



Gift Acceptance Policy

| | |
|-------------------------------------|---|
| Policy Title | Gift Acceptance Policy |
| Policy Owner | Vice President for Advancement |
| Responsible Office | Office of Advancement |
| Contact Information | Questions concerning this policy or its intent should be directed to the Vice President for Advancement. |
| Pertinent Dates | This Policy was approved on December 16, 2019 |
| Approved By | AJU Board of Directors |
| Who Needs To Know About This Policy | This Policy governs American Jewish University employees and volunteers. It also serves as a guide for prospective donors and their advisors, providing assurance that all donors are treated equitably. |
| Definitions | n/a |
| Forms / Instructions | n/a |
| Related Information | <u>Artistic Properties Collection Policy</u> <u>Naming Gifts Policy</u> <u>Real Estate Gift Acceptance Policy</u> |
| Reason for Policy / Purpose | The purpose of the Gift Acceptance policy is to provide a set of standards by which gifts are reviewed, accepted, recorded, and receipted by American Jewish University. The policy applies to all gifts of private support received by the University, including departments, programs, and centers. This policy focuses on Advancement reporting, not financial accounting and reporting. |
| Abstract | This policy outlines gift acceptance, counting, and reporting at American Jewish University. It defines a gift and describes gifts and gift restrictions that can and cannot be accepted by the University. It also provides details about gift agreement requirements, as well as information about transferring assets to the University and specific types of gift assets that the University accepts. Information is also provided on gifts from donor-advised funds, employer-sponsored matching gifts, planned gifts, and gift receipts, counting, and reporting, among other topics. |

Index

- I. Introduction
- II. What is a Gift?
- III. Qualification and Registration
- IV. Gift Acceptance
- V. Gift Designation and Restrictions
- VI. Gift Agreements
- VII. Transferring Assets and Specific Types of Gift Assets
- VIII. Employer-sponsored Matching Gifts
- IX. Donor Advised Funds
- X. Planned Gifts
- XI. Gift Entry Receipts
- XII. Gifts from AJU Faculty and Staff
- XIII. Providing Legal or Financial Advice

I. Introduction

Policy Statement

1. Introduction

- a. The responsibilities for fundraising are shared among American Jewish University administrators, deans, program directors, board members and Advancement staff. All fundraising and constituent engagement activities on behalf of the University must be aligned with strategic priorities and comply with local, state, and federal laws and with University policies.
- b. The University is committed to ethical engagement. All solicitations on behalf of the University or any department or program will be in accordance with the standards in the Donor Bill of Rights, as developed by the Council for Advancement and Support of Education (CASE) and other national organizations.

II. What is a Gift?

1. A gift is defined as a completely voluntary, irrevocable transfer of assets from a person or an organization to the University where no goods or services are expected, implied, or forthcoming in return. Gifts usually take the form of cash, securities, real property, or personal property. The following criteria generally identify a gift:
 - Gifts are motivated by philanthropic intent.
 - Gifts are transfers of assets to the University's control. The University is not obliged to return unexpended funds.
 - Gifts are not generally subject to an exchange of consideration or other contractual duties between the University and the donor, although objectives may be stated and funds may be restricted to specific purposes.
 - The donor may make a restricted-use gift by designating a specific purpose. The donor may also designate a gift for unrestricted use by the University or a particular school, department, or program.
2. The University is guided by standards set forth by the Council for Advancement and Support of Education (CASE) when questions of whether or not a particular transfer of assets counts as a gift.

III. Qualification and Registration

1. The University is a nonprofit organization as described in section 501(c)(3) of the Internal Revenue Code. Thus, the University qualifies under both federal and state law as a tax-exempt public organization in which charitable contributions are deductible to the full extent of the law for income, gift, and estate tax purposes.

IV. Gift Acceptance

1. The University will make every effort to accommodate and accept all charitable contributions from donors. However, it will not accept gifts that:
 - Violate the terms of this Policy;
 - Violate a federal, state, or other law;
 - Are too difficult or expensive to administer;
 - Could create unacceptable liability or cause the University to incur future unanticipated or anticipated expenses;
 - Are for purposes that do not further the University's mission;
 - Could damage the reputation of the University;
 - Would jeopardize the University's tax-exempt status; or
 - Provide a donor with goods or services of financial value in exchange for the donor's gift, unless such value is fully disclosed in the time and manner as required under federal and state law and regulations.
2. If a gift falls into one of the above categories, the advancement professional working with the donor will consult with the Vice President for Advancement, who will make a final decision regarding gift acceptance, in consultation with the Development Committee and President as necessary.

