

**Brandeis University  
Gift Acceptance Policies**

**Revised September 5, 2000**

## **TABLE OF CONTENTS**

<b>INTRODUCTION</b>	<b>3</b>
<b>AUTHORIZATIONS</b>	<b>3</b>
<b>GIFT DOCUMENTATION POLICIES</b>	<b>5</b>
<b>GIFT RECORDING POLICIES</b>	<b>6</b>
<b>TYPES OF GIFTS AND VALUATION OF GIFTS</b>	<b>6</b>
<b>GIFT ACCEPTANCE POLICIES</b>	<b>9</b>
<b>MINIMUM ENDOWMENT LEVELS</b>	<b>10</b>
<b>OTHER NAMING OPPORTUNITIES</b>	<b>10</b>
<b>DEFINITIONS</b>	<b>10</b>
<b>RESPONSIBILITIES</b>	<b>13</b>
<b>SUMMARY OF NEW RESPONSIBILITIES</b>	<b>13</b>

## **Brandeis University Gift Acceptance Policies**

(Revised as of 9/5/00)

### **Introduction**

The following authorizations, definitions, and gift acceptance policies have been developed for the purpose of providing:

- 1) complete and accurate reporting of gifts and pledges
- 2) compliance with IRS regulations and acceptable business practices
- 3) guidance for persons involved in gift solicitation, recording, and management for Brandeis University

The purpose of these policies is to insure that gifts are:

- (1) appropriate to the mission and needs of the University
- (2) impose no undue financial burdens on the University
- (3) if restricted, are written in reasonably broad and flexible terms to maximize their usefulness to the University
- (4) 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

These policies apply to all parts of Brandeis University, including all entities or associations under the University's 501(c)(3) designation such as schools, departments, interdisciplinary programs, centers, institutes, auxiliaries, the National Women's Committee, libraries, and museums. These policies will be reviewed annually to insure that they are reflective of changes in IRS regulations, accounting standards, or other issues as needed and appropriate. (Note: Separate sponsored research protocols apply to faculty seeking research contracts and grants.)

The definitions, authorizations and gift acceptance policies are the official policy of the Board of Trustees of the University as approved by the joint meeting of Development and Budget & Finance Committees on October 27, 1999.

### **Authorizations**

- A Gift Committee will represent the University regarding specific major gifts and the interpretation of University gift policies. The Committee will include representatives from the following: the Office of Development, the Office of the Treasurer, the Controller, the Budget Office, the Office of the Provost, the Office of the General Counsel, and the Executive Vice President. Representatives from schools, centers, institutes, or other Brandeis entities will be included for discussion of gifts for the school, center, etc., in question.

The Gift Committee will review gifts of \$1 million or more (as needed) to insure that the four principles outlined above are applied consistently. It is the responsibility of the division managers, (the Director of Foundation and Corporate Relations, the Associate Vice President for the Annual Fund, the Director of Principal Gifts, the Director of Planned and Major Gifts), to bring any problematic gift within their unit to the Associate Vice President. It is the responsibility of the Associate Vice President to attempt to resolve the problematic gift in consultation with the Provost. Gifts that cannot be resolved will be referred to the Senior Vice President and the Executive Vice President and, as needed, to the Gift Committee. The Executive Vice President will make the final determination.

Examples of problematic gifts are offers to endow courses that are not academic priorities, to create new institutes or centers that are not academic priorities, to establish new programs that are not academic priorities, or to build or change facilities that are not academic or administrative priorities. Problematic gifts may also be offered with unacceptable restrictions. A scholarship could be restricted to individuals from a small geographic area, for example, making it unlikely to be awarded on a regular basis.

