

# ALABAMA STATE UNIVERSITY FOUNDATION

## GIFT ACCEPTANCE POLICY

### INTRODUCTION

The **Alabama State University Foundation, Inc. (ASUF)** is a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code of 1986, as amended. Gifts made to ASUF are deductible as charitable contributions under Section 170 of the Internal Revenue Code, subject to compliance with the conditions of the Code and the applicable regulations.

ASUF solicits and accepts gifts for purposes that will help the organization further and fulfill its mission. ASUF urges all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts, including the resulting tax and estate planning consequences.

This policy was developed in partnership by Alabama State University Office of Institutional Advancement, reviewed with the ASUF Finance Committee and approved by ASUF's Board of Directors to outline clear and objective principles for soliciting, analyzing and accepting charitable gifts to ASUF for Alabama State University's benefit. Requests for all exceptions to the gift acceptance policy should be discussed between the Executive Director of the Foundation and the ASUF Executive Committee. The policy will be reviewed a minimum of every 3 years by the ASUF Board of Directors.

### GENERAL GIFT ACCEPTANCE PRINCIPLES

The following principles govern acceptance of gifts made to **Alabama State University Foundation Inc. (ASUF)** for the benefit of any of its operations, programs or services.

#### **Soliciting Gifts**

Gifts in support of Alabama State University from various constituents (such as individuals, alumni, corporations, organizations and foundations) should be made payable to the Alabama State University Foundation, Inc. All gifts will be used in accordance with the donor's intentions by ASUF unless a formal change is requested by the donor. Alabama State University has formally designated authority to ASUF to accept gifts and bequests on its behalf in accordance with ASUF policy and Alabama State University guidelines.

## Donors Rights

Our donors have the right to be:

- Assured their gifts are used for the intended purposes,
- Protected from improper or careless use of their confidential information and,
- Acknowledged and recognized appropriately for their support.

## Definitions

- **Gifts** are voluntary and irrevocable transfers of money, property or other assets made by a donor without any expectation of or receipt of direct economic benefit or any other tangible compensation (i.e., goods or services) from the donee that is commensurate with the worth of the donation. A gift or donation may, however, be restricted to a limited use (i.e., specific scholarship or specific program).
- **Grants or Sponsored Activities** are those undertaken by Alabama State University with the support of an external entity which involves a contract for specifically enumerated performance of services, often including proprietary rights to and provisions of work products derived from this performance, and usually including some formal financial and/or technical reporting by the recipient as to the actual use of the money or assets involved. If it is not clear whether the money received is for a gift or for a sponsored project, the materials will be reviewed by the Executive Director of the Foundation and the ASUF for clarification and consensus.
- **Unrestricted Gifts** are funds without donor restriction and are used to promote and support the initiatives of Alabama State University.
- **Restricted Gifts** are funds restricted by the donor for a specific purpose if the restriction is consistent with the mission, purpose and priorities of Alabama State University. ASUF recognizes and respects the right of a donor to restrict the gift to a specific purpose, and the restriction of any gift accepted by ASUF will be implemented in good faith. ASUF will not accept gifts that (a) would result in ASUF violating its corporate charter, (b) would result in ASUF losing its status as an IRC § 501(c)(3) not-for-profit organization, (c) are too difficult or too expensive to administer in relation to their value, (d) would result in any unacceptable consequences for ASUF, or (e) are for purposes outside ASUF mission. Decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the ASUF Executive Committee, in consultation with the Executive Director.
- **Gifts In-Kind** are non-monetary (non-cash and non-stock) donations of goods, services, and time and expertise. In-kind donations can be a valuable alternative to cash gifts for nonprofits, businesses and organizations. Examples of gifts in-kind include but are not limited to, real property, tangible items, legal services, etc.

## **Additional Gift Acceptance Criteria**

In recognition of problems often implicit for ASUF and the donor regarding restricted gifts, the following policies apply:

- Gifts that do not enhance, promote, or further the purpose of ASUF or Alabama State University and the long-range financial viability of the organizations will not be accepted.
- Gifts that necessitate illegal discriminatory use or administration violation of ASUF or Alabama State University policies will not be accepted.
- Gifts that donors believe they can actively administer will not be accepted (i.e., donor managed funds).
- Gifts that expose the organizations to adverse publicity, litigation or other liabilities will not be accepted.
- Gifts to support scholarships, fellowships or other forms of financial aid to students (1) cannot be limited or directed to relatives or descendants of the donor and (2) donor may not be administrator of the funds.

