POLICY AND PROCEDURE

TITLE:	Gift Acceptance

POLICY STATEMENT:

The University wishes to respond quickly and appropriately to gift offers while protecting the interests of the donor, Goodwin University (the "University") and the Foundation, their entities and stakeholders. A secondary purpose for this policy is to educate the community about critical issues triggered by certain gifts. This policy is established to govern the solicitation and acceptance of gifts made to the University or Foundation. The goal is to encourage funding of the University without encumbering it with gifts that may prove to generate more cost than benefit, which are restricted in a manner inconsistent with the University's mission or that may adversely affect the reputation of the University.

PROCEDURE DETAILS:

To optimize funding through charitable contributions, Goodwin University Foundation ("Foundation") must be capable of responding quickly, and in the affirmative where possible, to charitable gifts. This policy is intended to give guidance and counsel to individuals within the community concerned with planning, promotion, solicitation, receipt, acceptance, and disposition of gifts. Furthermore, this policy acknowledges that flexibility must be maintained because some gift arrangements can be complex and decisions only made after careful consideration of a number of interrelated factors. Therefore, in some cases the Foundation will consider the merits of a particular gift and conclude whether to accept it. Legal counsel will also be sought when appropriate, particularly for:

(a) closely held stock transfers that are subject to restrictions or buy-sell agreements;
(b) documents naming the Foundation as trustee;
(c) gifts involving contracts, such as bargain sales or other documents, requiring the Foundation to assume an obligation;
(d) gifts of real estate and tangible personal property; and
(e) transactions with potential conflicts of interest or that may invoke IRS sanctions.

PUBLISH POLICY STATEMENT (CLICK ON BOX NEXT TO OPTION-SELECT ALL THAT APPLY):

☐ UNIVERSITY CATALOG ☐ STAFF HANDBOOK

☐ FACULTY HANDBOOK ☐ STUDENT HANDBOOK

DEFINITIONS:

Types of Acceptable Gifts

The University and its Foundation may solicit and the Foundation may accept the following types of gifts. The Foundation will not hold assets or property; in such cases where the Foundation accepts gifts of property or equipment without the intent of immediate sale, ownership is relinquished immediately to the University. Likewise, all charitable gifts made directly to the University will be processed and managed by the Foundation. Thus, for the purposes of this policy, all references to the Foundation's acceptance of gifts assume that, even if the donor designates the University as recipient, gifts will be processed and managed by the Foundation and must adhere to this policy.

1. Outright gifts of cash, checks, and credit cards
Cash, checks and credit card charges shall be accepted. Checks and credit card charges shall be made payable to the "Goodwin University Foundation." The value of any cash gift is the face value of the check or cash. All gifts are to be processed and managed by the Foundation.

2. Publicly traded securities
Securities traded on the New York, NASDAQ and American Stock Exchanges, or other readily marketable securities, shall be accepted by the Foundation. It may be anticipated that such securities will be immediately sold. In no event shall an employee or volunteer working on behalf of the University or Foundation commit to a donor that a particular security will be held, sold through a specific broker, or traded on instruction of the donor unless authorized to do so by the President of the University or in his absence the Provost or Vice President of Finance. The value of the gift of such securities will be determined according to IRS regulations (e.g., the mean or average) of the high and low quoted selling price on the date the donor relinquishes control of the assets to the Foundation. The Finance Department will negotiate/coordinate sales of securities. The Foundation will communicate the valuation of the gift to the donor. The donor will need this information to report to the IRS to claim a charitable gift deduction.

3. Closely held securities
Non-publicly traded securities, such as those from closely held businesses, may only be accepted after approval of the Foundation. Such securities may be subsequently sold only with the approval of the University President or in his absence the Provost or Vice President of Finance. Valuation of stock in this category is the responsibility of the donor. In the absence of a recent sale, a fair market value should be determined by an acceptable appraiser.

4. Restricted Securities
Because of the complexity in transferring ownership of these securities and the limits on sale, such a gift needs full review by the University President and Vice President for Finance in advance of acceptance. If there is a potential situation where restricted securities may be given to the Foundation, it is incumbent upon the donor to make evident any restrictions on the sale of the stock transfer. Should the Foundation accept a gift of restricted securities, the donor and the Foundation must work cooperatively regarding the disposition of the securities by either party.

5. Real estate
Examples include:

- a. Personal residence
- b. Land
- c. Life estate agreements
- d. Undivided interest in property
- e. Vacation home/time share

No gift of real estate will be accepted without prior approval of the University President or in his absence the Provost or Vice President of Finance. Before accepting any gift of real property, the University will examine its potential liability under environmental laws. Therefore, in advance of gift acceptance, an environmental review must be undertaken. That review may result in the need for a full environmental audit, which generally shall be at the expense of the donor. Under certain circumstances, the Foundation Board of Directors may waive the requirement for the environmental review.