- The President of the University is ultimately responsible for the acceptance of all gifts to the University.
- No general or group solicitation of funds may be undertaken by any school, department, or individual without the approval of the Senior Vice President for Development and Alumni Relations. The Senior Vice President may authorize the Associate Vice President to approve or disapprove a fundraising project based on established fundraising priorities for the University. In cases where the level of priority for a project is not clear, the Senior Vice President or Associate Vice President will consult the Provost of the University.
- No approach outside of approved funding priorities may be made to a donor, whether an individual, foundation, corporation, federation, association, other donative entity, or to non-federal grant-making entities, without approval from the Senior Vice President of Development or his/her designated representative.
- The Senior Vice President for Development and Alumni Relations in consultation with the Provost and Executive Vice President, is responsible for development of gift acceptance policies. Recommended policies are then referred to the President for approval by the Brandeis University Board of Trustees.
- The Senior Vice President, in consultation with the Provost and Executive Vice President, is responsible for the implementation of these Board approved gift acceptance policies.
- No fundraising consultants, individuals or firms will be hired to work on behalf of Brandeis University or any school, center, institute, program, or division of the University without the prior approval of the Senior Vice President for Development and Alumni Relations or his/her designee, and the approval of the Executive Vice President or his/her designee, for funds availability.

- Gift records at Brandeis 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 or his/her designated representative. (Form for requests and timeframe for approval/disapproval to be determined.) Requests for donor information from the President, General Counsel, Executive Vice President, Provost, and University auditors are exempt from this formal approval process.
- Should the Gift Committee find itself unable to resolve a procedural or policy issue regarding a gift, the decision will be referred to the Senior Vice President for Development. S/he in consultation with the President, the Provost, the Chief Operating Officer, and General Counsel may choose to make a recommendation, or refer a specific issue to the Executive Committee of the Board of Trustees for final resolution.
- The Office of Development and Alumni Relations is responsible for:
  - donor stewardship
  - implementing and enforcing the gift policies of Brandeis University as approved by the Board of Trustees
  - managing the process of solicitations by staff, volunteers, faculty and others in accordance with approved gift policies
  - managing the solicitation process and receipt of gifts in consonance with approved University fundraising priorities
  - transmitting cash gifts to the Controller and non-cash gifts to the Treasurer in a timely and accurate fashion
  - documenting all gifts and pledges in accordance with gift acceptance policies

### **Gift Documentation Policies**

(separate from *gift entry* procedures which are incorporated into the Gift Entry Procedures Manual).

- All gifts to Brandeis University require written documentation before being “counted” toward University fundraising goals. For outright gifts or multi-year pledges, documentation will usually be a signed and dated pledge agreement.

Other acceptable documentation:

- deeds or other forms of conveyance or assignment
- insurance policies with conveyance or assignment
- completed wills, excerpts therefrom or by completing a bequest intention form
- irrevocable trust agreements in which Brandeis University is named as beneficiary

## **Gift Recording Policies**

Full descriptions of gift recording *procedures* are in the Gift Recording Procedures Manual.

- All gifts, pledges, and bequest distributions to Brandeis University will be recorded in compliance with IRS regulations and acceptable accounting practices.
- All donors to Brandeis are thanked. Edit sheets that show gifts entered by the development office (systems and services) are reviewed weekly. Thank you letters are prepared for signature by the President, Senior Vice President, Development Officer, or other individual primarily as a function of the amount of the gift. For example, all gifts of \$5,000 or more are acknowledged by the President. The process and levels are reviewed periodically and adjusted.
- Receipts will not be issued for gifts of *service*. (Service is not recognized by the Internal Revenue Service as constituting a gift.) Recognition for service is determined at the discretion of the Senior Vice President who may recommend to the President nomination of individuals as Fellows, President's Councilors, etc.
- Gifts will be recorded by donor and purpose. For development records, "purpose" will be defined as current unrestricted; current restricted; endowment; and capital (buildings and facilities of the physical plant). For accounting purposes, these designations will be determined by the Executive Vice President or his/her designee.

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

These are general guidelines. Valuation of gifts will be addressed by the Gift Committee for non-cash gifts.