V. Gift Designation and Restrictions

1. All gifts must be directed to a specific gift fund in or added to Advancement's Office database of record. The choice of fund will be consistent with the written directions of the donor, which will be archived as substantiation. *See Article VI below for information about gift agreements.*
2. A donor may designate both the University recipient (e.g., a specific school, department, or program) as the beneficiary of a gift and a purpose (e.g., scholarship, fellowship, professorship, etc.) for which the gift is to be used.
 - If the donor does not designate a specific University recipient or purpose of a gift, the gift will be designated "undesignated" by the Advancement Office. As necessary, the Vice President for Advancement will consult with the Development Committee and President and decide how the gift will be used by the University.
 - If the donor designates a specific purpose for a gift, the University will either add this restricted gift to a currently existing fund with the same purpose or create a new fund for the specified purpose, as appropriate.
3. The Board of Directors reserves the right to invade the principal of the gift and recognizes that this be done only in extraordinary circumstances. Please see the [Naming Gifts Policy](#) for information regarding naming gifts.

VI. Gift Agreements

1. General Information

- A gift agreement documents the mutual understanding between a donor and the University in relation to the donor's charitable contribution. A formal gift agreement is generally required for new obligations entered into by the University, both for multi-year commitments and endowments. Examples include, but are not limited to: new endowed funds; new and/or newly named physical spaces (e.g., building, facility, or portion thereof); and new and/or newly named academic departments, programs, or centers. In general, the terms of any gift should be as flexible as possible to permit the most productive use of the funds over time, while clearly stating the intent of the donor.
- Information appearing in a gift agreement includes, but is not limited to: the dollar amount of the charitable gift/pledge; the purpose and use of the fund if new and any restrictions; pledge payment schedule; and recognition, as well as any other requirements or obligations agreed upon by the donor and the University.
- Gifts/pledges that are not documented by formal gift agreement generally need to be documented in some other way. For one-time gifts of less than \$50,000, a signed letter of intent or University gift/pledge form is generally sufficient documentation. If a gift is payable over more than one year, a signed gift agreement is required.
- The Vice President for Advancement, in consultation with the Development Committee and President, and with legal counsel as necessary, will make final decisions on all questions related to University gift agreements and requests for special exceptions.
- If circumstances change, and the University, despite its best efforts, is no longer able to fulfill the purpose of the gift or the fund, the University will consult with the donor if possible, or the donor's estate, if practicable, to determine an appropriate use or designation for the gift or fund. If the University is unable to consult with the donor or donor's estate, the Vice President for Advancement and Chief Development Officer and President with the Development Committee will determine an appropriate use or designation for the gift or fund.

2. Gift Agreement Drafting

- Advancement professionals draft gift agreements using templates approved by the Vice President for Advancement. Advancement professionals are not permitted to make any material changes to those templates without the permission of the Vice President for Advancement, and such permission will only be granted in rare circumstances and in consultation with the Development Committee.

Questions related to gift agreement templates should first be directed to a designated representative of the University's Advancement Office.

- In cases where a substantive deviation from a University gift agreement template is requested by a donor, or a template does not exist for a particular gift, the professional working with the donor must consult with the University's Advancement Office. Any deviation from the standard gift agreement templates must be approved by the Vice President for Advancement and the chair of the Development Committee for gifts over \$10,000.
- A signed award letter from a foundation or corporation is an acceptable form of gift documentation if it accepts the terms of the original proposal in total and/or documents restrictions on the gift's designation, use, reporting requirements, giving vehicle, contribution schedule, recognition, and/or other obligations agreed upon by the foundation or corporation and the University. If available, the gift award proposal and other documentation submitted to the foundation or corporation clarifying the use of the gift must also be attached to the gift record.
- There will be occasions where fundraising has been approved for an initiative where there is no lead donor. Examples of this include University crowdfunding efforts, among others. In these circumstances, an internal plan will be drafted by the University's Advancement Office. The purpose of the plan is to document the fund's purpose, fundraising requirements and deadlines, alternative uses if required gift minimums are not reached, restrictions on gift designation and/or use, and recognition, as well as any other requirements or obligations.
- Gifts must be consistent with the University's commitment to non-discrimination.

