

Virginia State University
Policies Manual

Title: Policy Governing the Accepting, Recording and Naming of Gifts

Policy: 4010

Purpose

This policy is intended to establish the guidelines for the acceptance, recording and reporting of all current and deferred gifts to Virginia State University (VSU) and to inform all discussions between donors, their advisor(s), University employees and volunteers acting on behalf of VSU.

The University shall generally accept all funds provided to the University, so long as the terms and conditions are in compliance with the mission of the University and provided the President (and/or designee) has approved, in writing, the acceptance of the gift which conforms to this policy. No University employee may accept any gift for or on behalf of the University, including gifts from approved affiliate or support organizations, without the prior written approval of the President (and/or designee).

Authority, Responsibility, and Duties

The President (and/or designee) has the authority to determine the University's giving priorities, terms at which the University accepts gifts, and the naming opportunities available at the University.

The Office of Institutional Advancement serves as the clearinghouse for all fundraising activities/priorities, fundraising events and donor solicitation throughout the University by any support or affiliate organization.

The Office of Institutional Advancement has the responsibility to advise and assist schools, departments, student groups and University support/affiliate organizations with their fundraising needs. The Office of Institutional Advancement has the responsibility of recording all philanthropic gifts, pledges and planned gifts to the University and the VSU Foundation, as well as all stewardship and grant reporting.

Definitions

- A. **Affiliate Organization** - legal business entities with an active MOU agreement with Virginia State University. These organizations currently include the VSU Foundation, Inc., the VSU Alumni Association (and their chapters), Spectra, and the Athletic Booster Club.
- B. **Bequests** - refers to a gift by will or other legally binding testamentary document.
- C. **Bequest Intentions** - a provision in a will, trust, or other testamentary document providing a gift for Virginia State University upon the death of a donor. Bequest intentions are revocable unless accompanied by a legally enforceable contract.
- D. **Contributions** - used synonymously with Gifts.
- E. **Donor Advised Funds/Donor Directed Funds** – refers to 501(c)(3) charitable organizations that are established to accept, invest and distribute irrevocable contributions to other 501(c)(3) charitable organizations.
- F. **Gifts** - refers to private gifts, even though such gifts or contributions may be termed "grants" by individuals, associations, corporations, foundations, societies and businesses. They are voluntary and irrevocable transfer of money or property for use by the University in the furtherance of the mission. These contributions from private sources for which goods or services are not received or expected, implied, or forthcoming to the donor, and in which no proprietary interests are retained by the donor. Gifts are also created when the contribution substantially exceeds the consideration expected in return. The following gifts are not received as charitable private gifts: Membership dues/fees, governmental funds (whether local, state, federal or foreign), contract revenue and contributed services. If further definition is needed, use the NACUMBO Guide to distinguish between Contracts and Gifts (CASE Management Reporting