Prior to acceptance of any real property, an evaluation should be made of whether the real estate is useful for purposes of the Foundation, whether there are any restrictions, reservations, easements or other limitations associated with it and whether there are any unreasonable carrying costs, including insurance, property taxes, mortgages or notes.

No gift of real estate shall be accepted without a current appraisal by a qualified appraiser, paid for by the donor, as required by the IRS who shall have no business or other relationship to the donor. This appraisal serves three purposes: 1) establish the donor's tax deduction; 2) gives the University a value to report as part of its assets; and 3) establishes an asking price for the property.
The Foundation will not accept real estate without:

1. a title search and title policy paid for by the donor;
2. a marketability check, completed under the umbrella of a standard appraisal;
3. an on-site evaluation by the University President or his/her designee;
4. the environmental review described above unless the review is waived by the applicable Board of Directors.

The President of the University may have the University pay for any of the expenses normally expected to be paid by the donor as described above if it is in the best interest of the University.

In general, because of the resources associated with transfer of real estate, only property with a value estimated to be $25,000 or greater will be considered for gifts.

Special attention shall be given to the receipt of real estate encumbered by a mortgage. The Foundation will consider bargain sales upon the approval of the University President or in his absence the Provost or Vice President of Finance and if the price is at least 25 percent below the market value of the property, as determined by an independent appraisal commissioned by the University or Foundation.

No gift of real estate should ever be accepted with the understanding that it will be held in perpetuity or subject to rights of reversion or other conditions, without the express written approval of the Foundation Board of Directors. Any exception to the gift policy for either residential or commercial real estate must be approved by the Foundation Board of Directors.

6. Tangible and intangible personal property

Examples include:

a. Personal collections of art, books, coins or movies
b. Cars, boats and aircraft
c. Equipment
d. Software and licenses
e. Patents (see also Royalties below)

Personal property will only be accepted by the Foundation if there is reason to believe the property can be used by the University in concert with its mission or sold within a reasonable time frame. The University must determine if the property is marketable, if there are undue restrictions on the use, display or sale of property and if there are any carrying costs for the property.

Gifts of personal property with a fair market value greater than $5,000 must first be appraised by an independent appraiser (see real estate section above). The cost of the appraisal is the responsibility of the donor.

If the fair market value of intangible property cannot be determined, the University will report the asset in the year the value becomes known. If the property is of the donor's creation (e.g., artwork donated by the artist), the value is based on the cost of materials.

Expenses for events hosted at the home of volunteers are also deductible. The host should confer with his/her accountant for documentation required by IRS for this type of deduction.

If the claimed value of all tangible property contributed, at the time of the donation, exceeds $500 (regardless of their individual values), the donor must complete the appropriate parts of IRS Form 8283. When contacted by the donor, the Foundation will complete and sign the other appropriate sections. The Foundation is responsible for filing IRS Form 8282 for gifts of tangible personal property valued at $5,000 or more and disposed of by the University or the Foundation within three years from the date of the gift.

7. Planned Gifts

Planned (or deferred) gifts may involve the transfer of substantial assets which significantly impact the donor's estate and final plans. These gifts often do not confer institutional ownership immediately and generally are not taken out of current earnings. The acceptable methods of creating planned gifts are described below.

Gifts made by will are completed only at the death of the donor and/or a surviving beneficiary or beneficiaries. Such gifts may even be contingent upon occurrence or non- occurrence of future events (e.g., birth of an heir, survival of parents, etc.). These gifts may provide a specific dollar amount, specific property, or a share of the residue of an estate.

Bequests, provisions in a will, trust or other testamentary legal document providing a gift to charity, may be given as restricted or unrestricted gifts. A designated bequest supports a certain purpose or program designated by the donor. Unrestricted bequests above $10,000 are reviewed and designated by the Foundation Office to meet the University's best long-term need/priorities.

The Foundation shall count and record irrevocable bequest expectancies at present value in the Foundation's fundraising totals. They shall be counted and recorded on the date the donor irrevocably establishes the instrument. The Foundation will not count revocable bequest intentions or those that are not legally enforceable.

Gifts from the estates of donors consisting of property that is not acceptable shall be rejected only by action of the Foundation. The Foundation shall communicate its decision to the legal representative of the estate.

8. Life income agreements

Examples include:

a. Life insurance
b. Retirement accounts or distributions from retirement plans
c. POD delivery of bank account, mutual funds, and certificates of deposit

<u>Foundation as beneficiary</u>

The Foundation will accept gifts of fully paid whole life insurance policies in which ownership has been transferred to the Foundation. The charitable deduction to the donor is the fair market value of the paid-up insurance. The Foundation has no objection to being named as beneficiary of an unmatured policy owned by a donor, a trust, or any other individual.

The Foundation may be named as the beneficiary of new or existing policies.

The Foundation will not count or report gifts of insurance prior to settlement unless it is named both owner and irrevocable beneficiary of the policy. In instances where the Foundation is named beneficiary, but not owner of the policy, the full amount of the insurance company's settlement at the death of the donor shall be reported as a gift on the date the Foundation receives the proceeds.