- Gifts may be viewed in three ways:
  - the value of the gift for tax purposes
  - the value of the gift for counting toward University fundraising goals
  - the recognition of the gift (as in gift societies, plaques, etc.)
- The value of a gift toward any approved University fundraising goal will, in the majority of cases, be determined by the Campaign Management Reporting Standards established by the Council for Advancement and Support of Education (CASE). Exceptions must be authorized by the Gift Committee in writing. (A form will be prepared to document exceptions.)
- The valuation of a gift for tax purposes is the responsibility of the donor. Brandeis University's receipt 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 donee, is not regarded as “independent” by the Internal Revenue Service. It is the policy of the University not to pay for appraisals.

- Cash: gifts by cash, check or credit card will be credited at full face value.
- Pledges:
  - Alumni annual fund pledges, which are usually unrestricted cash gifts, are made primarily during reunions; in most cases, pledges will be accepted for no more than two years. In cases of very large or unusual gifts, the Gift Committee may make an exception.
  - Pledges for major gifts (\$50,000 or more) should usually be made over no more than five years. Exceptions for very large or unusual gifts may be made by the Gift Committee.
  - Major Gift pledges that are not fulfilled within a specified period of time must be reviewed by the Gift Committee. In most cases of endowed gifts, if the commitment does not reach the specified level and the fund in question is not fully endowed; the fund will become part of the University endowment, 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 Committee. Any restrictions sought by a donor on the disposition by the University of such securities must receive specific approval of Gift Committee.
- Real Estate: donors may contribute real estate in the following ways:
  - (a) fee interest
  - (b) life estates, subject to satisfactory life estate agreement
  - (c) life income gift

The value of a piece of real estate outside of greater Boston must have minimum value of \$250,000.

The fair market value of the property must be determined by independent appraisal obtained by the donor and may be appraised separately by the University. Property must have a “clear and marketable” title. Easements and/or restrictions must be disclosed (and acceptable to Brandeis). Title to property contaminated with hazardous waste will not be accepted.

The due diligence procedures for accepting gifts of real property are the responsibility of the Gift Committee. The Treasurer of the University is responsible for recommending

acceptance of gifts of real property to the President. For the Treasurer to consider: the usefulness of the property for University purposes; the marketability of the property; the existence of any restrictions, limitations or encumbrances. (Due diligence procedures are incorporated here by reference; the Treasurer will be responsible for developing such procedures. Due diligence will include testing for hazardous waste. Donors will be required to fill out a due diligence form.)

- **Tangible Personal Property:** Gifts of tangible personal property may be counted toward fundraising goals given appropriate documentation. Gifts of tangible personal property of \$5,000 or more require an independent appraisal of fair market value obtained by the donor. Any restrictions sought by the donor on the sale, maintenance, administration or display of items contributed is subject to review by the Gift Committee and appropriate units of the University administration. For example, acceptance of a major gift of art to the Rose Art Museum would be reviewed by the Gift Committee in conjunction with input from the Executive Director of the Rose. 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. Reference Brandeis “Guidelines for Gifts of Tangible Property” effective 2/2/00.
- 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 an 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.
- 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 credited to the individual donor’s gift record (soft credit) and allocated to the same purpose as the donor’s gift, unless corporate rules specify otherwise.
- All life income gifts will be recorded for tracking purposes at both face value and present value. Minimum gifts required are \$10,000 for pooled income funds and gifts annuities; \$100,000 for trusts managed by Brandeis.

Charitable Remainder Trusts: the establishment of such an irrevocable trust at Brandeis University or at another trust institution (such as a bank or Jewish Federation) for the benefit of Brandeis University will be credited at the fair market value of the assets received. Such gifts will be reflected on the monthly development reports at face value. Questions about the valuation of such gifts will be determined by the Gift Committee. Specific terms regarding a trust or issues that would leave open to question the income flow from a trust, or the control of the trust, must be resolved by the Gift Committee.

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 recognition of the donor) and at discounted present value of the *remaining* income stream (to permit cash-flow projections).

- Bequests: distributions from estates and trusts received by Brandeis University will be credited toward the purposes set forth by the relevant documents. Wherever possible, unrestricted gifts through estates and trusts will be invested with University endowment funds.