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- Standards). If the majority of the characteristics meet the factors of a gift, then the contribution is classified as a gift.
- G. **Gifts-In-Kind** - non cash donations of materials or unreimbursed costs incurred by a donor for the benefit of the University. Gifts-in-kind can include items such as equipment, software, printed materials, expenses associated with hosting dinners/events.
- H. **Intangible Property** - refers to such property that has no intrinsic marketable value but is merely the representative or evidence of value such as certificates of stock, bonds, promissory notes, and franchises.
- I. **Pledges** – unconditional promises or arrangements to give money in the future. Pledges will be recorded in accordance with Financial Accounting Standards Boards (FASB) and CASE guidelines.
- J. **Restricted Funds** - refers to assets that are provided to the University subject to legally binding limitations on their use. These limitations are imposed by the donor. If the University accepts such assets, it must abide by these limitations. Accordingly, it is imperative that the restrictions be duly approved by the Board of Visitors. Restricted funds are divided into three major types:
- i. Expendable Restricted Funds - restricted funds which allow the asset to be expended in the normal course of meeting the restriction.
 - ii. Unrestricted Endowment (Nonexpendable Funds) - funds which require that the donated assets be indefinitely retained for investment. The income, including gains and losses, from these investments is for unrestricted purposes.
 - iii. Restricted Endowment (Nonexpendable Funds) - funds which require that the donated assets be retained for indefinite investment. The income from these investments is restricted to specific operating purposes which the donor has specified.
- K. **Restricted Quasi-Endowment Funds** - refers to funds which have been designated by the Board of Visitors for long-term investment. The income from these investments is restricted to specific purposes which the donor has specified. The Board of Visitors can, at any time, approve the expenditure of the invested funds in accordance with the specific donor restrictions. Funds are discussed further in the section "Fund Accounting and Other Guidelines."
- L. **Support Organization** – an organized group approved to support fundraising on behalf of the University.
- M. **Tangible Property** - refers to such property as may be felt or touched and is necessarily corporeal or has physical substance such as land, machinery, or cash.
- N. **Unrestricted Funds** - refers to those funds received by the University with no donor restrictions on their use, and are, therefore, expendable for any University purpose prescribed by the Board of Visitors.
- O. **Unrestricted Quasi-Endowment Funds** - refers to funds which have been designated by the Board of Visitors for long term investment. The income and gains and losses from these investments are for unrestricted purposes. The Board of Visitors can, at any time, approve expenditures of these invested funds for unrestricted use.

Policy Statements

A. General Policies:

- i. The University shall only solicit funds in accordance with the guidelines established by the President (and/or designee) and the Virginia State University Board of Visitors, and in accordance with Law. See, for example, Section § 4-2.01 of the Appropriation Acts governing the solicitation and acceptance of donations, gifts, and grants.
- ii. Private gifts to Virginia State University may be used to further the mission of the University, support the University's programs, schools, facility, area of study, or for general purposes of institution.

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- iii. In the absence of written restrictions from the donor to designate funds, it will be treated as an unrestricted gift.
- iv. Virginia State University and all individuals supporting fundraising activities on the University's behalf, must maintain confidentiality and high ethical standards as referenced in the VSU Code of Ethics Policy (Policy 1700).
- v. The Office of Institutional Advancement will adhere to the AFP Code of Ethical Principles and Standards and the Donor Bill of Rights.

B. Gift Acceptance Policies:

- i. If at any time the President (and/or designee) determines that a gift will place unreasonable constraints and/or conditionals upon the resources and finances of the University, Institutional Advancement staff will contact the donor and request that unacceptable restrictions be altered or eliminated. If restrictions cannot be altered or eliminated, the University may refuse to accept the gift.
- ii. Gifts the University accepts include:
 - Outright gifts including cash, major credit cards, payroll deduction, and electronic funds transfer.
 - Gifts of securities, including stocks and bonds that are deemed to be derived from legal sources and are passed irrecoverably from the donor's control.
 - Gifts of property, including tangible personal property, intangible personal property, and real property. Such gifts must be consistent with the mission of the University.
 - Deferred gifts.
- iii. Gifts which remain under the control or direction of a donor, must be approved in writing prior to the acceptance of the gift by the President (and/or designee). All restrictions must be approved in advance. Any changes must be mutually agreed upon by both the donor and the University.
- iv. The University reserves the right to decline gifts of property if acceptance of said gift is not in the best interest of the University. Questions on the appropriateness of a gift of property will be referred to the President (and/or designee).
- v. The disposition of property or other assets must be approved by the President (and/or designee).
- vi. The University accepts in-kind contributions with the following restrictions or considerations: The acceptance of such gifts should not involve significant additional expense for their present or future use, display, maintenance or administration. Neither the University nor its officers or employees may furnish valuations or appraisals to donors in connection with gifts-in-kind.
- vii. When a monetary gift to the University is received by any University college, school, department, or program, it must be forwarded in a timely manner to the Office of Institutional Advancement for recording, deposit and acknowledgment.