## **Gift Processing**

Gifts received by the ASUF must comply with IRS regulations and Management Guidelines and the ASUF policies. All gifts to the ASUF must be processed through ASUF. ASUF, in coordination with the Alabama State University Office of Institutional Advancement, is responsible for recording all charitable gifts and issuing charitable gift receipts on behalf of the Foundation.

To help ensure ASUF complies with donor intention, documentation for all gifts submitted to ASUF should include a clear statement of the donor's intention for making a gift and all supporting documentation provided by the donor. Donors should indicate the purpose of their gift on the form of payment and enclose any related documents needed to process their gift. All payments should be made payable to the Alabama State University Foundation, Inc. and shall in no event be payable to an employee, student, agent, or volunteer for the credit of ASUF or Alabama State University.

Multiple forms of payments are accepted by the ASUF, including currency. The University recommends that all donations of currency collected on campus be hand delivered to the Office of Institutional Advancement.

## **Administrative Fees**

ASUF recovers the administrative costs for managing the funds in its care by charging a one-time Administrative fee when the funds are deposited with the ASUF.

## **Use of Legal Counsel**

ASUF will seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review by counsel is recommended for:

- A. Gifts of securities that are subject to restrictions or buy-sell agreements.
- B. Documents naming **Alabama State University Foundation Inc.** as trustee or requiring Alabama State University Foundation Inc. to act in any fiduciary capacity.
- C. Gifts requiring **Alabama State University Foundation Inc.** to assume financial or other obligations.
- D. Transactions with potential conflicts of interest.
- E. Gifts of property which may be subject to environmental or other regulatory restrictions.
- F. Gifts of one million (\$1M) or more.

## **Gift Agreements**

Gift agreements are used for the following:

- To establish an endowment
- Donations of \$100,000 or more
- To establish a Named Scholarship

## **METHODS OF GIVING**

### **Gifts Generally Accepted Without Review —**

- A. **Cash.** Cash gifts include cash, money orders, check, credit cards, and Electronic Funds Transfer (EFT), Automated Clearing House (ACH) or wire transfers. All donations of currency collected on campus are encouraged to be hand delivered to the Office of Institutional Advancement for proper verification of receipt. All checks and money orders should be made payable to the Alabama State University Foundation, Inc. and can be hand delivered or mailed. Donors wishing to make a gift by credit card may do so via a secure online link found on Alabama State University's official website. All major credit cards are

accepted (Visa, MasterCard, American Express, etc.). Donors wishing to make a gift via electronic transfer (ACH, Wire, etc.) should contact a development officer or the Office of Institutional Advancement to discuss secure methods of transmittal for these transaction types. Additional fees may apply to ACH/Wire transfers.

- B. **Marketable Securities.** Marketable securities include publicly traded securities such as stocks, bonds and mutual funds and may be transferred electronically to an account maintained at one or more brokerage firms or delivered physically with the transferor's endorsement or signed stock power (with appropriate signature guarantees) attached. All marketable securities will be sold promptly upon receipt unless otherwise directed by Alabama State University Foundation Inc. Investment Committee. Gifts of private stock in closely held corporations or stock options must be reviewed on a case-by-case basis subject to the approval of the ASUF Investment and Executive committees. Authority to accept and to sell gifts of securities is exclusively held by the ASUF.
- C. **Charitable Remainder Trusts (CRT).** Charitable remainder trusts are irrevocable trusts that let you donate assets to charity and draw annual income for life or for a specific time. ASUF will accept designation as a remainder beneficiary of charitable remainder trusts.
- D. **Charitable Lead Trusts (CLT).** A charitable lead trust is an irrevocable trust designed to provide financial support to one or more charities for a specific time, with the remaining assets eventually going to family members or other beneficiaries. ASUF will accept designation as an income beneficiary of charitable lead trusts.
- E. **Bequests and Revocable Trust Designation.** Donors may make deferred gifts by including special clauses in a will or living Trust. Typically, the donor structures the bequest: as a percentage of the total estate, as a specific dollar amount, as a portion of the residual estate or a particular asset(s) of the estate. These commitments may be revocable or irrevocable, depending on the vehicle used by the donor. The following written confirmation of the bequest or trust provision is recommended to document the gift:
  - a. A copy of the cover page, the page containing relevant gift language and the signature page from the fully executed testamentary document; or
  - b. A fully executed estate gift confirmation form; or
  - c. A letter from the donor's attorney that explains the nature of the gift to **Alabama State University Foundation, Inc.** including the estimated face value, the donor's intended purpose for the gift, and the current age of the donor(s) or
  - d. A fully executed gift agreement
- F. **Retirement Plan, Commercial Annuity and Payable on Death Beneficiary Designations.** When donors have made a University Direct Support Organization (DSO) a primary beneficiary of an existing retirement plan, commercial annuity, or non-qualified investment