The Foundation as beneficiary and owner

Gifts of life insurance policies can be considered a gift only if the Foundation has been named both owner and irrevocable beneficiary of the policy. When the Foundation is named owner and beneficiary, the donor will be asked to make payments to the Foundation for the full amount of the premium payments. The Foundation will then in turn make the premium payments to the insurance provider. This usually allows the donor to take a charitable contribution deduction for the full amount of the premiums. It also provides confirmation to the Foundation of who is making a premium payment since it will actually be receiving it, which is important because the Foundation is obligated to provide a receipt to the donor. If the donor discontinues making the premium payments, the decision regarding the policy continuance will be determined by the Foundation. Additionally, the ownership of a paid-in- full policy may be transferred to the Foundation.

In order to maximize the benefits of gifts of life insurance for both the donor and the Foundation, the following guidelines will be adhered to:

- The policy shall be paid in full within 5 years.
- Annual lump-sum premium payments shall be made no later than 30 days before the insurance carrier's due date.
- The donor shall specify in a Gift Agreement his or her intentions for the direction of the funds upon his or her death.
- In instances when the ultimate purpose of the death benefit is to establish an endowment, the face value of the policy shall meet the minimum funding requirements for that type of endowment.

9. Government bonds
The Foundation may accept US Treasury securities issued by the U.S. Department of the Treasury.

10. Donor advised and directed funds
The Foundation will follow the guidelines as set forth in the most current edition of *CASE* Management and Reporting Standards.

11. Royalties
The Foundation may accept gifts of royalties from property it does not own (such as patents).

12. Barter
When accepting barter gifts, the Foundation must obtain the barter account number of the donor. Barter "dollars" are tax-deductible and will be recognized by the Foundation as cash. The donor is responsible for the transaction fees incurred and so must consider the fees when determining the amount of the gift.

13. Other gifts as approved by the Foundation

EXCLUSIONS:

The Foundation reserves the right to refuse any gift that is not consistent with its mission. In addition to and without limiting the generality of the foregoing, the following gifts may be accepted at this time but may be considered as additional opportunities in the future:

1. Life income agreements
    a. Charitable gift annuities
    b. Charitable remainder unitrusts
    c. Charitable remainder annuity trusts
    d. Charitable lead trusts

e. Retained life estate agreement (donor gives real estate, but gets use of property during his/her lifetime.)

Exclusions include:

1. Gifts that commit the Foundation to name a program or endowment fund that is revocable in any way
2. Gifts that require the future employment of any specified person
3. Gifts that reserve the donor or his/her representative the right to designate the recipient
4. Gifts that are financially unsound or could expose the University or Foundation to liability
5. Any gifts unacceptable for reasons explained elsewhere in this policy
6. Gifts for scholarships which suggest the donor's involvement in scholarship recipient selection
7. Gifts that are too difficult to administer
8. Gifts that involve unlawful discrimination under federal, state or local laws and regulations or that violate any other applicable law or regulation.

OFFICES DIRECTLY AFFECTED BY THE POLICY:

Chief Financial Officer
Senior Vice President for Economic and Strategic Development
Assistant Vice President for Advancement
Director of Development

HISTORY:

Draft October 2009 by the Associate Director of Development
Draft October 2009 by the Associate Director of Development and Grants Specialist submitted to Vice President for College Relations and Institutional Advancement
Draft February 2010 by Associate Director of Development
Approved by Tier 1 Development Committee March 2010
Recommendations from attorney incorporated April 2010
Recommended by Cabinet to College Board of Trustees and Foundation Board of Directors on April 2010
Approved by Foundation Board of Directors June 2010, revised June 2013
Revision approved by Tier 1 Development Committee September 2013
Revision approved by Advancement Leadership June 2017
Revision approved by Foundation Leadership September 2019
Updated with new logo University 2020
Revised July 2025

EFFECTIVE DATE:	August 1, 2013
RESPONSIBLE OFFICE (ONLY ONE):	Goodwin University Foundation
REVIEW DATE:	Annually

APPENDIX:

RESPONSIBILITIES:

<u>Tax Deductibility</u>
Gifts are deductible in accordance with the Internal Revenue Code and IRS guidelines. It is the responsibility of the donor to ensure that gifts meet applicable IRS regulations. It is the Foundation Office's responsibility to furnish documentation to the donor for his/her/its tax purposes.

<u>Financial Stewardship</u>
The Goodwin University Cabinet is responsible for advising as to the University's financial priorities. Ultimately, the direction of major gifts is often at the discretion of the donor and the University and Foundation must determine if the gift meets the standards for acceptability.

The Foundation Office will first process the gift and transmit it to the Finance Department, which is responsible for depositing and/or investing donors' contributions according to the Gift Agreement or solicitation.

PROCEDURES:

All donors and gift intentions will be communicated and referred to the Foundation Office.

FORMS AND INSTRUCTIONS:

Gift agreement, individual to donor, will be drafted by the Foundation Office.