field of the evaluation, is knowledgeable about valuation procedures and is independent from the donor and the University;
- 2.5. The cost of the independent appraisal(s) is to be borne by the potential donor and is not tax receiptable.

3. Specific guidelines for donations of books, manuscripts, documents, prints, recordings and similar material in print and multimedia formats (slides, video, films...) to Libraries:

- 3.1. The intended gift-in-kind donations must respect the following conditions:
- a. The materials offered comply with the Library's collection development policy;
 - b. The materials are in good condition;
 - c. The titles are not already in the McGill Library;
 - d. The donated materials are estimated to have a fair market value of \$200 or more;
 - e. The potential donor will normally be asked to provide a detailed list of the items planning to be donated. The receipt of this list does not imply acceptance by the University of the gift;
 - f. If copyright is not owned by the donor, discussion with the donor on if and how the material will be made available for consultation and reproduction.

4. Specific guidelines for donation of archival records in all media:

- 4.1. The intended gift-in-kind donations must respect the following conditions:
- a. The materials offered comply with the McGill University Archives Terms of Reference and Acquisition Policy, approved by the Executive Committee of the Board of Governors, 2005;
 - b. The acquisition negotiations have addressed the following considerations:
 - ✓ The physical condition of the archival records;
 - ✓ The unique archival properties or significance;
 - ✓ Researcher access to the records;
 - ✓ Intellectual property rights;
 - ✓ Archival processing requirements.

5. Specific guidelines for the acceptance of works of art, including paintings, drawings, sketches, prints, bas-reliefs and sculptures, as contributions to the Visual Arts Collection:

- 5.1. All works of art proposed as gifts-in-kind must be consistent with the acquisition policy of the Visual Arts Collection. This policy recognizes two broad objectives: firstly, to celebrate the power of art to educate the community and add interest and meaning to the university environment; and secondly, to address our obligation to not only maintain an art collection but also make it part of the daily experience of every student, member of staff and visitor to the campus.

More specifically, the acquisition policy privileges themes, subject matter and artists that add significance to the collection and at the same time support the educational and research mission of the university. Works of art considered appropriate include:

- a. The work of significant Quebec and Canadian artists
 - b. Work based on themes and subject matter related to the social, cultural, political and environmental contexts of Quebec and Canada;
 - c. The work of artists related to McGill University, including staff, students and graduates, and other members of the University community;
 - d. Work exploring themes and subject matter related to the history and physical context of McGill University and Montreal;
 - e. Other work that may be relevant to specific teaching and research programs.
- 5.2. Following acceptance of the gift by the University, the donor will be expected to sign an agreement assigning to the University rights of reproduction (in cases where the donor

holds the copyright), and of exhibition and disposal. All works of art received by the University will be photographed and catalogued with the title and date of the work, the names of the artist and donor, and the date of acquisition (normally the date of acceptance by the University)

Guidelines for the appraisal of works of art shall be consistent with Articles 2.1. and 2.2 of this document.

6. Specific guidelines for donations of cultural artifacts and natural history specimens:

- 6.1. Donations must conform to the collection or cultural / historical profile of existing holdings and the Redpath Museum's Mission Statement and Collection Mandate;
- 6.2. Donations should be material of scientific value or cultural significance, material that fills in gaps in the Redpath Museum's representation of natural or cultural diversity, material of historical significance, material that has teaching value, or exhibition quality objects;
- 6.3. The material must be in good condition;
- 6.4. Only material that the Redpath Museum can adequately document, conserve and provide public access to consistent with professionally accepted standards will be accepted;
- 6.5. Natural history specimens with inadequate scientific documentation (e.g. those lacking field notes, labels, geographic or stratigraphic data) will not be accepted unless the specimen is recognized as rare and of exceptional quality;
- 6.6. Cultural materials without provenance and historical context will not be accepted unless they are recognized as rare and of exceptional quality;
- 6.7. Proof must exist that the material was obtained in a manner conforming to national and international heritage and cultural property laws, regulation and agreements;
- 6.8. The Redpath Museum cannot guarantee to a donor that artifacts will be placed on display permanently, or remain together as a group storage. Items offered with restrictions on their use will require special consideration;
- 6.9. No material will be accepted under any arrangements other than as an absolute and irrevocable gift. Permanent loans of material will not be accepted by the Redpath Museum under any circumstances.

7. Specific guidelines for donations of real estate:

- 7.1. Real estate donations will be reviewed on a case-by-case basis. Upon approval by the ACOG, the approval of the Building and Property Committee will be obtained, if required. The University is not in the business of managing real estate. Therefore, it will not accept commercial real estate or land donations, unless they can be easily sold or used for a purpose deemed appropriate according to the University's Physical Master Plan;
- 7.2. A donation of real estate should ideally be located close to the University campuses (downtown or Macdonald campus), as reflected in the University's Physical Master Plan, or be of strategic value in serving its teaching and research mission. McGill will not accept any real estate of limited or no strategic value, unless the real estate can be disposed of in a timely fashion with limited costs to the University;

- 7.3. The property intended to be gifted should have a Fair Market Value of \$250,000 or more;
- 7.4. The potential donor must agree to incur the cost in providing:
 - a. A legal opinion confirming valid title and that the property is free and clear of all encumbrances such as mortgages, servitudes etc;
 - b. An updated certificate of location and survey plan from a land surveyor;
 - c. Independent real estate appraisal(s);
 - d. Independent building inspection study;
 - e. An environmental study provided by an environmental firm.
- 7.5. If the University accepts the gift of real estate, it will assume the responsibility for all costs related thereto, including upkeep, maintenance, insurance premiums, if applicable, condo fees and assessments, mortgage payments if applicable, real estate commission on sale of real estate, closing costs, parking expenses and real estate taxes until such time as the real estate is sold;
- 7.6. The University shall not accept a gift of real estate on the condition that the donor retains occupancy after the gift is made.