account, the following written confirmation of the beneficiary designation is required to document the gift:

- a. A copy of the beneficiary statement or change of beneficiary form specifying the recipient DSO as a primary beneficiary and a gift agreement directing the gift; or
- b. A fully executed estate gift confirmation form; or
- c. A letter from the donor's attorney that explains the nature of the commitment, current ages of the donor(s) and how the gift will be used to include written evidence of the value of the account or the portion of the account that is designated for **Alabama State University Foundation, Inc.** or
- d. A fully executed gift agreement.

G. **Gifts In-Kind.** Gifts in-kind include donations of goods, services and expertise. The following written documentation is needed to substantiate the donation amount:

- a. In-Kind Donation Form – the form details the items or services donated and their estimated value.
- b. Donation Receipt Letter
- c. IRS Form 8283 Noncash Charitable Contributions – needed by corporate donors to use for reporting tax deductible in-kind contributions.

**Gifts Accepted Subject to Prior Review** — Certain forms of gifts or donated properties may be subject to review prior to acceptance. Examples of gifts subject to prior review include, but are not limited to:

A. **Real Property.** Real property, also known as real estate, is land together with anything that is permanently attached to it, whether natural or artificial. This includes such items as trees, buildings, fences and swimming pools. Prior to acceptance of any real property, **Alabama State University Foundation Inc.** shall require an initial environmental review by a qualified environmental firm of the property from the donor to ensure that the property has no current or potential harmful or unfavorable environmental impact. If the initial review reveals a potential problem, the organization may retain a qualified environmental firm to conduct an environmental audit.

All gifts of real property are subject to review by the ASUF Executive Committee. Criteria for acceptance of the real property shall include:

- Is the property useful for the organization's purposes?
- Is the property readily marketable?
- Are there covenants, conditions, restrictions, reservations, easements, encumbrances or other limitations associated with the property?
- Are there carrying costs (including insurance, property taxes, mortgages, notes, or the like) or maintenance expenses associated with the property?

- Does the environmental review or audit reflect that the property is damaged or otherwise requires remediation?

When appropriate, a title binder shall be obtained by ASUF prior to the acceptance of the real property gift. The cost of this title binder shall generally be an expense of the donor.

**B. Tangible Personal Property.** Tangible personal property is physical property, other than land or buildings (real property) that may be seen or touched. Unlike real property, tangible property is movable. Examples of tangible property include furniture, artwork, jewelry, books, vehicles (such as automobiles), rare manuscripts, historical memorabilia and equipment (such as computer hardware or software) and other specialized scientific instrumentation.

The ASUF Executive Committee shall review and determine whether to accept any gifts of tangible personal property considering the following:

- Does the property further the organization's mission?
- Is the property marketable?
- Are there any unacceptable restrictions imposed on the property?
- Are there any carrying costs for the property for which the organization may be responsible?
- Is the title/provenance of the property clear?

**C. Life Insurance.** A donor may make a life insurance gift to **Alabama State University Foundation Inc.**, making ASUF both the irrevocable owner and beneficiary or partial beneficiary of the insurance policy. The donor must agree to pay, before due, any future premium payments owing to the policy.