



**FAIRLEIGH  
DICKINSON  
UNIVERSITY**

## **GIFT ACCEPTANCE POLICY AND GUIDELINES**

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Responsible Office	University Advancement	Effective Date	12/02/2009
Responsible Official	Senior VP, University Advancement	Last Revision	

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### **Fairleigh Dickinson University Mission Statement**

Fairleigh Dickinson University is a center of academic excellence dedicated to the preparation of world citizens through global education. The University strives to provide students with the multi-disciplinary, intercultural, and ethical understandings necessary to participate, lead, and prosper in the global marketplace of ideas, commerce and culture.

### **Introduction**

Fairleigh Dickinson University, a not for profit organization organized under the laws of the State of New Jersey, recognizes the vital importance of charitable contributions to the fulfillment of its mission and to the financial health and stability of the institution. Gifts are received from alumni, friends, corporations, foundations, associations and government entities. The University will actively solicit such support in the form of grants and gifts of cash, marketable securities, real property, insurance, and selected other non-cash items.

The following guidelines govern fundraising activities and ensure the effective solicitation and receipt of gifts by the Office of University Advancement. These policies are intended to cover restricted and unrestricted gifts, whether received for current programs and initiatives, student financial aid, special projects, facilities or endowment. These policy statements do not include public research or technical grants.

The Gift Acceptance Policy has been developed for the purpose of providing:

- complete and accurate reporting of gifts and pledges
- compliance with IRS regulations and acceptable business practices

guidance for persons involved in gift solicitation, recording and management for Fairleigh Dickinson University

The purpose of this Gift Acceptance Policy is to insure that gifts are:

- appropriate to the mission and needs of the University
- in the best interest of the donor
- impose no undue financial burdens on the University
- if restricted, include language that permits the University to apply the gift to a related purpose in the event that the designated purpose is no longer practical, necessary, or able to be performed

This Policy applies to all parts of Fairleigh Dickinson University, including all entities or associations under the University's 501(c)(3) designation such as colleges, schools, departments, interdisciplinary programs, centers, institutes, and libraries. This policy will be reviewed annually to insure that it is reflective of changes in IRS regulations, accounting standards, or other issues as needed and appropriate.

### **Gift Acceptance Committee**

A Gift Acceptance Committee will represent the University regarding specific major gifts and the interpretation of the Gift Acceptance Policy. The Committee will include representatives from the following: the Office of University Advancement, the Office of Finance, the Offices of the Campus Provosts, and the Office of the General Counsel. Representatives from colleges, schools, departments, centers, institutes or other University entities will be included for discussion of gifts for the college, department, center, etc. in question.

The Gift Acceptance Committee will review gifts of \$250,000 or more (as needed) to insure that the principles outlined above are applied consistently. It is the responsibility of the appropriate University Advancement officer to bring any questionable gift to the Senior Vice President for University Advancement. All gifts of real estate, regardless of their value, must be reviewed and approved by the Gift Acceptance Committee. It is the responsibility of the Senior Vice President for University Advancement to attempt to resolve the questionable gift in consultation with the President and the appropriate Campus Provost. Gifts that cannot be resolved will be referred to the Committee.

Examples of questionable gifts are offers to endow courses, to create new institutes or centers, to establish new programs that are not academic priorities, or to build or change facilities that are not administrative priorities. Questionable gifts may also be offered with unacceptable restrictions.

### **Naming Opportunities**

Fairleigh Dickinson University may occasionally accept gifts with the provision that an endowment or scholarship fund, building, or other property be named in honor of the donor, a member of the donor's family, an honored friend of the organization, or other individual. Such naming opportunities will be discussed by the Gift Acceptance Committee and approved by the Board of Trustees prior to gift acceptance. The Board of Trustees will approve the appropriate gift level for these naming opportunities.

### **Responsibilities and Authorizations**

- The President of the University is ultimately responsible for the acceptance of all gifts to the University.
- No solicitation of funds may be undertaken by any college, school, department or individual without the approval of the Senior Vice President for University Advancement. In cases where the level of priority is not clear, the Senior Vice President for University Advancement will consult with the Senior Vice President for Academic Affairs/University Provost, dean, director, chairperson or appropriate Campus Provost.