Certain newly established bequests (testamentary pledge commitments) may be counted toward fundraising goals with proper documentation; see page three. For donors of age 80 or more intended bequests will be valued and recognized at full value. Donors of less than 80 years of age will be recognized for the full amount of the gift, however, these will be valued according to donor's actuarial life expectancy.

- Donor Advised Funds: Brandeis University may choose to accept gifts of donor advised funds. Such gifts must provide an acceptable income stream to one or more institutional priorities.

### **Gift Acceptance Policies**

Restricted gifts will always include language providing Brandeis University with reasonable flexibility:

(example)

“In the event that now unforeseen changes of an educational, political, economic, social or other nature render the use of the said fund no longer practical or desirable, the Board of Trustees of Brandeis University, with the approval of the President, is authorized to make such changes in the use of the principal or income therefrom for the benefit of Brandeis University, its students, faculty, and staff, as such Board of Trustees may deem advisable.”

- Irrevocable gifts, such as trusts, managed by entities such as a bank or Jewish Federation outside the Brandeis University endowment will be accepted and valued in the same way as other gifts to Brandeis University. Such gifts will appear once only in the standard monthly reporting by the development office (i.e., FY—Giving to Date).
- 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 affairs and financial management to meet this standard. The development office will attempt to reach 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 on page two. In summary, gifts that cannot be resolved by a development officer or other fundraising representative with the help of the Associate Vice President and the Provost will be referred to the Senior Vice President for Development and the Executive Vice President or their

designees, and to the Gift Committee as needed. The Executive Vice President will make the final determination. Such gifts could include, but are not 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 construction projects that do not permit the University to fully fund the project, including planning design, construction, FF&E, and ongoing maintenance and repairs
- establishment of a permanent, interest-bearing (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

### **Minimum Endowment Levels**

**(as of 12/99):** All endowed funds will use the current “spending rate” authorized by the Board of Trustees for a given fiscal year.

Dean/Provost:	\$3.5 to \$5 million
Director:	\$500,000 to \$1.5 million
Full Professor:	\$2.5 million
Assistant Professor:	\$1.5 million
Visiting Professor:	\$1.5 million

#### Full (Named) Tuition Scholarship

Endowment: \$600,000

#### Competitive Merit Scholarship

Endowment: \$600,000

Fellowship Endowment: \$400,000

#### Named Scholarship

Endowment: \$50,000 (minimum must be reached in 3 years)

### **Other Naming Opportunities**

New Facilities: Full funding commitment before construction begins, including maintenance endowment. Naming usually requires full funding; exceptions only through Gift Committee and acceptance vote by the Executive Committee of the Board of Trustees.

### **Definitions**

- **Gift:** a gift is a voluntary, irrevocable transfer of cash or other assets to Brandeis University without consideration of compensation at the time of transfer or any time in the future.

- **Unrestricted Gift:** an unrestricted gift is made with no conditions imposed by the donor and 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 a restricted 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:** a gift-in-kind is an irrevocable non-cash contribution of tangible property. It may consist of, but is not limited to, equipment, art, books, collectibles, antiques, or other tangible property.
- **Grant:** a grant is an allocation of assets to Brandeis 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 pledge is 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 the Campaign for Brandeis pledge payments will not exceed five years; exceptions to this for very large or other unusual gifts must be granted by the Gift Committee.

- **Endowment:** a permanent fund established in response to an irrevocable contribution of assets to Brandeis University. The minimum required to establish an endowed fund is \$50,000. The fund principal is invested “in perpetuity” and a portion of the earnings, based on the spending policy approved by the Brandeis University Board of Trustees, is available for support of University programs or projects. Endowments may take several forms:

unrestricted endowment: a permanent fund from which earnings may be applied at the discretion of the University

restricted endowment: a permanent fund from which earnings may be applied only for a specific purpose such as faculty salaries or undergraduate scholarships

- **Quasi-Endowment:** a fund sequestered and invested with other University endowments, but whose principal may be invaded at the discretion of the University. Although usually unrestricted, quasi-endowment may be restricted or unrestricted.
- **Brandeis Annual Fund:** the organized effort by Brandeis University to obtain gifts (primarily unrestricted) on a yearly basis in support of the annual operating budget. The

Trustee Annual Fund, the Alumni Annual Fund, the Parents Annual Fund and Friends Annual Fund, are all components of the overall Brandeis Annual Fund.

