



Policy Title	Policy on Acceptance and Management of Gifts
Policy Category	Financial or Operational
Policy Approval Date	March 26, 2019
Policies Superseded	None
Responsible Office	Office of University Advancement
Related Policies	Distinguishing Gifts from Sponsored Awards Policy; Donor Pledge Write Off Policy
Frequency of Review	Three (3) years
Date of Revision	

I. SCOPE

This Policy on Acceptance and Management of Gifts (“Policy”) applies to all University faculty and staff when accepting Gifts on behalf of the University. This Policy applies to Gifts from individuals, foundations, companies, estates, etc. made for specific or non-specific purposes. See Section IV below for the definitions of capitalized terms in this Policy.

II. POLICY STATEMENT

The purpose of this Policy is to (i) define Charitable Contributions to the University and provide general guidance on the acceptance of such Gifts, (ii) provide information to the University community, donors, and prospective donors on what Gifts the University can and cannot accept, and (iii) ensure that Gifts are handled in a consistent and ethical manner.

III. POLICY

The University gratefully accepts Gifts¹ that will promote the vision and mission of the University.

A. Authority for Acceptance of Gifts

1. While the authority to accept all Gifts to the University is vested in the Board of Trustees (“Board”) of the University, the Board has delegated such authority to the President. The President has delegated authority to University Advancement, as the department authorized to support the solicitation, receipt, and stewardship of Charitable Contributions for the benefit of the University. University Advancement has the authority to accept the following:

- Gifts of cash, cash equivalents, and marketable securities;
- Gifts by bequest or devise, charitable lead trusts, charitable remainder trusts, charitable gift annuities, life gift estates, life insurance, and retirement plans, regardless of the nature of the assets making up the Gift;
- Restricted Gifts;
- Gifts of Intangible Personal Property; and

¹ Gifts and Sponsored Awards are subject to different accounting, oversight and reporting requirements. To comply with these requirements, the determination of whether a transfer or payment is a Gift or a Sponsored Award will be made using the Gift vs. Sponsored Project Guidance provided in the [Distinguishing Gifts from Sponsored Awards Policy](#).

- Memorial Gifts.

2. With the approval of the President, University Advancement has the authority to accept Gifts of Tangible Personal Property.

3. The Board, in consultation with the President and the Chief Financial Officer, has the authority to accept Gifts of Real Property.

B. Purpose and Accounting For Gifts

1. Restricted Gifts – These are funds donated for a specific purpose as determined by Donor intent and/or a defined strategic fundraising initiative. Restricted Gifts are accepted if they are consistent with the University’s vision, mission, strategic plan, and programs. Such Gifts must fully fund any new initiative or be used to supplement existing initiatives.

2. Memorial Gifts – These are Gifts made to the University in honor of a person. All Gifts made as memorials are considered Gifts to the University unrestricted fund or University endowment fund unless otherwise specified.

3. Segregation – Restricted Gifts must be segregated and separately accounted for to assure Gifts are applied to the purpose intended. Annual fund and yearly financial aid Gifts shall go to the unrestricted operating budget of the current fiscal year. Capital Campaign funds shall be maintained in a separate account and used solely for the purpose of the campaign unless otherwise approved in writing by the Board. Endowment Gifts shall be deposited into the General Endowment Fund (defined in Section I below).

4. Transfer – Funds that are restricted for a specific purpose, such as Capital Campaign funds, may not be transferred, loaned, or used for any other purpose without the prior approval of the Board. Once a Gift is given to the University, the University owns the Gift solely and exercises control over the Gift. Therefore, once a Gift is given for one purpose, such purpose cannot be changed or amended by the Donor at a later date.

5. Accounting/Reporting – When the University enters a Capital or Comprehensive Campaign, University Advancement, in coordination with Finance, is responsible for implementing all campaign-specific policies and procedures for campaign Gift accounting and reporting as established by the Board.

6. Review – University Advancement will seek the advice of the University’s General Counsel in matters relating to acceptance of Gifts where appropriate.

C. Acceptance of Standard Gifts

All Gifts to the University should be directed to University Advancement. University Advancement will accept, deposit, receipt, and acknowledge all contributions in accordance with Internal Revenue Service policies and the documented wishes of the Donor.