- No member of the Fairleigh Dickinson faculty, staff or administration shall approach a potential donor, whether an individual, foundation, corporation, association or other entity, to support an initiative outside of approved funding priorities without approval from the Senior Vice President for University Advancement.
- The Senior Vice President for University Advancement is responsible for the implementation of this Policy.
- No fundraising counsel or consulting firm will be hired to work on behalf of Fairleigh Dickinson University or any college, school, center, institute, program or division of the University without the prior approval of the Senior Vice President for University Advancement.
- Gift records at Fairleigh Dickinson University are confidential. Information regarding donor gift histories, lists of donors and all related materials are divulged only with the authorization of the Senior Vice President for University Advancement, unless such requests come from the President, General Counsel and/or University auditors.
- Should the Gift Acceptance Committee be unable to reach a consensus on the acceptance of a gift, the decision will be referred to the Senior Vice President for University Advancement in consultation with the President and General Counsel. They may choose to make a recommendation to the Committee or refer a specific issue to the Board of Trustees for final resolution.
- The Office of University Advancement is responsible for:
  - donor stewardship, which includes proper administration of the gift, providing the donor with appropriate financial information about the gift, and, when appropriate, reporting to the donor about the use of the funds
  - implementing and enforcing the Gift Policy as approved by the Board of Trustees
  - managing the process of solicitations by staff, volunteers, faculty and others in accordance with the Gift Policy
  - managing the solicitation and receipt of gifts in accordance with approved University fundraising priorities
  - transmitting cash gifts and non-cash gifts to the Office of Finance in a timely and accurate manner
  - documenting all gifts and pledges in accordance with the Gift Policy

### **Gift Documentation Policies**

- Before completing major and/or planned gift arrangements with donors, the Senior Vice President for University Advancement, on behalf of the University and the donor, will sign a Gift Agreement that shall contain the following elements:
  - purpose
  - funding details/amount
  - pledge payment schedule if multi-year gift
  - criteria as to who will benefit
  - Fairleigh Dickinson University's responsibilities
  - uses of the endowment or current operating fund

- change of the fund's use
- stewardship and recognition
- All pledges to Fairleigh Dickinson University also require written documentation in the form of a Gift Agreement before being counted toward fundraising goals.

Other acceptable documentation will include deeds, insurance policies with conveyance or assignment, completed wills, or irrevocable trust agreements with Fairleigh Dickinson University as the beneficiary.

### **Gift Recording Policies**

- All gifts, pledges, and bequest distributions will be recorded in compliance with IRS regulations and accepted accounting practices.
- All gifts of less than \$1,000 are acknowledged with a “thank you” receipt. Thank you letters for gifts of \$1,000 or more are prepared for signature by the President, Senior Vice President for University Advancement, Development Officer or other individual. The acknowledgement process is reviewed periodically and adjusted as necessary.
- Receipts will not be issued for gifts of service, which are not recognized by the IRS as constituting a gift. Recognition for service will be determined at the discretion of the Senior Vice President for University Advancement.
- Gifts will be recorded by donor and purpose.

### **Types and Valuation of Gifts**

- In general, gifts may be viewed in three ways:
  - the value of the gift for tax purposes
  - the value of the gift toward University fundraising goals
  - value of the gift for recognition purposes (i.e. gift societies, plaques, naming opportunities)
- The value of a gift toward any approved University fundraising goal will, in most cases, be determined by Campaign Management Reporting Standards established by the Council for Advancement and Support of Education (CASE).
- The valuation of a gift-in-kind for tax purposes is the responsibility of the donor. Fairleigh Dickinson University's receipt or thank you letter for gifts of cash or “publicly traded securities” is provided to donors to establish the value of a gift for tax purposes. In all other cases it is the responsibility of the donor to secure independent expert appraisals to establish tax deductible values. The University as recipient of the gift is not regarded as “independent” by the IRS. It is not the policy of the University to pay for appraisals.
- Gifts by cash, check or credit card will be credited at full face value.

- Pledges:
  - Annual fund pledges will be carried for no more than one fiscal year. In cases of very large or unusual gifts, the Senior Vice President for University Advancement may make an exception.
  - Pledges for major gifts (\$25,000 or more) should usually be made over no more than five years. Exceptions for very large or unusual gifts may be made by the Senior Vice President for University Advancement.
  - Major Gift pledges that are not fulfilled or anticipated to be fulfilled within the specified period of time must be reviewed by the Gift Acceptance Committee. In most cases of endowed gifts, if the commitment does not reach the specified level for endowment; the fund will become part of the University endowment, and placed in an account as close to donor's intent as possible.
  - Annual fund pledges that are not fulfilled in the specified period of time are removed from pledge records.
  
- Publicly Traded Securities: the University will accept marketable securities as outright gifts or payments toward pledges or life income gifts. Such gifts will be valued at the mean market value on the date of the gift, in accordance with IRS regulations.
  
