

SAMPLE GIFT ACCEPTANCE POLICIES

I. General Policies and Guidelines

- A. The Foundation and University through the Campaign, welcomes expressions of interest and financial support, regardless of size or form, from any alumnus, parent, friend, corporation, foundation or similar source.

The campaign volunteers and appropriate officers and staff from the Foundation and University are available and would be pleased to meet with any prospective donor, without obligation, to discuss areas of interest, the University's needs or objectives, types of commitments, options for payment, estate planning, the tax consequences of a possible commitment, and otherwise to provide every possible appropriate assistance to a prospective donor.

- B. Commitments to the campaign may take the form of one or a combination of the following: cash, pledges, appreciated securities or other personal assets, gifts-in-kind, deferred or planned gifts including charitable remainder trusts, charitable gift annuities, matured bequests, insurance policies, gifts of residence with or without a retained life interest, and, under special circumstances, will commitments. (See section II.)

- C. All philanthropic commitments made to the Foundation or University beginning July 1, 1993 through June 30, 1998, and/or selected commitments made during the previous twelve months (July-June) and approved by the Campaign Steering Committee will be credited toward the campaign goal.

All gifts to the annual fund, Presidents Club, Rocket Club and other philanthropic support arriving from outside the campaign structure during the campaign period will be credited toward the on-going support component of the goal.

- D. The University's board of trustees, the leadership of the campaign and appropriate university and foundation officers reserve the right to accept or (in cases where absolutely necessary) decline any financial commitment, which is offered. They also reserve the right to determine how any commitment will be credited or how such a commitment will be recognized.

Commitments will be publicly recognized consistent with the guidelines published in the campaign literature and commemorative opportunities brochure.

Published guidelines regarding the minimum funding levels for "named" commemorative opportunities are subject to exception under mitigating circumstances upon the recommendation/approval of the campaign's

leadership and appropriate foundation and university officials. In general, all commitments will be credited in campaign attainment totals at no less than the amount projected to be acceptable for federal income tax deduction.

- E. All potential or proffered commitments will be individually reviewed. Commitments of unusual size, designation, form and/or schedule of payment will be carefully evaluated. A prospective donor is encouraged to request and may expect a written position from the campaign's leadership and/or Foundation and University representatives regarding a potential commitment prior to making such a commitment.
- F. Although representatives of the campaign and University will provide all appropriate assistance (please see paragraph 2, item A, Section I), the ultimate responsibility regarding evaluations, tax deductibility and/or similar local, state and/or federal legal compliance issues regarding commitments rests with the donor.
- G. University, through the campaign's leadership, other volunteers, or representatives of the Foundation and University, will neither knowingly seek nor accept any commitment regardless of size, tender, designation, or other parameter which it believes is not in the potential donor's best interest to give.

In the event that such a commitment is accepted and the circumstances brought to the attention of the campaign's leadership, such a commitment will not be considered binding on the part of the donor, and any transfer of assets made in conjunction with the commitment will be returned or repaid.

Furthermore, a donor may upon written request seek, without explanation, to withdraw his or her commitment. Return of payments may be made under extremely mitigating circumstances and where allowable by law. In some cases, it may not be possible to return payments, which have been committed to specific projects.

- H. All volunteers and representatives of the Foundation and University are committed and responsible to neither seek, encourage nor accept any commitment which is potentially not in the University's best interest and/or which is inconsistent with the fiduciary and/or moral responsibilities commensurate with their campaign or University roles.

Potential commitments, which could be modified or refused, could evolve around one or a combination of the following:

1. A desire to develop or otherwise fund a program which would seem to be inconsistent with the university's traditional, current, or future educational mission as determined by the university's administration.

2. A desire to develop a particular program of interest to the university, but for which the donor is unwilling or unable to commit the resources necessary either to see the project through to completion or to maintain in perpetuity a project which would not be self-sustaining.
 3. A desire to designate or restrict a commitment in a way which is inconsistent with policies or local, state or federal statutes regarding race, creed, national origin, religion or a similar issue.
- I. While all commitments regardless of size and designation are welcomed, commitments of immediate cash, negotiable assets, or short-term pledges are the form of donor commitments, which have the greatest immediate impact on the University's needs.

This is not meant to disparage or in any way to discourage other types of commitments which do not include "immediate cash".

The rationale and urgency of University-wide programs create immediate and short-term funding needs. Furthermore, a primary consideration in any prospective donor's decision to support the objectives of the campaign is to ensure, in the most immediate and expedient way possible, the brightest future for University.

- J. No commitment will be credited against the campaign goal without adequate written documentation of the commitment from the donor. Such documentation may be in the form of a pledge card, letter of intent, personal letter or similar document. Exceptions to the preceding require the approval of the University President, Campaign Chair and Campaign Director.
- K. Preliminary decisions regarding the reporting of commitments to the campaign will be made by the Campaign Director and the University President using appropriate campaign policies and guidelines data accompanying the commitment, comments from the solicitor and campaign precedence of a similar nature.

These decisions (appropriately documented in the campaign's permanent files) will be reflected individually and collectively within the monthly campaign attainment report, letters of acknowledgment and similar documentation. Monthly attainment reports will be submitted to the university president for approval prior to distribution. If necessary, the crediting, etc., of controversial commitments will be referred to the campaign steering committee for decision.

All preliminary or final decisions regarding the evaluation and/or crediting (amount, source, etc.) of commitments to the campaign are subject to review and adjustment with the written approval of the campaign chair and campaign director upon receipt of new information, a request for change by the donor, an additional commitment by the donor, and/or other mitigating circumstances.