1. Cash. Gifts in the form of cash, checks, payroll deductions, electronic fund transfers, credit or debit card transactions, and money orders will be accepted, regardless of the amount, unless there is a question as to the Donor’s title to the cash or his or her mental competency to legally transfer the cash as a Gift to the University. All outright Gifts of cash or check shall be deposited in the appropriate account within two (2) business days of receipt, when possible. The date of cash Gifts will be determined by one of the following criteria:

- The date legal tender is received via hand delivery by the University;
- The date of the U.S. Postal mark indicated on the mailing envelope containing the Gift;
- The date electronically transferred funds are received; or
- The date a credit or debit card transaction is authorized.

2. Pledges – Pledges are written statements by a Donor committing to make a future Gift to the University. All pledges of Gifts must be documented in writing, including pledge amount, designation, payment schedule, donor signature, and date. Documentation for pledges may be in the form of a signed and dated pledge form, a letter defining the Gift or a Gift agreement. Pledges are preferably paid over three (3) years, but may be paid over a period of up to five (5) years. Any pledges accepted for payment that are longer than five (5) years must be approved by the Vice President for Development and Alumni Relations in consultation with the President. Donor recognition will be based upon the full payment of pledge commitments within the pledge period unless excepted by the President or Vice President for Development and Alumni Relations.

3. Matching Funds – Corporate matching gifts requested by individuals associated with an organization and received from the organization will be credited to that organization. The individual Donor whose Gift is matched will receive associate recognition for the matching amount.

4. Publicly Traded Securities – The University will accept securities, which are traded on the major stock exchanges or other readily marketable securities. Donors should anticipate that the University may sell the securities immediately and they shall be valued, recorded, receipted, and acknowledged based on the average share value at the point of transfer. The date is defined as the day the securities are delivered or mailed (postmark date) in negotiable form to the University or its agent, or the date they are placed in an account or registered in the name of the University. Brokerage fees, as well as changes in value of securities after their receipt, are considered costs and do not affect the value credited to the Gift.

5. Mutual Fund Shares – A Gift of publicly traded mutual fund shares will be accepted at its fair market value or public redemption price quoted by the mutual fund.

D. Acceptance of Non-Standard Gifts

1. Real Property – Gifts of Real Property are subject to prior approval by the Board in consultation with the Chief Financial Officer and the President after consideration of the following:

- The usefulness of the property;
- The marketability of the property;
- The market value of the property;
- The ongoing costs (maintenance or other fees, taxes, insurance, etc.) associated with the property;
- The existence of, or potential for, encumbrances such as mortgages, deed restrictions, zoning ordinances, outstanding tax liabilities, or easements;
- An environmental assessment study performed by a qualified company; and
- Review by the University's Office of General Counsel.

Gifts of Real Property can only be considered if there are no restrictions on the sale or use of the property. Expenses associated with a Gift of Real Property are to be borne by the Donor, including environmental testing and a qualified appraisal used for substantiating the charitable deduction.

2. Remainder Interest in a Farm or Residence – A Gift of a remainder interest in a personal

residence or farm should be credited both at the present value of the Gift calculated in accordance with General Accepted Accounting Principles (GAAP) guidelines and at face value. Such Gifts may not be accepted without prior written approval of the Board.

3. Personal Property – Gifts of Tangible Personal Property may only be accepted if the items donated are consistent with the University's educational mission. The University may decline Gifts of Tangible Personal Property if the University, in its sole discretion, determines that (i) there are limited or no storage facilities for such Gifts; (ii) the insurance and other costs associated with maintaining these Gifts are excessive; or (iii) they are donated on the condition or expectation that the items will be permanently exhibited or that the collections will be maintained and exhibited in a specific manner.

Depending on the type of Tangible Personal Property being considered for donation (artwork, books, laboratory equipment, etc.), University Advancement will consult with the appropriate campus expert/department, e.g., the University Curator for artwork, regarding assessing the viability of the Gift in terms of the University's mission and the other pertinent considerations noted above.

4. Non-publicly Traded Securities – Gifts of non-publicly traded securities are subject to prior approval by the President and may be accepted only in consultation with the Chief Financial Officer. The valuation of securities, which are not publicly traded, is the responsibility of the Donor and such Gifts must be accompanied by an independent, qualified appraisal in order to be credited. Generally, Gifts of non-publicly traded securities will be accepted only when converted into cash within a three (3) year period is expected.

