

# FUNDRAISING POLICY



FUNDRAISING POLICY			
Effective Date	January 19, 2023	Policy Type	Administrative
Responsibility	Vice-President, External Relations (or designate)	Related Policies	Donation Acceptance Policy Naming Policy Endowment Policy Foundation Investment Policy Contract Management Policy Financial Signing Authority Policy
Approver	Executive Council	Review Schedule	3 years

## 1. Policy Statement

- 1.1. Northwestern Polytechnic ("NWP", "Institution", "Polytechnic") recognizes the importance of philanthropy as an important element in advancing research and education. The Polytechnic welcomes donations from individuals and organizations to help enhance programs and services to students. This policy provides the framework which supports and governs all NWP fundraising campaigns, programs, and events.

## 2. Scope

- 2.1. Compliance with this Institution-wide policy extends to all members of the Polytechnic community, including the Foundation in its role as trustee for the Polytechnic. This policy provides a framework for all fundraising activities, valuation, solicitation, and stewardship of gifts.

## 3. Reason for Policy

- 3.1. To create a framework for all donations made to Northwestern Polytechnic.

## 4. Definitions

- 4.1. **Agreement:** A negotiated and typically legally binding arrangement between parties as a course of action.
- 4.2. **Annual Giving Program:** Fundraising activities that take place typically over a one-year period.

- 4.3. **Appraisal:** Valuation of property by the estimate of an independent, qualified person.
- 4.4. **Designated Gift:** A donation where the donor has indicated a specific purpose for their support; for instance, a particular program, initiative, etc.
- 4.5. **Donations/Gift:** May take the form of a gift-in-kind, an "expendable gift", an "endowment", "securities", or "planned gift".
- 4.6. **Endowment funds:** Endowment funds represent contributions designated to support specific programs as well as capitalized investment income not required for spending and other capitalized amounts.
- 4.7. **Endowment:** An endowment is held in trust by the NWP Foundation. Endowment capital is invested in perpetuity for the purpose of producing present and future income. A portion of the investment earnings is expended to support the specific purpose agreed to, at the time of the creation of the endowment.
- 4.8. **Expendable Gift:** A donation made through a voluntary and irrevocable transfer of property by a donor, to NWP, to be available for immediate expenditure by the Institution. The transfer is made without any expectation in return—for which no valuable benefit flows to the donor, or anyone designated by the donor.
- 4.9. **Fair Market Value:** An amount a knowledgeable, willing buyer would pay for an item in an open and unrestricted market between a willing buyer and a willing seller who are acting independently of each other.
- 4.10. **Foundation or NWP Foundation:** The Northwestern Polytechnic Foundation.
- 4.11. **Fundraising Activities:** Targeted fundraising activities that can include licensed gaming activities led by NWP departments.
- 4.12. **Gift-in-Kind:** Donated tangible and intangible assets and property or physical assets which represent value to NWP and normally requires a valuation for tax receipt purposes.
- 4.13. **Honourary Donation:** A donation made to recognize an individual.
- 4.14. **Memorial Donation:** A donation made to recognize an individual who is deceased.
- 4.15. **Naming:** The descriptive name bestowed on a Polytechnic asset like a space, place, program, or initiative.
- 4.16. **Official Donation Receipting:** The official charitable donation receipt is a statement issued by the Foundation to donors which includes all elements stipulated by the Canada Revenue Agency (CRA) including the donor's name, date of donation, fair market value of the gift and the charity's official charitable registration number.
- 4.17. **Planned Gift:** A gift made during a donor's lifetime or at death as part of a donor's overall financial estate planning. Planned gifts include bequest, securities, life insurance policies, charitable gift annuities, charitable remainder trusts and gifts of residual interest, and gifts of retirement funds.
- 4.18. **Pledge:** A new commitment with payments into the future—no payment is enclosed. A new commitment with multiple payments where the first payment is enclosed.
- 4.19. **Polytechnic Asset:** A physical or non-physical resource or property of NWP.
- 4.20. **Property:** An asset with determinable value such as cash, securities, life insurance interest, art, or real property.
- 4.21. **Securities (publicly traded):** A donation in the form of a transfer of ownership of financial instruments such as stocks or shares of publicly traded corporations,

mutual funds, and debt instruments such as bonds as issued by publicly traded corporations or governments and designated under the *Income Tax Act (Canada)*.

- 4.22. **Sponsorship:** A contribution by a business to NWP, who in exchange for cash, receives advertising or promotion of its brand, products, and/or services. This advantage to the business makes it ineligible to receive a charitable tax receipt.
- 4.23. **Tangible Donation:** A donation of a physical object such as commissioned art, statues, plaques, and other items intended for public display.
- 4.24. **Undesignated or Unrestricted Donation:** A donation where the donor has not specified a purpose for the gift.
- 4.25. **Valuation Documents:** Documents used to support a fair market value assessment that includes invoices, equipment catalogues, advertised retail price, etc.