C. Endowed Funds Policies:

- i. The minimum to establish an endowed scholarship fund at the University is \$25,000. Donors have five years to reach the minimum level.

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- ii. Donors may not include criteria restricting the designation of a scholarship to an individual recipient donor, a relative or descendants of the donor as the recipient; restrictions on future employment; and restrictions by the donor on interest rates or conditions for repayment of loans.

D. Gift Recording Policies:

- i. Gifts will be credited and receipted to the legal donor. Legal credit will be given to the individual/entity from whom/which a contribution is received and can treat their gifts as charitable contributions for tax purposes. Third Party Gifts such as Donor Advised Funds, Matching Gifts, gifts from Family/Personal Foundations, Community Foundations, etc., will be documented and receipted based on the legal donor.
- ii. All gifts of securities received by gift or bequest will be registered to the University and recorded as of the date issued to the University, the value will be determined in accordance to the Internal Revenue Service regulations. Securities will be processed as documented in the VSU Investment Policy (Policy 1900).
- iii. Institutional Advancement will record and adhere to IRS Publication 526 regarding contributions that qualify (select volunteer expenses) as tax deductions and those that do not qualify (professional time or company services) as tax deductions, Publication 1771 regarding the documentation of benefits received and the requirement of Form 8283/8282 regarding gifts of property; and the documentation of donor advised funds and matching gifts.
- iv. The Office of Institutional Advancement will adhere to the § 42.1-85 of the Code of Virginia regarding Records Management Program.

E. Naming Policies:

- i. The University may consider naming new and existing facilities in honor of those whose gifts, loyalty, or service provided extraordinary impact on the University. Any proposal to name or rename a facility, in whole or part, or college/program must be reviewed by the President and presented to the Board of Visitors for consideration. The Board of Visitors, in accordance with their Bylaws, must review and either approve or disapprove the proposed naming or renaming. Term limits of naming may be imposed at the discretion of the Board of Visitors.
- ii. Given the perpetual nature of the University, it is likely that a named building or area/facility within will someday be either demolished, renovated, or substantially remodeled to improve its function and/or to create a completely new use of the space. Should such an event occur, the University will review the circumstances and determine the course of action on a case-by-case basis.
- iii. The University is charged with maintaining an inventory of naming opportunities. An annual review of all available opportunities will be produced and maintained by the Office of Institutional Advancement.
- iv. In general, deferred gift commitments will not count towards any minimum requirement needed for naming opportunities. The President (and/or designee) may consider requests if the deferred gift is

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irrevocable and the present value of the deferred gift commitment exceeds the formula determined to name the physical space or facility.

- v. The University reserves the right to remove the name of a donor from a building or facility within an existing building or space, if the donor fails to honor his/her financial commitment associated with the naming rights or has engaged in conduct that besmirches the reputation and goodwill of the University. The University also reserves the right to remove the name or rename a building or facility, in whole or part, if at any time the name or naming of the building or facility, in part or whole, results in negative influence or publicity or operates in opposition of the mission of the University.

References

Code of Ethics Policy (1700)

University Investment Policy (1900)

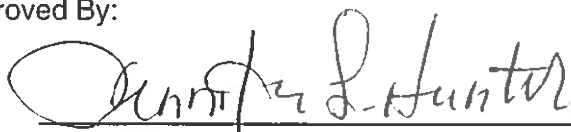
Section 4-2.01 of the Appropriation Acts

IRS Publication 1771

IRS Publication 526

Code of Virginia § 42.1-85

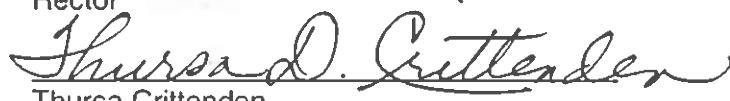
Approved By:



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Chair, Institutional Advancement Committee



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4.21.17

Date