3. Pledge Payments

- Pledge payment periods may be up to five consecutive years, with the first payment scheduled within one year of the date of the gift agreement's execution. Exceptions to this guideline must be granted by the Vice President for Advancement for pledge payment periods of up to seven consecutive years. Exceptions to the guideline for pledge payment periods of over seven consecutive years must be granted by the Development Committee.
- Gifts for capital purposes where the money is to spent immediately should be paid directly, or on an expedited payment schedule.
- For binding, irrevocable gifts, the naming designation will not go into effect until a minimum of 20% of the gift is paid. For binding, irrevocable gifts, a name may go into effect before the gift is paid in full, at the discretion of the Vice President for Advancement and Chief Development Officer, in consultation with necessary University parties.
- Corporate matching gifts cannot be applied as pledge payments to an individual's personal pledge commitment.

4. Gift Agreement Signatures

- Prior to obtaining any University or donor signatures, an identical gift agreement draft must be approved by all signers. Gift agreements that conform to approved University gift agreement templates do not need further approval from the Vice President for Advancement prior to signature.
- Gift agreement signing authority is designated by the University President. In general, the Vice President for Advancement is the University officer with authority to commit the University to gift agreements. The University President and other University officials with the authority to commit the University to agreements (e.g., Chief Financial Officer) or their approved designees may serve as lead signers under special circumstances.
- University deans and other University leaders will be asked to sign gift agreements, in a non-binding capacity, when gifts benefit their areas of oversight, and to support donor stewardship.
- The Vice President for Advancement or his/her designee will sign corporate and foundation award letters for the University, in consultation with University leadership involved with and/or affected by those gifts, as well as the University's Chief Financial Officer as needed.

5. Distribution and Storage of Fully Executed Gift Agreements

- In general, two original copies of the gift agreement will be prepared for signing: one for the donor's records, and one for the University's records. The University will also accept electronic copies of fully executed gift agreements.
- The University's original copy and/or an electronic copy of the fully executed gift agreement will be stored securely by the University's Advancement Office.

-VII. Transferring Assets and Specific Types of Gift Assets

1. For appropriate methods of transferring different types of assets, please reference [Ways to Make Your Gift](#).
2. The University will accept gifts of cash, marketable securities, non-marketable securities, real estate, and gifts of tangible or intangible personal property (gifts-in-kind).

Cash Gifts

- Outright cash gifts can take the form of checks, credit cards, wire transfers or Bitcoin.
- Cash gifts are credited to the donor's giving record at actual cash value.
- Cash may be delivered in person, by mail, by Electronic Funds Transfer (EFT), or by wire transfer.

- Cash gifts are complete on the date the cash is physically transferred to the University, and will be reported by the Advancement Office on the date the cash is processed by the Accounting Office.
- Gifts of foreign currency will be valued at the U.S. dollar equivalent on the date the gift is received.
- Recurring credit card payments can be set up online.

Marketable Securities (Stocks and Bonds)

- The Accounting Office works with the Advancement Office on the acceptance of all gifts of marketable securities.
- The University's preferred broker provides the value of the gift by using an average of the high and low trading price on the date of the gift. In the event that a marketable security gift comes to the University via a broker other than the University's preferred broker, the Accounting Office will provide the value of the gift to the Advancement Office by calculating the average of the high and low trading price on the date of the gift.
- In most cases, gifts of marketable securities will be sold in due course in accordance with established University practice. It is the University's practice to dispose of marketable securities as expeditiously as possible.
- The Chief Financial Officer's Office must approve any request by a donor that AJU hold and refrain from selling a marketable security. Marketable security gifts are sold as soon as reasonably possible to reduce the impact of any gain or loss on the transaction.
- The Advancement Office will issue a gift receipt reflecting the number and description of shares on the date of the gift.
- Gifts of mutual fund shares are also acceptable. Transfers of this type may take longer to complete, and the date of the gift will be determined by the date of receipt by the University.
- 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.

Non-marketable or Closely-Held Securities

- These securities can include but are not limited to: partnerships, limited partnerships, limited liability companies, closely-held companies, stock of entities that fall under SEC Rule 144A, legend stock or bonds of entities that are thinly traded, and stock of entities held for sale at the request of a donor.
- The Chief Financial Officer's Office, in consultation with legal counsel and the Vice President for Advancement coordinates acceptance of all gifts of non-marketable or closely-held securities and should be notified prior to the acceptance of any such gifts. Because of the unique nature of these securities, special due diligence review will be required prior to acceptance.
- The value of these securities as reported by the Advancement Office will be determined based on the fair market value of the securities on the date of gift,

using an appraisal or alternative method of valuation acceptable to the Accounting Office and the Vice President for Advancement.

Real Estate

- The University may accept gifts of real estate.
- For further information, please see the [Real Estate Gift Acceptance Policy](#).