5. Limited Partnerships, Mortgages, Notes, Patents, or Copyrights – The University can accept Gifts of limited partnerships, mortgages, notes, patents, or copyrights if an independent auditor can assign a fair market value and prior written approval by the Board is obtained.

6. Other – All other Gifts that are not otherwise described in this Policy may only be accepted if approved in advance by the Board or its designee.

E. Planned and Life Income Gifts

Life income Gifts, such as charitable Gift annuities and trusts, may be accepted and will be credited at full market value on the day of the transfer. The Donor's income tax charitable deduction will be calculated based on the IRS regulations and may differ from the amount of the Gift credit. University Advancement will determine the guidelines for the crediting of other types of planned Gifts based on best practices currently being used in higher education. Deferred Gifts that may not be realized until some future date will be credited to the University's endowment, unless otherwise specified.

Planned Gifts may include retained life estates, charitable remainder trusts and pooled income funds, charitable lead trusts, wholly charitable trusts, charitable Gift annuities, Individual Retirement Account and retirement plans, life insurance and bequest expectancies.

F. Contributed Goods and Services (Gifts in Kind)

The University is recognized as an organization exempt from federal income tax under Section 501(c)(3) of the U.S. Code: Title 26 - Internal Revenue Code. As such, the University can receive contributed goods and services (Gifts in Kind), which may then be declared at fair market value on the Donor's income tax return as a charitable contribution. IRS requirements for Gift substantiation note that the Donor has the responsibility for valuing property for tax deduction purposes. Gifts of charitable goods and services that qualify as a charitable deduction for the Donor will only be counted at full fair market value when a certified

appraisal is provided.

In determining the market value of certain Gifts, the University may choose to obtain an appraisal or require that the Donor provide an appraisal. The University will take a conservative approach to valuing assets. There should be no expectation on the part of the Donor that the University's valuation of a Gift for accounting purposes will be the same as the Donor's valuation for tax purposes.

G. Donor Recognition and Gift Management

1. Acknowledging Donors – Acknowledgements and thank you letters for Gifts shall be produced and mailed to Donors within three (3) business days, whenever possible. The acknowledgement will include appropriate language as set forth in IRS guidelines and note the dollar amount, date, and name of the fund where the Gift is directed. All Gifts received within a fiscal year shall be acknowledged in the biannual report of the University.

2. Gift Valuation for Tax Purposes – The value of a Gift may in some instances differ from the tax-deductible value of the Gift. Valuation of a Gift for tax purposes is the responsibility of the Donor. Receipts for Gifts of cash or publicly traded securities will provide proper documentation of the value of the Gift. In all other cases, it is the responsibility of the Donor to secure independent appraisals of Gifts.

H. Naming Opportunities

1. Naming Recognition – The naming of facilities and programs is the responsibility of the Board or designated staff. A list of available naming opportunities including the amount of support required to name a space will be made available for prospective Donors to review by University Advancement or a Capital Campaign Committee, if applicable. Any such naming opportunity must have prior approval by the Board.

2. Funding Requirements – The funding plan for a naming opportunity must be in writing in the form of a signed contract and must meet with the approval of the President in consultation with the Board when required. It may be determined that the naming will be delayed until agreed funding requirements are met.

Outright Gifts and written enforceable Pledges up to five (5) years may be used to fully or partially fund a naming opportunity. The President or Vice President for Development and Alumni Relations must approve any Pledge agreement that provides for any pledged amounts to be received beyond five (5) years.

Deferred legacy Gifts (including Gifts by will, trust, retirement plan, or life insurance policy) may be used in combination with an outright Pledge to fully or partially fund a naming opportunity as long as the Gift is secured by an irrevocable Pledge agreement and the present value of the Gift meets the agreed upon Gift level.

3. Removal of A Name – The duration of a naming right is governed by the separate contract/agreement. However, if at any time the President or the Board determines that the activities of a Donor reflect negatively on the public image of the University, or are in material conflict with its mission, the University will have the right to terminate naming rights. The removal of a name shall require approval by the Board. The Donor will be informed of the change in writing prior to the removal of the name from the facility, physical space, or program. Upon any removal of a name, the University shall have no further obligation or liability to the Donor and shall not be required to return any portion of the Gift already paid. The President and the Board, however, may in their sole and absolute discretion determine an alternative recognition for the portion of the Gift already received.

