

3. Gifts typically do not include any element of *quid pro quo* whereby the gifts are subject to an exchange of consideration or other contractual duties between the University and the donor, except for certain planned gifts as outlined in this Policy.
4. The donor may restrict their gift by designating a specific purpose. The donor may also designate a gift for unrestricted use by the University or a particular college, school, department, or unit thereof. Beyond such permissible designations, the donor has no direct control over the use of a gift (for example, determining the recipient of a scholarship, fellowship, or professorship).
5. The term "gifts" as used herein refers exclusively to private gifts, even though such gifts may be termed "grants" by corporations and foundations.

III. POLICY OVERVIEW

A. The University will only accept gifts that:

1. are appropriate to the mission and needs of the University;
2. are appropriate to the University's funding priorities;
3. are in compliance with all legal and financial standards;
4. impose no undue financial burdens on the University;
5. if restricted, contain donor's terms that are reasonably broad and flexible to maximize their usefulness to, and protect, the University;
6. if restricted, allow the University to apply the gift to a reasonably similar purpose in the event that the designated purpose is no longer legal, viable, practical, necessary, or able to be performed.

B. The Office of Advancement coordinates and manages all fundraising activities, records all gifts received from donors, issues appropriate receipts and/or acknowledgements to the donors, officially accepts such gifts or private grants on behalf of the University, initiates and maintains such records as will clearly set forth the designation and restriction of each gift, and implements measures to comply with the provisions of each gift.

C. The Office of Research and Sponsored Programs (ORSP) manages and administers proposals submitted and funds received that fall under an active Institutional Review Board (IRB) determination. ORSP grants that also are determined to be philanthropic will be booked in the Advancement database and

D. The University will use reasonable efforts to accommodate and accept all charitable contributions from donors. However, the University will not accept gifts that, in the University's judgment:

- 1.** Violate this Policy;

qualifies under both federal and state law as a tax-exempt non-profit organization to which charitable contributions are deductible to the full extent of the law for

3. The Senior Vice Chancellor for Advancement works in consultation with the Chancellor and Board of Trustees (“Board”) and in cooperation with the Provost, Vice Chancellors, Deans, and other University officers to achieve the goals of the University.
4. The Senior Vice Chancellor for Advancement is responsible for the establishment, oversight, and adherence of these policies. The Senior Vice Chancellor is responsible for approving all gifts on delegated authority from the Chancellor, and to make recommendations for action by the Chancellor, as needed. Individuals connected to the University and desiring to raise funds shall consult with appropriate Advancement leadership to determine the appropriateness, timing, institutional priority, and potential donor interest before making the approach to a

herein, the University will accept corporate matching gifts that are eligible to be matched by the donor's employer, foundation, or other matching gift agency, and the donor whose gift is being matched will receive recognition credit for the matched amount.

b. Securities

- i. The University will accept only gifts of securities which are readily marketable through public exchanges. Exceptions shall be made only with the approval of the Board of Trustees or appropriate committee thereof.
- ii. These readily marketable securities will be valued at the mean price per share on the date the securities are transferred into the University's name and sold as expeditiously as possible upon receipt. With the approval of the Senior Vice Chancellor of Business and Financial Affairs, an exception may be made related to the sale of the securities:
 - a) At the request of the donor and once evaluated by the Gift Acceptance Committee for further action;
 - b) At times, the University's broker may suggest holding onto securities due to market conditions.
- iii. Gifts of securities which are not readily marketable may be accepted after evaluation by the University's Gift Acceptance Committee. If accepted, the securities will be valued at the fair market value shown on a qualified evaluation or at the value determined jointly by the donor and the Senior Vice Chancellor of Business and Financial Affairs. If not immediately sold, the donor must supply the audited financial statements for the issuing entity, initially and annually thereafter for reevaluation purposes.
- iv. In cases where a stock gift is submitted to pay off a documented commitment, realized funds in excess of that commitment will be allocated to the same purpose and booked as an outright gift.
- v. Gifts of securities that will not be accepted include:
 - a) Securities which have a lien against them or in any way could create a liability for the University;
 - b) Securities prohibited by the University's investment policy;
 - c) Securities which cannot be assigned (such as series ' <

Examples of gifts of intangible personal property include, but are not limited to: computer software, royalties, patents, and copyrights.