Gifts of Tangible and Intangible Personal Property (Gifts-in-Kind)

- The University may accept gifts of many types of tangible and intangible personal property. Examples of gifts of tangible personal property include, but are not limited to: automobiles, boats, art, jewelry, furniture, antiques, rare books, manuscripts, and lab equipment. Examples of gifts of intangible personal property include, but are not limited to: computer software, royalties, patents, and copyrights.
- The Advancement Office, in consultation with the Chief Financial Officer's Office is responsible for conducting due diligence review on, and approving the acceptance of, all gifts of tangible and intangible personal property.
- Before recording a gift-in-kind, the University is required to obtain documentation from the donor stating that the gift has been given to the University and will not be required to be returned. Typical documentation includes: a signed and dated letter from the donor acknowledging the gift, including fair market value (FMV); a full description of the item; a completed and signed Internal Revenue Service (IRS) Form 8283 (for gifts with a FMV of \$500 or more); and a completed appraisal from a qualified outside appraiser if the value of the gift is \$5,000 or more.
- Information about any gift of tangible or intangible personal property should be forwarded to the Advancement Office, which will determine if the gift meets IRS regulations for tax deductibility. If a gift does not meet IRS regulations for tax deductibility, the Advancement Office will thank the donor for the gift but not record gift credit on the donor's giving record. The gift acknowledgement issued to the donor for a gift of personal property will not show a value for the property. The receipt will describe the property received, and the donor's giving record will be credited with the estimated fair market value of the item, if appropriate. It is the responsibility of the donor to determine the value of a gift of personal property for tax purposes.
- Gifts of artwork are the subject of separate University policy on [Artistic Properties Collection](#).
- All gifts of software or licensing must be coordinated through the Chief Financial Officer's Office. Though useful and appreciated, generally gifts of software licenses are not countable as charitable donations as they are considered partial interests by the IRS. To be considered a charitable donation, software must be irrevocably transferred to the University (not limited or licensed) with no restrictions, no expiration nor requirement of renewal, no

implicit or explicit exchange or purchase of services, nor any provisions to share exclusive information. The IRS has specific reporting requirements for the disposal of property received as gifts. Specifically, gifts valued at \$500 or more, which are disposed of within three years of the date of the gift, are subject to reporting to the IRS on Form 8282.

- Gifts-in-kind of services include such activities as printing of materials, appraisals, and design work, among others. These services can provide valuable support to the University. However, the contribution of services, no matter how valuable, is not tax deductible according to the IRS. Therefore, the Advancement Office does not record gift credit on the donor's giving record.
- If there is any question about the acceptability of a potential gift of tangible or intangible personal property, the Vice President for Advancement should be consulted before proceeding.

VIII. Employer-sponsored Matching Gifts

1. A matching gift may be received from a company or a company funded foundation,
2. Matching gifts will be credited to the same fund or purpose as the original gift unless restricted by the matching company.
3. Matching gifts cannot be entered as a payment on a personal pledge made by an individual, as the funds are not under direct control of the donor.

IX. Donor Advised Funds

1. Donor Advised Funds (DAFs) are philanthropic vehicles established at public charities that allow donors to make charitable contributions, receive immediate tax benefits, and then recommend grants from the funds over time.
2. No gift receipt will be issued to the individual who recommended a University gift to the DAF; however, the individual's giving record will be credited with the value of the gift.

X. Planned Gifts

1. Planned gifts will be utilized by the University at some point in the future. These gifts are either irrevocable (cannot be changed by the donor once the gift is made) or revocable (can be changed by the donor at any time). The Advancement Office oversees the University's planned giving programs. The Advancement Office is also responsible for due diligence review with respect to all planned gifts, and for developing guidelines on how planned gifts will be counted and recognized in the Advancement Office's database of record. A range of planned giving options is available at the University.

a. Revocable Gifts

- i. The University welcomes notification by donors that they have included AJU in their wills or estate plans, records this information in the Advancement

database, and honors their generous intentions with an invitation to membership in the AJU Legacy Circle.

- ii. The University does not book or count revocable future gifts or bequests, and per IRS regulations, the University does not provide any gift receipt to donors until the gifts are realized.

b. Irrevocable Gifts

- i. In accordance with CASE standards, the University may recognize and count irrevocable pledges where donors have included AJU in their estate plans, provided that such donors (1) are age 70 or older at the time of the gift, (2) sign a written pledge agreement that makes their commitment legally binding and irrevocable, and (3) own sufficient assets to satisfy the amount committed, as best as the University can ascertain. For the naming designation to go into effect during the donor's lifetime, 20% of the gift must be received as a current (not deferred) gift.
- ii. These gifts will be entered into gift accounting records as a pledge. Although the University may provide an acknowledgement of the pledge for recognition purposes, per IRS regulations the University will not provide any gift receipt to such donors until the pledge is satisfied.