## 5. Guiding Principles

- 5.1. This policy provides guidance on all NWP fundraising activities and the acceptance of donations on behalf of NWP and the NWP Foundation, which are registered charities and comply with requirements of Canada Revenue Agency, and the Companies Act.
- 5.2. The Vice President, External Relations or designate is responsible for the coordination of all fundraising activities, including the overall supervision and management of fundraising programs, administration of staff, and management of the cultivation, solicitation, and stewardship of all donors.
- 5.3. A donation may be in the form of cash, Gift-in-Kind or personal or real property, an Expendable Gift, Securities, or Planned Gift, or to establish or augment an Endowment.
  - 5.3.1. Gift-in-Kind donations, other than real estate or securities, must be of a nature that can be retained as an asset of the Institution, and used in connection with NWP activities, with discretion as to its use and management or disposal for cash. Gift-in-Kind donations may be received directly by the Polytechnic.
  - 5.3.2. An expendable gift is made through a voluntary and irrevocable transfer of "property" by a donor, which may be made directly to the Polytechnic or the Foundation, to be available for immediate expenditure by the Polytechnic, in return for which no valuable benefit flows to the donor from the Institution. Expendable gifts may be either "designated" or "undesignated" donations.
  - 5.3.3. With donations to Endowments, the Foundation receives a donation to hold, as trustee, in a charitable purpose trust. Spending allocations are generated by the property for use by the Institution in support of the purpose or object of the Endowment.

5.3.4. Undesignated Donations are available to use for such purposes as the Institution determines how best to advance its interests and priorities. Expendable gifts directed to a particular faculty, department, or program, but for general expenditure, remain "undesignated".

5.3.5. Designated Gifts are used expressly for the purposes for which they are given. For example, directed towards a specific initiative, project, or program. All Endowments are Designated Gifts.

- 5.3.5.1. Although uncommon, circumstances may arise where it is prudent to vary the purpose and/or terms of a Designated Donation. If the purpose or terms of an Endowment are no longer possible and must be altered, the following steps will be taken to confirm such action.
- Notify the principal donor, to advise that the Endowment fund can no longer serve the original purpose.
  - The Endowment will be transferred to the selected Endowment program/initiative.
  - If for any reason, the original/principal donor is not available or should there be no agreement as to the disposition of the Endowment fund, as originally contemplated, the Foundation shall seek permission of the court to amend the purpose of the Endowment.

5.3.6. NWP must be able to establish fair market value for the donation.

5.3.7. NWP does not refund donations.

5.4. Donors are ultimately responsible for ensuring that the proposed donation furthers their own charitable, financial and estate planning goals. Therefore, donors are encouraged to seek independent advice in the donation planning process. It is not within the domain of either NWP or its staff to give legal, accounting, tax, or other advice to prospective donors.

5.4.1. The Polytechnic does not provide any legal, accounting, tax or financial advice to donors with respect to donations to NWP and encourages donors to seek independent legal, accounting, tax or financial advice from professionals. Donors are responsible for costs incurred from obtaining advice.

5.5. The Institution and the Foundation do not accept or recognize as a charitable donation any monies or other property that provides a benefit or consideration to the donor, or anyone designated by the donor. This includes employment at the

Institution, enrolment in a Polytechnic program or a Polytechnic procurement contract.

5.6. The Polytechnic or the Foundation may accept or decline any donation. The Institution or the Foundation will not accept a donation unless there is a reasonable expectation that acceptance of the donation would benefit NWP. The Institution and the Foundation will not accept a donation if such acceptance imposes on the Institution's overly burdensome administrative or other efforts or costs for NWP. Donations must not jeopardize NWP's or the Foundation's charitable status as defined by the Canada Revenue Agency.

5.7. **Donation Pledges**

5.7.1. Donation pledges are not recorded in the Institution's or the Foundation's financial systems until received, because a pledge is not legally binding.

5.8. **Donation of Publicly Traded Securities**

All donations of publicly traded securities shall be received by the Foundation. Official charitable tax receipts will be issued based on the closing market value of the securities on the date when the shares have been received into the Foundation's brokerage account.

5.8.1. A donation that is electronically transferred from a broker's account to the Foundation is received on the date the donation is received in the Foundation's brokerage account.

5.8.2. A donation that is a share certificate(s) signed by the donor is received on the day it has been deposited into the Foundation's brokerage account.