- ii.** The University does not accept vehicles, including but not limited to automobiles, aircraft, and boats. The Senior Vice Chancellor for Advancement may recommend exceptions to this restriction for consideration by the Chancellor.
- iii.** The University will consider the following factors in determining whether to accept gifts of personal property:
 - a)** use or display of property;
 - b)** condition of property;
 - c)** storage;
 - d)** transfer of ownership;
 - e)** maintenance and repair;
 - f)** potential sale value;
 - g)** insurability; and
 - h)** costs associated with the property's maintenance and storage.
- iv.** Information about any potential gift of tangible or intangible personal property should be reviewed by the Office of Gift Administration and Records Management, which will determine if the gift meets IRS guidelines for tax deductibility. If a gift does not meet IRS guidelines for tax

- ix.** Acceptance of gifts of tangible personal property, as well as approval of any restrictions sought by the donor on the sale, maintenance, administration, or display of property donated, is subject to review and approval by the Gift Acceptance Committee and the head(s) of the appropriate department(s) and/or committees of the University before the gift can be accepted.
 - a) Gifts-in-kind to University Libraries that will be added to the

- Chancellor for Advancement.
 - vi. Conditional pledges must be approved by the Gift Acceptance Committee and the pledge documentation must include the disposition of any payments that have been accepted before the conditions are met, and disposition of payments if the conditions ultimately are not met.
 - vii. Verbal pledge commitments (non-phonathon) will not be booked in the University's fundraising database.
 - viii. Gifts-in-kind cannot be applied as pledge payments.
 - ix. Corporate matching gifts cannot be applied as pledge payments, nor can a donor include matching gifts as part of a pledge commitment.
- e. **Real Property.** Gifts of real property will be evaluated with regard to marketability and liquidity risks, environmental liability risks, staff costs, and potential holding costs. In order for a gift to benefit the University, the University must be able to realize value from it.
- i. All gifts of real property must be approved before acceptance from the donor by the Senior Vice Chancellor for Business and Financial Affairs, in consultation with the Associate Vice Chancellor for Facilities Management & Planning, who will act upon the recommendation of the Senior Vice Chancellor for Advancement. The Office of Gift Planning will coordinate the gift review and approval process.
 - ii. Approval by the University's Board, or a designated Board committee, is required only in the case of bargain purchases (Note: such a transaction is more commonly known as a "bargain sale," which is its description from the perspective of the property owner), or real property charitable gift annuity transactions in which the University is projected to make payments in excess of two hundred fifty thousand dollars (\$250,000) prior to liquidation of the subject property.
 - iii. Gift Minimum: The University will focus its time and resources on real property gifts likely to result in substantial proceeds for its benefit. Therefore, as a general rule, it will pursue only gifts with a face value of at least one hundred thousand dollars (\$100,000). An additional factor in evaluating potential real property gifts is the portion of the net proceeds that would be realized as a gift by the University, typically more than 50%.
 - iv. Type of Property Accepted: The University will consider accepting many types of real property, including single and multiple family residences, condominiums and co-ops, farms and ranches, timber property, apartment buildings and other income-producing property, and possibly other real property assets. The University will also consider accepting undivided interests in real property, provided marketability of such an interest is assured. Gifts of property outside the United States will be considered on a case-by-case basis.