c. Life Insurance

- i. The University may accept a designation as beneficiary or owner of a life insurance policy. The Advancement Office is responsible for due diligence review prior to acceptance with respect to all life insurance policies where the University may be an owner or have premium obligations.
- ii. The University will not accept policies where the University is obligated to make any future premium payments unless the donor commits to making annual gifts to cover such payments and/or understands that the University may unilaterally exercise its right to surrender the policy for its cash surrender value.
- iii. The University sets required face value minimums on life insurance policies.

d. Retirement Accounts

- i. The University accepts donations and beneficiary designations from retirement accounts. Donors should consult with their tax advisors related to these types of gifts.

e. Bequest Intentions

- i. The University will accept and retain documentation of bequest intentions regardless of revocability or the age of the donor.

f. Donors' estate administration; drafting of wills; providing bequest language; planned giving forms

- i. Neither the University nor any of its employees acting on behalf of the University may agree to act as the successor trustee of a living trust or the executor of any will in which the University is named as a

- beneficiary, without the approval of the Vice President for Advancement.
- ii. University employees acting on behalf of the University shall not draft wills or living trusts naming the University as a beneficiary, regardless of whether such employee is licensed to practice law, without the approval of the Vice President for Advancement. (This provision does not apply to employees drafting their own will or wills for family members, naming the University as a beneficiary.)
 - iii. University employees may provide donors with suggested bequest language or assistance with other language pertaining to gift designation within AJU. Suggested bequest language is readily available on the AJU Gift Planning website or from any AJU gift officer. This assistance can be particularly useful when helping donors fill out successor beneficiary designations for retirement plan assets, annuities and life insurance policies naming AJU as a beneficiary. The Advancement Office should be consulted in these circumstances.
 - iv. All matured testamentary gifts (trusts and estates) are administered through the Advancement Office in collaboration with legal counsel. All trustees, executors, and other administrators of estates and trusts that provide for a gift to the University are to be directed to the Advancement Office.

XI. Gift Entry Receipts

1. All philanthropic commitments to the University must be processed by and credited to the donor through the Advancement gift processing and data management system.
 2. IRS regulations require the University to issue a written receipt to every donor who makes a gift valued at \$250 or more. The Advancement Office will provide donors to the University a gift receipt that is prepared in accordance with applicable government requirements. No other University department/program should issue a gift receipt.
 3. Advancement Office must have, at a minimum, the following information to record a gift and issue a receipt:
 - Name of the donor(s)
 - Address of the donor(s)
 - Date of the gift
 - Amount of the gift or a description of the gift property
 - Statement of donor intent
- 1) In addition to a tax receipt, gifts of certain types and levels will also be acknowledged with thank-you communications (e.g., letter, phone call, or other means).
 - 2) The University does not record unreimbursed expenses incurred by

volunteers as gifts. The Advancement Office will provide a letter acknowledging a person's volunteer role, with dates of service, and with a statement that expenses might have been incurred that were not reimbursed and might be tax deductible.

XIII. Gifts from AJU Faculty and Staff

The University is grateful for gifts from faculty and staff members. Due to IRS regulations, in order for a gift to qualify for a charitable deduction, the donor must not directly benefit from or control the use of the funds. As such, University faculty and staff members cannot designate a gift to a fund that:

1. Supports his or her salary;
2. Pays for consumer goods to be used by him or her;
3. Pays for travel by him or her; or
4. Provides scholarship or fellowship assistance to him or her, or to a close relative.

XIV. Providing Legal or Financial Advice

1. Neither the University nor any of its employees acting on behalf of the University may agree to act as the successor trustee of a living trust or the executor of any will in which the University is named as a beneficiary, without the approval of the Vice President for Advancement.
2. University employees acting on behalf of the University shall not draft wills or living trusts naming the University as a beneficiary, regardless of whether such employee is licensed to practice law. (This provision does not apply to employees drafting their own will or wills for family members, naming the University as a beneficiary.)
3. University employees may provide donors with suggested bequest language or assistance with other language pertaining to gift designation within the University.
4. The Advancement Office may provide donors and their counsel with approved form documents for planned gifts such as charitable remainder trusts, charitable lead trusts, and life estates.
5. No employee of the University shall provide financial planning services for any donor. Prospective donors should be encouraged to seek the assistance of their own financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences. Further, to avoid conflicts of interest or the appearance of improper influence, the University shall not pay legal or other fees for the preparation of a donor's will or living trust that names the University as a beneficiary.