Gifts for the following purposes will be considered the equivalent of unrestricted gifts and applicable to the Annual Fund: current use scholarships and fellowships; current use support for the libraries; and current use gifts for the Schools of Creative Arts, Humanities, Social Sciences, Science, the Rabb School, the Heller School, or GSIEF.

- **Matching Gift:** matching gifts are usually provided by corporations. They are most frequently dollar for dollar, but may be other ratios that match an employee's gift to a nonprofit organization. Matches are most commonly found within the Annual Fund but may follow donor intentions should corporate guidelines permit. At Brandeis, matches may be counted toward gift society memberships if received within the fiscal year in which the individual's qualifying gift is received.
- **Budget Relief:** a term used at Brandeis, (and other institutions, including Harvard, Dartmouth, etc.), to describe gifts for "current operations" or "approved regular items" from a given year's board-approved operating budget. A gift of current use scholarships, for example, is fungible and budget relieving.
- **Budget Augmentation:** a term used at Brandeis to describe current operating funds (whether gifts or grants) received for purposes outside a given fiscal year's board-authorized operating budget. Usually such funds are expended in the year in which they are received.
- **Designation Pending:** a term used to describe a gift that is held in a temporary fund while discussions continue with the donor to determine the purpose for which the gift may be used. Designation pending may also be used to hold a gift prior to a University decision as to usage. A gift in designation pending for more than two years will revert to general institutional purposes unless specific arrangements have been made with the donor and the Gift Committee has approved.
- **Bequest:** a bequest is a gift through an estate or trust.
- **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 Brandeis is a gift of \$50,000 or more from an individual, organization, foundation, or corporation.

## **Responsibilities**

The responsibilities of each party in connection with the University's Gift Policies are as follows:

- (1) Development officers and other University representatives involved in cultivation and solicitation must follow procedural clearances for fundraising. All development officers, deans, vice presidents, senior officers, and faculty who are so involved must:
  - read and understand the gift policies
  - report gifts and pledges promptly
  - route checks and other monies to Systems and Services promptly
  - understand and use gift recording forms and systems
  - development officers, in addition, must understand and use prospect tracking systems to maintain accurate and timely prospect status and tracking
- (2) Schools, Centers, Institutes, Libraries, and other Academic Units:
  - Director, Department Head, or Dean to communicate policies and procedures (an annual distribution is recommended) to faculty and staff
  - establish appropriate review procedures to ensure compliance with Gift Policies
- (3) University
  - recommendations for gift policies and acceptance are the responsibility of the Senior Vice President for Development
  - final responsibility for acceptance of all gifts rests with the President
- (4) Controller & Treasurer
  - Accounting for gift recording and valuation

## **Summary of New Responsibilities**

The following summarizes for the Executive Vice President, Controller, and Treasurer added responsibilities as reflected in this gift acceptance policy:

- EVP to consult with Senior Vice President for Development and Alumni Relations on development of gift acceptance policies.
- EVP or his/her designee to coordinate with Senior Vice President for Development regarding implementation of Board-approved policies.
- EVP or his/her designee to approve of funds availability in hiring consultants, individuals, for firms.
- Controller to consult with Gift Committee on budget regarding specific gifts.

- Controller to receive cash gifts from Office of Development and Alumni Relations.
- Treasurer to receive non-cash gifts from Office of Development and Alumni Relations.
- EVP to determine gift designations, for accounting and budgeting purposes.
- EVP or designee to determine, in consultation with Gift Committee, any unresolvable gifts that carry possible undue burden to the University.
- Controller to account for gift recording and valuation.