- v. In general, a donor is responsible for all expenses related to protecting their interests in gifts of real property (such as obtaining a qualified appraisal and retaining legal counsel). As appropriate, the donor may be asked to assume some or all of the related expenses associated with the property should the University accept the gift and retain the gift prior to re-sale. Examples could be transfer costs, carrying costs, property taxes, or other one-time or ongoing expenses.
- vi. In certain cases, the University may elect to bear the cost of conducting the due diligence necessary to accept a gift of real property, and to provide resources for any ongoing carrying costs of the property. The college or the unit receiving the proceeds of the gift must provide budget approval for these costs. Proceeds from the sale of a gift of real property may be used to reimburse expenses incurred by the college or unit receiving the gift.
- vii. A gift of real property with a retained life interest is subject both to the general conditions and to the guidelines for acceptance of outright gifts of real property as set forth in this Policy. The agreement creating the life interest must provide, at a minimum, that the donor and/or life tenant will remain responsible for the payment of mortgages, taxes, insurance (property insurance with University as loss payee; general liability insurance with the University as additional insured; and other appropriate insurance as determined by the University); utilities; maintenance, repairs, and general upkeep; and all other costs associated with the property, unless other specific provisions are made for the payment of these expenses.
- viii. **Gift Restrictions:** The University will generally not accept gifts of real property encumbered by restrictions as to use of the donated property. An exception to this could be the acceptance of properties subject to conservation easements or historic preservation restrictions, provided marketability of such properties is assured.

2. Deferred Commitments, which include:

- Testamentary bequests
- Charitable Gift Annuities
- Charitable Remainder Trusts
- Charitable Lead Trusts
- Life Insurance
- Real Property with Retained Life Interest

- a. All University fundraisers are required to involve Gift Planning staff when donors express interest in deferred commitments.
- b. When the University invests resources in the good faith anticipation of receiving the proceeds of a matured bequest, such as when a naming opportunity is funded by a binding (irrevocable) bequest commitment,

or if the University matches a donor's commitment with University funds (e.g. the Momentum Scholarship Match Program), the donor must supply documented evidence that the University has been named as a beneficiary in their estate plans for an amount equal to or exceeding the commitment amount. Documented evidence would include a copy of the portion of their will, or a copy of a formal trust agreement. The University reserves the right to remove naming opportunities or reverse University matching dollars from a donor's fund if the donor does not fulfill their commitment in its entirety.

- c. The University will agree to serve as the trustee of a charitable remainder trust with a minimum value of one hundred thousand dollars (\$100,000) as long as the University is named the irrevocable remainderman of the trust and the University will receive at least 50% of the remainder of the trust. A unitrust must have a minimum payout rate of 5%. An annuity trust must have an annual payout of at least 5% of the initial funding value of the trust. Income payments of any amount may be contributed back to a unitrust. Additions to an annuity trust are not permitted by law. Payments from a unitrust or an annuity trust may be made quarterly, semi-annually, or annually as long as the payment dates correspond to calendar quarter ends.
- d. The University will agree to serve as the trustee/administrator of a charitable gift annuity (CGA) with a minimum value of ten thousand dollars (\$10,000), or as the trustee/administrator of a charitable lead trust (CLT) with a minimum value of two hundred fifty thousand dollars (\$250,000), as long as the University is named the irrevocable remainderman of the CGA or CLT.
- e. The University will accept transfers of ownership of existing life insurance policies. If premiums remain to be paid, the donor must agree in writing to gift sufficient funds annually on a timely basis to the University in order for the University to pay the premiums, or the donor must agree to pay the premiums directly. Unless otherwise stipulated in writing, the University reserves the right to cash in a policy or take other actions available to the owner of a policy at any time. The University will not accept ownership of policies subject to a loan unless it is an economically prudent and viable decision. Finally, the University will not accept policy rights or ownership in connection with a "charitable split dollar" or similar arrangement where the premiums and proceeds are often to be divided between charitable and non-charitable interests.
- f. The University may be named as a beneficiary under retirement plans including Individual Retirement Accounts (IRAs) and qualified pension and profit-sharing plans. Upon receipt of written notification from the donor, the University will record the individual's known designation as a pledge commitment prior to their death for donor stewardship and

planning purposes. The beneficiary designation is not recorded by the University for financial purposes until the designation becomes realized or unless it is legally documented as irrevocable.

- g.** The University will agree to accept remainder interests in real property, including personal residences and farms. The donor must agree to continue to pay or otherwise make provision for the payment during their lifetime of all costs and liabilities of owning and maintaining the property, including property taxes, insurance, assessments, repairs, and maintenance. Neither the donor, nor any other person with an interest in the property, shall be able to compel the University to make any capital improvement or take any other action regarding the property involving the expenditure of funds or an assumption of a risk. Gifts of interests in real property subject to a retained life estate are subject to the same review process as is set forth for other gifts of real property.