Recognition of the Donor will remain associated with a space (e.g., a room or area in a facility) until such time as the space is closed, destroyed or severely damaged, relocated, substantially renovated, replaced, or is no longer owned and used by the University. If a named space is relocated or substantially renovated, the Donor will receive appropriate continued recognition, as determined by the University, in the spirit of the original Gift. The University will make every reasonable effort to notify the Donor of the space being relocated or substantially renovated or ceasing to be used by the University.

I. Endowment Funds

1. General Endowment Fund – The University Endowment Fund is a multi-purpose fund for endowments to provide for the long-term financial stability of the University, and as a method whereby Donors can make Gifts to the University for endowment purposes.

2. Named Endowment Funds – Named endowment funds may be established at the University with a minimum Gift of \$25,000. This minimum threshold applies to all named endowment funds (scholarships, chairs, professorships, fellowships, and the like) with the exception of named endowment award funds. Named endowment award funds may be established with a minimum Gift of \$10,000.

J. Prohibited Gifts

The University reserves the right to refuse or return to Donors Gifts for which functions and goals are inconsistent with those of the University for reasons including, but not limited to, the following:

- The Gift or Gift transaction violates federal, state, or local laws;
- The Gift or Gift transaction in some manner conflicts with University policies or with the University's mission;
- The benefit of the Gift is outweighed by the potential of negative publicity for the University that would result from the transaction;
- The Gift or Gift transaction could inhibit the University from seeking Gifts from other Donors; and
- The benefit of the Gift is insufficient to offset the extent of administrative, maintenance, and legal effort involved in its acceptance.

The following types of Gifts may not be accepted without approval from the President or the Chief Financial Officer in consultation with the Board:

- Any Gift offered with restriction on disposition and/or future maintenance requirements; and
- Non-cash Gifts that would require the University to incur transfer costs. Generally, the cost of transporting or otherwise transferring non-cash Gifts to the University should be borne by the Donor.

K. Exceptions

This Policy is intended to assist and protect both the University and Donors in the solicitation and donation of Gifts. The President in consultation with the Vice President for Development and Alumni Relations, the Chief Financial Officer, and the Board must approve any exceptions to this Policy.

L. General Information

The University abides by the standards of accounting and reporting established by the Council for

Advancement and Support of Education (CASE) as printed in *CASE Reporting Standards and Management Guidelines for Educational Fundraising*, and the National Association of College and University Business Officers (NACUBO).

IV. DEFINITIONS

Capital Campaign is an intensified effort for a designated finite period of time to raise money for capital expenses.

Comprehensive Campaign raises money for the needs of the entire campus.

Donor is a person or entity that donates something, especially money for charitable purposes.

Gifts in Kind, also referred to as in-kind donations, are a kind of charitable giving in which, instead of giving money to buy needed goods and services, the goods and services themselves are given.

Gift or Charitable Contribution is a voluntary and unconditional transfer of funds or real property (e.g. stock, real estate, equipment, art or materials) to the University made by an individual or entity without any expectation or receipt of direct economic benefit or anything of value (goods or services) in return.

Pledge a written statement by a donor committing to make a future Gift to the University.

Quid pro quo Benefits, usually of goods or services, e.g., round of golf or a dinner, received by an individual or entity in direct exchange for a monetary contribution to the University. The portion of the contribution that exceeds the fair market value of the benefit (to be determined according to IRS guidelines) is the charitable portion of the contribution, or the gift.

Intangible Personal Property is a type of property that has no tangible value. The value of the property is derived not from its physical attributes but from its intellectual content or other intangible properties, such as the rights that it provides. Such property is usually legally protected. Intangible personal property includes, but is not necessarily limited to, goodwill, copyrights, trademark, patents, royalties, computer software, bonds, trademarks, brand names, customer lists, partnership interests, trade secrets, franchises and business licenses.

Real Property is property consisting of buildings and land.

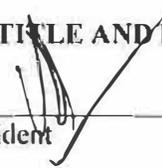
Tangible Personal Property refers to anything other than real property and includes any type of property that can generally be moved (i.e., it is not attached to Real Property), touched, or felt. These generally include items such as furniture, clothing, jewelry, art, collectibles, writings, or household goods.

University is Arcadia University, its colleges, schools, affiliates, divisions, and subsidiaries.

V. EFFECTIVE DATE

The effective date of this Policy shall be the date that it is signed by the President.

VI. SIGNATURE, TITLE AND DATE OF APPROVAL

By:  Date: 3/26/19
Ajay Nair, President