- L. During the period of the campaign all alumni, parents and other friends will be asked to maintain or increase their support of the on-going annual fund program in addition to making commitments in support of the campaign.
- II. Standards for Reporting Certain Types of Gifts and Pledges
- A. Donors are encouraged to fulfill pledge commitments within five, but preferably, three years. Exceptions will be considered upon request.
 - B. Cash: Cash gifts will be reported at full value as of the date received by the University.
 - C. Securities: Securities will be counted at the average of the high and low market value on the date the donor relinquished control of the assets in favor of the Foundation. Closely held stock may be valued at the per share cash purchase price of the most recent transaction. Normally, this will be the buy-back transaction of the donor. If no buy-back is consummated during the campaign, the stock cannot be credited to the campaign.
 - D. Gifts of Property
 - a. Gifts-in-Kind: Gifts-in-kind (e.g., equipment, books, software and the like that can be put to immediate use) for which donors qualify for a charitable gift deduction under current IRS rules should be counted at their full market value.
 - b. Real and Personal Property: Gifts of real and personal property (e.g., land, houses, jewelry, paintings, antiques, rare books, etc.) exceeding \$5,000 in value should be reported at the fair market value placed on them by an independent, expert appraiser at the time the donor relinquishes control in favor of the Foundation. Gifts of \$5,000 and under may be reported at the value declared by the donor or a qualified on-campus expert.
 - E. Charitable Remainder Trusts and Gift Annuities: Gifts made to establish charitable remainder trusts and gift annuities should be credited at fair market value of the assets given.
 - F. Charitable Lead Trusts: Only the income received from a charitable lead trust during a pledge payment period, not to exceed five years or the duration of the campaign (whichever is longer), will be reported.
 - G. Trusts Administered by Others: Only the fair market value of assets placed in trust during the period of the campaign, to which the institution has an irrevocable right to all or a predetermined portion of the trust income, will be reported.
 - H. Non-government Grants and Contracts: Grant income from private, non-government sources will be reported; contract revenue will be excluded. The difference between a private grant and contract should be judged on the basis of the intentions of the awarding agency and the legal obligation incurred by the University in accepting the

- I. award. A grant, like a gift, is bestowed voluntarily and without expectation of any tangible compensation; it is donative in nature. A contract carries an explicit quid pro quo relationship between the source and the University.
- J. Testamentary pledge commitments: Testamentary pledge commitments or will commitments from testators, who are at least 70 years old, will be credited to the campaign total at the value established in writing by the testator. unless there are mitigating circumstances and/or such a decision would conflict with other campaign policies or guidelines.

Will commitments, where the testator does not indicate a specific amount to University (a residual provision) or where the testator does not wish to be "credited" with a specific amount, will be credited at a minimum value level of \$1,000.

Commitments in this category will be recognized consistent with the general guidelines regarding same except in cases where such a designation will necessitate the short-term commitment of university or foundation funds not currently budgeted to support the area designated by the potential donor.

- K. Life Insurance: Fully paid up or otherwise vested insurance policies which are assigned to the Foundation will be credited at the full face or cash surrender value of the policy, whichever is greater. As such, commitments will be recognized as outlined in the campaign brochure and the commemorative opportunities brochure unless the donor requests other special arrangements.

Donors of such commitments may designate their gifts in any way consistent with Foundation or campaign guidelines previously outlined, subject, of course, to the ultimate approval of the campaign's leadership.

Commitments of insurance where ownership is assigned to the Foundation but where the policy is not yet paid up will be credited to the campaign at the current cash value of the policy or the value of the paid up premiums whichever is greater. Subsequent payments of premiums by the donor will be added to the value assigned to this commitment.

Commitments in this category, which do not mature during the campaign period, qualify for commemorative opportunities and recognition at a level consistent with the value of the policy as it was credited to the campaign, i.e., cash value plus on-going premium payments.

Exceptions to the preceding may be made by campaign leadership and foundation representatives in such cases where the commitment is made by an individual of 70 years of age or older and/or where other mitigating circumstances exist.

In the event that the donor discontinues premium payments, the donor's gift record, campaign attainment figure and similar records will reflect the value of the policy as of that date and/or as received by the foundation.

- L. Bequests: Bequests (matured will commitments) will be credited at the value established at the time of probate. Bequests of real estate or other tangible personal property (e.g., paintings, antiques, jewelry) will be credited at the appraised value of the property at the time it is transferred, provided there is no unacceptable restriction on its liquidation.
- M. Restrictions: given the objective of the campaign and the relatively short-term cash needed to meet campaign needs, the following types and/or levels of commitment are not encouraged:
1. Will commitments by donors under 70 years of age, unless there are mitigating circumstances and/or potential commitment is part of a long-range philanthropic commitment to University including annual giving and a commitment of capital other than that represented by the proposed will commitment.
 2. The creation of a charitable gift annuity where the potential donor has not reached 60 years of age and/or where there is an intervening beneficiary.
 3. Commitments of unpaid insurance policies under \$25,000 where the potential donor has not reached 60 years of age.

Under no circumstances does the campaign's leadership want to encourage a situation whereby a donor converts an existing pattern of unrestricted cash gifts to the annual fund into an annual fixed payment of an insurance premium.

Under any of the circumstances outlined in the preceding points, numbers 1, 2 and 3 are what appear to be similar situations, volunteers are strongly encouraged to seek, instead of the proposed commitment, an increased annual fund commitment and a pledge to the campaign.

This alternative is desirable in almost all cases, even if the potential value of the proposed will commitment, insurance policy, etc., is greater than the potential alternative annual fund and/or campaign pledge.

The preceding is viable up to the point where the potential donor may refuse to make any commitment. An exception to guideline "1" might exist where the potential donor has substantial resources but is reluctant to commit assets except on an experimental or incremental basis.

Request for exceptions to guideline "1" must be made in writing to the campaign director and/or campaign steering committee.