8. Issuance of a tax receipt:

Before issuing a tax receipt, DAR needs to have received the following documents:

- a. A duly filled copy of the Gift-in-Kind transmittal form;
- b. A duly completed deed of gift;
- c. An acceptance from the ACOG for gifts-in-kind with a Fair Market Value of \$250,000 or more
- d. For gifts-in-kind under \$1,000, evidence of the Fair Market Value satisfactory to the University;
- e. For gifts-in-kind of \$1,000 and above, one appraisal from a qualified and knowledgeable independent expert appraiser including the signed certificate from the appraiser;
- f. For gifts-in-kind of \$20,000 and above, a second appraisal if requested, from a qualified and knowledgeable independent expert appraiser, including the signed certificate from the appraiser;
- g. Except as stated below, in the case of gifts in excess of \$1,000,000, a notarial Deed of Gift in Quebec or equivalent in other jurisdictions, with legal warranty by the donor and that the donated property is free and clear of all encumbrances and restrictions. If the gift is of real estate valued at \$ 250,000 or more, a Memorandum of Agreement, and a notarial Deed of Gift in Quebec or equivalent in other jurisdictions.

9. No tax receipt required by the donor:

If the donor does not require the issuance of a tax receipt, section 2 of this document becomes non applicable.

<i>History:</i>		
<i>Approved:</i>		
Board of Governors	September 27, 2011	Minute 3
<i>Amendments:</i>		
Executive Committee	March 27, 2012	Minute 5

Appendices:

- Deed of Gift template;
- Certificate of the Appraiser template;
- Gift-in-kind transmittal form



DEED OF GIFT TO MCGILL UNIVERSITY

I, (*name of donor*), hereby irrevocably and unconditionally give, transfer and assign by way of gift to McGill University of Montreal, for the benefit of **McGill University**, (*Faculty or Unit name*) within thirty days of the date of this Deed all right, title and interest, together with any copyright, trademark and related interests, in, to and associated with the property, described as follows:

Gift in Kind: (description of donation & quantity)

Date of Acquisition by donor:

Cost or adjusted cost base:

Appraisal: (name & address of appraiser)

Appraisal date:

Fair Market Value: \$ CDN

Appraisal: (name & address of 2nd appraiser if required)

Appraisal date:

Fair Market Value: \$ CDN

I affirm that I own the said property with good and marketable title free and clear of all encumbrances and restrictions, and further that the said property has not been imported or exported into or from any country contrary to its law.

McGill University shall have the right to retain the property gifted or to dispose of it, at its sole discretion.

Donor: (donor name)

Donor Address: (address)

***Donor's Association with McGill University
(direct or indirect):***

Donor:

(donor name) _____ **Date** _____

Acceptance on behalf of McGill University:

(name) _____ **Date** _____
(title)
(Faculty)
McGill University

Marc Weinstein _____ **Date** _____
Vice-Principal
Development & Alumni Relations
McGill University

CERTIFICATE OF APPRAISER

I, *(name)* located at *(address of appraiser)* hereby certify:

1. That I am accredited in the field of the evaluation of *(here describe property appraised)*.
2. That I am knowledgeable about the elements of a properly prepared and credible valuation report.
3. That I am independent from *(here insert owner of the property appraised)* and not associated in any way with *(the owner)* or McGill University.

Signed at Montreal, Quebec, on this day of ,*(year)*

(Insert name of appraiser)



Development & Alumni Relations

GIFT-IN-KIND (GIK) TRANSMITTAL FORM

(For tax receipting purpose in accordance with CRA and Gift-in-Kind Policy)

Donor Name:

Receiving Unit:

Brief description of GIK:

Costs related to the acceptance and maintenance of the GIK:

Source of funds to sustain these costs:

Form with five empty rows for donor name, receiving unit, description, costs, and source of funds.

Include the following information:

- Completed Deed of Gift (please note that for gifts-in-kind of \$250,000 and more, the Approval Committee on Gifts-in-Kind (ACOG) must have approved the acceptance of the gift prior to the completion of the Deed of Gift)
Official Fair Market Value report(s) duly signed by the Appraiser(s) (Donations of \$20,000 and more may require a second appraisal; all donations of visual art of \$1,000 and more require a second appraisal);

If GIK is more than \$20,000 and only one appraisal was requested, please indicate why:

Two horizontal lines for providing details on appraisal requests.

- Certificate(s) of the Appraiser(s)
For donations of cultural property, The Cultural Property Income Tax Certificate (T871S)

Name and title of head of receiving unit

Signature

Date

Development & Alumni Relations

Table with 6 columns: Date of tax receipt, Value of GIK for tax receipt, Lifetime value of GIK from this donor before this gift, Name of DAR reviewer, Signature, Date.

Name of Admin & Finance Approver

Signature

Date