5.9. **Estate Gifts**

An estate gift is a donation where NWP or the Foundation is the beneficiary of a Will, life insurance policy, retirement benefits, or is appointed executor of a Will, or is the trustee of assets, and may be cash, cash-equivalent or Gift-in-Kind.

5.9.1. All notifications and correspondence regarding estates, copies of Wills and probate documents are forwarded to NWP, External Relations.

5.9.2. External Relations will review the terms of the Will or other estate gift document and will consult with NWP's contracted legal counsel, as appropriate.

5.10. **Donor Information and Recognition**

5.10.1. The Office of the Vice-President External Relations will record all donations to the Institution in the alumni and donor database and ensures the timely and accurate issuance of donation receipts on behalf of the Institution.

5.10.2. The Polytechnic is committed to the highest standards of donor stewardship and accountability. This includes appropriate acknowledgement and recognition for donors.

- 5.10.3. Any terms or conditions governing the use of donations are matters of public record, except for information that is personal or proprietary, in accordance with the Freedom of Information and Protection of Privacy Act. A list of all donations may be produced annually and be made available, as needed, to the Board of Governors, and may be made public by the Office of the Vice President, External Relations, in the form of a listing of donors for stewardship and recognition purposes. Donors may request to be identified as anonymous in all public recognition activities.
- 5.10.4. NWP will recognize donors and extend benefits in accordance with the Donor Recognition Chart.
- 5.11. Expenses incurred for fundraising will be in accordance with NWP's policy on Travel and related Expenses.
- 5.12. **Fundraising Activities**
  - 5.12.1. The Vice-President External Relations or designate will review and approve fundraising group activities to ensure that the activities are aligned with the Institution's priorities and initiatives. Request to proceed with fundraising group activities are submitted through the Fundraising Clearance Form.
  - 5.12.2. Prospect coordination and clearance is the responsibility of the Vice-President, External Relations.
  - 5.12.3. Fundraising activities must be conducted in compliance with relevant legislation and internal policies and procedures.
  - 5.12.4. Sponsorship agreements are to be signed as per the Financial Signing Authority Policy and forwarded to the Office of the Vice-President, External Relations, or designate.

## 6. Use of Funds

- 6.1. NWP's and the Foundation's fundraising disbursements will be reviewed annually.
- 6.2. Funding shall be disbursed for the purpose for which the funds were originally raised or to which funds are restricted. If it becomes necessary to change the use of restricted funds, NWP will contact the donor where practical and obtain formal and documented approval.

## 7. Reporting

- 7.1. The Vice-President shall receive fundraising reports on a quarterly basis.

# FUNDRAISING POLICY



## 8. Roles and Responsibilities

Stakeholder	Responsibilities
Board of Governors	<ul style="list-style-type: none"><li>Approve and formally support this policy.</li></ul>
President and CEO	<ul style="list-style-type: none"><li>Approve institutional philanthropic priorities.</li></ul>
Executive Council	<ul style="list-style-type: none"><li>Formally support this policy.</li><li>Provide advice on philanthropic priorities.</li></ul>
Director of Finance	<ul style="list-style-type: none"><li>Provide quarterly fundraising reports.</li></ul>
President and CEO	<ul style="list-style-type: none"><li>Review and approve/accept donations, valued at <math>\geq \\$25,000</math>.</li></ul>
Vice-President External Relations	<ul style="list-style-type: none"><li>Recommend philanthropic priorities.</li><li>Review and approve fundraising group activities.</li><li>Review and approve donations.</li></ul>
Vice-President Corporate Services	<ul style="list-style-type: none"><li>Risk and Financial: Review, assess, and approve GIK donations <math>\leq \\$24,999</math>.</li><li>Risk and Financial: Review, assess and recommend GIK donations <math>\geq \\$25,000</math>.</li></ul>
Vice-President Academic and Research	<ul style="list-style-type: none"><li>Academic/Research Program: Review, assess, and approve GIK donations <math>\leq \\$24,999</math>.</li><li>Academic/Research Program: Review, assess and recommend GIK donations <math>\geq \\$25,000</math>.</li></ul>
Donor Relations Staff	<ul style="list-style-type: none"><li>Record all donations and issue official charitable tax receipts, in compliance with the requirements of the <i>Income Tax Act (Canada)</i>.</li></ul>

## 9. Inquiries

9.1. Inquiries regarding this policy can be directed to the Vice-President, External Relations.

## 10. Procedures

10.1. Refer to the Office of Vice-President, External Relations, procedural documents for operational guidance.

## 11. Amendments (Revision History)

11.1. Includes the history of dates of previous policy revisions and the date of the most recent revision to the policy.