- Closely Held Securities: securities not traded on an exchange or over-the-counter may be accepted at the discretion of the Gift Acceptance Committee. Any restrictions sought by the donor on the University's disposition of such securities must be approved by the Gift Acceptance Committee.
  
- Real Estate: the following restrictions on acceptance of gifts of real estate apply unless waived by the Gift Acceptance Committee.
  - No gift of residential, commercial, industrial or agricultural real estate, including time shares, shall be accepted without the approval of the Gift Acceptance Committee.
  - The donor is responsible for obtaining an appraisal of the property by a qualified appraiser. Donor must complete IRS Form 8283 and all other required government documents.
  - Qualified environmental professionals selected by the Gift Acceptance Committee shall perform an environmental audit. The cost of such audit is paid for by the Donor.
  - If the environmental audit discloses the presence or likely presence or threatened release of a hazardous substance, the property will not be accepted until satisfactory documentation is provided to the Gift Acceptance Committee that such condition has been remediated. The Donor bears the cost of any environmental clean-up.
  - No gift of real estate encumbered by a mortgage or lien shall be accepted.
  - Prior to presentation of the gift, the donor must provide a real estate deed, most recent real estate tax bill, plot plan, substantiation of zoning status; and environmental site assessment.

- Prior to presentation to the Gift Acceptance Committee the donor must certify in writing that no violations of state, local or federal law exist on the property; there are no restrictions on the title to the property, no unrecorded rights of way, easements or encumbrances are attached to the property, no contractual commitments to others are attached to the property, the property is neither the subject of, nor threatened with, litigation.
  - The donor must be advised before making the gift that the property may be sold upon receipt.
- **Tangible Personal Property:** may be counted toward fundraising goals with appropriate documentation of value. Gifts of \$5,000 or more require an independent appraisal of fair market value obtained by the donor. Donors must complete IRS Form 8283. Any restrictions sought by the donor on the sale, maintenance, administration or display of the gift are subject to review by the Gift Acceptance Committee and appropriate administrators of the University. For example, acceptance of gifts of books and manuscripts to the Libraries should have the input of the University Librarian. Gifts that would cause significant facilities and installation issues must have the input of the Vice President for Administration. The University reserves the right to dispose of tangible gifts at any time unless otherwise agreed to with the donor.
  - **Bargain Sales (including charitable gift annuities):** may be accepted with appropriate age discounts and statement that the value of the gift to the University should not be confused with the value to the donor for tax deduction purposes.
  - **Gifts of Insurance:** before any insurance policy can be recorded as a gift, the policy must be gifted to the University. The University must be an assigned irrevocable beneficiary and owner of the policy. The University reserves the right to continue making premium payments on a policy, convert the policy to a paid up policy, exchange the policy for its cash value, or sell the policy to a viatical company. The Senior Vice President for University Advancement and Vice President for Finance and Treasurer shall approve all decisions relating to such policies.
  - **Corporate Matching Gifts:** gifts received in cash from organizations or corporations to match gifts of cash or securities by individuals associated with that organization or corporation will be soft credited to the individual donor's gift record and allocated to the same purpose as the donor's gift, unless corporate rules specify otherwise.
  - **Life income gifts:** all life income gifts will be recorded for tracking purposes at both face value and present value. Minimum gifts required are \$5,000 for pooled income funds and gift annuities.
    - **Charitable Remainder Trusts:** the establishment of such an irrevocable trust for the benefit of Fairleigh Dickinson University will be credited at the fair market value of the assets received and reflected on development reports at face value.

- Charitable Lead Trusts: for lead trusts that extend five years or less, the face value may be reported; for charitable lead trusts that extend beyond five years, amounts beyond the first five years may be valued both at *remaining* face value (for donor recognition purposes) and at discounted present value of the *remaining* income stream (to permit cash-flow projections).
- Bequests: distributions from estates and trusts received by Fairleigh Dickinson University will be credited toward the purposes set forth by the bequestor in relevant documents. Newly established bequests (testamentary pledge commitments) may be counted toward fundraising goals with proper documentation.

### **Gift Acceptance Policies**

Restricted gifts will always include language providing Fairleigh Dickinson University with reasonable flexibility, for example:

“Fairleigh Dickinson University’s Board of Trustees has fiduciary responsibility for restricted and endowed funds. In the unlikely event that it becomes impossible to fulfill the requirements of the understanding between the donor and the University, the University will use the gift to most nearly fulfill the donor’s original intent.”