C. Agency Funds. From time to time the University receives monies from non-University entities such as groups of students, faculty, staff, governmental, or private organizations, or activities for which the University provides a fiscal agency service. The University, in accepting funds for the deposit and disbursements from these entities, does not exercise any direct fiscal control over their use; this control remains with the activity or the entity. Disbursement and use of these funds are made on specific instructions from the entity. These funds are considered agency funds and are not gifts and

Acceptance Committee, the University will appoint the majority of its members, and any donor designees will be limited to a nonvoting role on any matter related to academic governance.

4. The University will not accept completely anonymous gifts of ten thousand dollars (\$10,000) or more. The donor's identity must be disclosed to the Senior Vice Chancellor for Advancement and to the Chancellor, who shall endeavor to maintain the donor's anonymity (except upon a request from the Board or as required by law). Partially anonymous gifts, which maintain a donor's anonymity for recognition purposes, are acceptable as long as the donor's identity is known.
5. Corporate sponsorships that support activities, events, and projects, and that offer public recognition in return, can be accepted and recorded as gifts in most cases. Treasury regulations governing "qualified sponsorship payq Treasury regupayq gupayq

perform some task or take some sort of action that it might not otherwise initiate or depend upon some future event over which neither the institution nor donor may have control. Examples of conditional pledges are challenge grants, capital project gifts dependent upon construction deadlines, and non-binding estate pledges. Conditional pledges will not be included in the University's financial statements, but will be included in Advancement fundraising totals.

- C. is a written agreement between two or more parties, which sets forth terms, costs, and conditions for delivery of specified services, materials, or equipment by one of the parties to the other party for some return performance (consideration).
- D. is a simpler form than a contract of a bilateral written agreement between two or more parties which obligates the recipient to provide something or to perform a service of more than incidental significance to the grantor. A grant usually provides for reimbursement for specified costs of basic research.
- E. is a grant that has no public or government affiliation. Private grants come from social clubs, alumni, nonprofits and private companies, and businesses.
- F. is the formal manifestation of intent to take title to a tendered gift.
- G. is notification to a donor of receipt of a proffered gift.
- H. includes buildings, rooms, interior spaces, exterior spaces (gardens, courts, plazas, memorials, markers, etc.), athletic fields, open spaces, and all other tangible and relatively permanent features owned, operated or controlled by the University.
- I. includes colleges, departments, institutes, centers, and other units associated with University functions.

VIII. Administrative Provisions:

- A. Policy Review and Amendment: The University will review this Policy on an annual basis and more frequently as it may be necessary to amend this Policy. As circumstances warrant, proposed amendments will be presented in writing to the Policy Advisory Committee for consideration who shall then submit the proposed amendments to the Board for review and formal approval. Additionally, the University shall have the authority to amend the Policy to comply with any changes in IRS regulations or other applicable state or federal laws as of the effective date of the legal change.
- B. Use of Legal Counsel: Advice and guidance will be sought from the University's Office of General Counsel as well as from the applicable

committees of the Board. The University will seek the advice of General Counsel in matters relating to acceptance of gifts when appropriate. Review by counsel will be included for:

1. Closely held stock transfers that are subject to restrictions or buy-sell agreements.
2. Documents appointing the University in a fiduciary capacity.
3. Gifts involving contracts or other documents that require the University to assume an obligation.
4. Transactions with potential conflicts of interest that may invoke IRS sanctions.

IX. RESOURCES

- A. University Policy ADV 10.10.020 – *Donor-Funded Naming Opportunities and Fund Minima*
- B. University Policy FINA 2.10.030 – *Limits of Authority*
- C. University Policy PROV 2.30.055 - *Works of Art and Collections Acceptance & Display*
- D. University Policy FINA 2.20.030 *Consolidated Endowment Fund*

Revision Effective Date	Purpose
2/25/2022	Minor revisions
6/7/2024	Minor revisions to align policy with practice