- No gift will be accepted that would constitute an undue burden on the University. It is the responsibility of development officers and other University representatives involved in fundraising initiatives, to work in coordination with academic and financial management to meet this standard. University Advancement will attempt to reach a resolution with a given donor, but gifts with the implication of imposing a burden on the University will be carefully examined. The procedural levels for this examination are described earlier in this Policy. In summary, gifts that cannot be resolved by a development officer or other fundraising representative with the guidance of the Senior Vice President for University Advancement will be reviewed by the Gift Acceptance Committee as needed. The President will make the final determination. Such gifts could include, but not be limited to:
  - gifts of unmarketable securities
  - tangible property with restrictions on its use
  - “matching” requirements
  - commitment to continue a project after a gift has been terminated or exhausted
  - gifts toward new construction projects that do not substantially contribute to the project, including planning design, furniture, fixture and equipment, or meet funding requirements dictated by the Board of Trustees
  - establishment of a permanent, endowed fund when the gift amount is not sufficient to carry out its specified purpose
  - to finance and/or administer a project outside the routine functions of the University or outside its mission

### **Payment of Fees Related to Gifts**

- Fairleigh Dickinson University may incur and pay reasonable fees for the professional services rendered to the University in direct connection with the completion of a gift to the University.
- In the event that advisors retained by the University prepare documents or render service of any kind to the University and/or the Donor, the Donor shall be informed that the professional is in the employ of the University and is not acting on behalf of the Donor and that any advice given or documents prepared should be reviewed by counsel for the Donor prior to completion of the gift.

### **Definitions**

- **Gift:** a voluntary irrevocable transfer of cash or other assets to the University without consideration of compensation at the time of transfer or any time in the future.
- **Unrestricted Gift:** a gift made with no conditions imposed by the donor and one which may be used for the general educational purposes of the University.
- **Restricted Gift:** a gift made with conditions imposed by the donor; such a gift may be for current, endowment or capital use. Undue conditions may require that the University decline the gift.
- **Discretionary Gift:** a gift made to the University to be used at “the discretion” of a specified individual such as a member of the faculty, a dean or the President. This is counted as an unrestricted gift to the University.
- **Gift-in-Kind:** an irrevocable non-cash contribution of tangible property. It may consist of, but is not limited to, marketable securities, equipment, art, books, collectibles, antiques, or other tangible property.
- **Grant:** an allocation of assets to the University from a foundation, corporation or non-federal government agency. Usually, a grant is made for a specific purpose, for a defined period of time, and delineated by a formal agreement between the University and the donor. It is usually subject to reporting requirements.
- **Pledge:** a signed and dated commitment to make a gift over a specified period, generally two or more years, payable according to terms set by the donor and accepted by the University.

During a capital campaign pledge payments will not exceed five years, exceptions to this for very large or other unusual gifts may be granted by the Senior Vice President for University Advancement.

- **Endowment:** a permanent fund established in response to an irrevocable contribution of assets to the University. The minimum required to establish a named endowed fund is \$25,000. The fund principal is invested “in perpetuity” and a portion of the earnings, based on the allocation policy approved by the Board of Trustees, is available for support of University scholarships, programs or projects.



- **The Fund for FDU:** the organized initiative by the University to obtain gifts, primarily unrestricted, on a yearly basis in support of the annual operating budget.
- **Matching Gift:** usually provided by corporations; they are commonly dollar for dollar, but may be other ratios that match an employee's gift to a nonprofit organization. Matches are mostly commonly found within the Fund for FDU, but may follow donor intentions should corporate guidelines permit. At the University, matching gifts may be counted toward gift society memberships if received within the fiscal year in which the individual's qualifying gift is received.
- **Restricted Holding:** an account set up to temporarily hold funds while discussions continue with the donor to determine the purpose for which the gift will be used. A gift in restricted holding for more than two years will revert to general institutional purposes unless the Gift Acceptance Committee has approved specific arrangements made with the donor.
- **Planned Gift:** a planned or deferred gift is a commitment established legally during the donor's lifetime, but whose principal benefits usually do not accrue to the charitable recipient until some future time. Annuities, gifts of insurance, trusts and commitments through estate plans are all usually referred to as planned gifts.
- **Major Gift:** a major gift at Fairleigh Dickinson University is a gift of \$25,000, or more from an individual, organization, foundation or corporation, which is received within one fiscal year.

### **Responsibilities**

It is the responsibility of the Senior Vice President for University Advancement to ensure that the policies contained herein are properly communicated and enforced. Final acceptance of all gifts rests with the President.