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# GIFT ACCEPTANCE POLICY

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SAGINAW VALLEY  
STATE UNIVERSITY  
FOUNDATION

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# GIFT ACCEPTANCE POLICY

## SVSU FOUNDATION

### ***Preamble***

*The Saginaw Valley State University Foundation (SVSU Foundation) was established in 1977. Its mission is to support Saginaw Valley State University (SVSU) by cultivating and growing a community of enthusiastic and loyal donors who will contribute to the development of SVSU.*

*The SVSU Foundation is responsible for raising funds as well as administering the management and use of private donations for annual and endowed giving to fund scholarships, academic programs, co-curricular programs, capital projects, and other University priorities.*

*The Foundation is governed by a Board of Directors consisting of Board of Control representatives, University administrators, and regional community members. It meets four times a year to set policy and to review and approve new endowment funds as well as revisions to existing endowment funds. The Foundation Board's Finance & Investment Committee determines investment strategies and fiscal policies. The Foundation's daily operations are managed by its Executive Director, who is a member of the Board.*

*The SVSU Foundation Gift Acceptance Policy reflects research and analysis of best standards and practices utilized by nonprofit organizations. The policies are carefully selected to enhance the functions of the SVSU Foundation in meeting the needs of its constituents. The goal of these policies is to ensure efficient, secure, accurate processing of all types of gifts and to provide a guideline for practices that will continue to build strong relationships with donors.*

## **I. INTRODUCTION**

### **A. Philosophy of Giving**

The SVSU Foundation is established to secure private financial support to strengthen SVSU and support its mission. The Foundation will accept gifts from individuals, companies, foundations, and other organizations in accordance with the policies approved by its Board of Directors and contained in this document.

SVSU Foundation staff will meet with prospective donors and their financial advisors, upon request and without obligation, to discuss areas of interest, type of gift commitments, options for payment, estate planning considerations, and general tax planning for a possible gift commitment.

Philanthropic gifts and commitments to SVSU should be made to Saginaw Valley State University Foundation and will be held and administered by the Foundation for the benefit of SVSU. The Foundation will acknowledge all received gifts. All gifts will be invested in accordance with policies approved by the Foundation Board of Directors.

### **B. Purpose of Policy**

The SVSU Foundation Gift Acceptance Policy is established to assure appropriate management of donations and accepted funds. It has the following purposes:

- Create an effective fundraising program
- Develop clear, concise documentation and procedures for receiving and administering gifts consistent with SVSU's mission, legal standards, and the personal interests of its donors
- Establish protocols and inform participants of their obligations and roles as advisors, staff, volunteers, donors, and prospective donors
- Clearly define and delineate each philanthropic commitment and use
- Protect SVSU's leadership, staff, Foundation Board of Directors and donors from liability

## **II. ETHICAL STANDARDS**

### **A. Donor Rights**

Donor relationships should be entered into with the understanding that the interests of the donor will be primary.

## **B. Confidentiality**

1. The Foundation will honor the trust and privacy of its donors. The Foundation will make best efforts to keep personal information strictly confidential unless permission to release it is obtained from the donor. Donors will be informed that as a state institution, documents in the possession of SVSU may be subject to the Freedom of Information Act (FOIA) or other state and/or federal disclosure laws, and that if a request under one or more of these laws is deemed to be proper and legal, the Foundation will be bound to follow the requirements prescribed by such state or federal laws.
2. Gifts will be personally and publicly recognized, but all requests from donors for anonymity will be honored.
3. An Annual Report of Giving will be published yearly. Donors will be listed by gift level categories based on annual and lifetime gift commitments, except when anonymity has been requested.

## **D. Conflicts of Interest**

1. No Foundation staff or volunteers who administer or solicit donations may receive commissions or incentives that may give such personnel an undesired personal interest in any agreement.
2. No Foundation staff or volunteer may engage in an activity that conflicts with, or has the appearance of a conflict, with their fiduciary, ethical, or legal obligations to the Foundation or to the donors with whom they interact.
3. Foundation staff must disclose any conflict or potential conflict of interest regarding any donor, donation, or Foundation policy that may create an undesired personal interest in any agreement.

## **III. PROGRAM ADMINISTRATION**

### **A. Amendments**

1. These guidelines will be reviewed annually and may be amended as necessary by a vote of the Foundation Board.
2. Responsibility for review and suggested amendments is assigned to the Executive Director of SVSU Foundation.
3. All amendments are subject to Foundation Board approval.

### **B. Authorization for Negotiations**

1. The President, Executive Vice President for Administration & Business Affairs, and Executive Director of SVSU Foundation are permitted to negotiate planned gift agreements with prospective donors and have authority to sign approved planned gift agreements on behalf of the Foundation. Likewise, these representatives have the authority to decline a gift per the guidelines contained within this document.

### **C. Exceptions to Gift Acceptance Policy**

If a proposed gift agreement does not fall within the scope of the Foundation Gift Acceptance Policies or the Executive Director of the Foundation desires additional professional consultation, he/she may convene an ad hoc committee comprised of individuals with appropriate expertise to determine acceptance. Committee membership may include representatives from the Foundation Board Major & Legacy Giving Committee as well as legal, financial, real estate, and art professionals. The committee will follow current standards of practice and exercise due diligence on behalf of the University. The committee's recommendation must receive the concurrence of the President, Executive Vice President for Administration and Business Affairs, or Executive Director of the SVSU Foundation.

Specifically, proposals with the following characteristics will require prior approval:

- Agreements funded by anything other than cash or listed securities;
- Assets requiring special management;
- Agreements having a term of more than 20 years or more than two beneficiaries;
- Agreements proposing to establish co-trusteeship arrangements.

### **D. Types of Gifts**

1. The SVSU Foundation maintains high standards of integrity. Accordingly, the Foundation may choose to decline any gift that could potentially compromise the mission of the University.
2. The Foundation will accept the following types of donations: cash, checks or credit card payments, gifts of securities (publicly traded and closely held), real estate, personal property (tangible and intangible), annuities, life insurance, bequests, gifts of retirement funds, or remainder interest in a home or farm. The Foundation will work with the donor's professional advisors (attorney, accountant, investment advisor, etc.) to establish charitable remainder trusts, charitable lead trusts, or other donation vehicles.
3. Gifts may take the form of one or a combination of the following options:
  - a) Gifts/commitments with no stipulation for their use will be considered unrestricted gifts. Restricted gifts have donor-defined purposes for which the entire gift must be used.
  - b) Depending on the instructions of the donor, a gift may be expendable (e.g., immediately usable for current purposes) or added to the SVSU endowment fund to be invested and permanently held. Gifts added to the endowment will be invested in accordance with the Foundation Board investment policies, objectives, and guidelines. Endowment distributions will be used in accordance with

donor designation and SVSU's guideline, which is currently 4% based on a 12 quarter rolling average.

- c) The Foundation may negotiate charitable gift annuities, agreeing to hold and manage principal resources given by the donor in exchange for an income for life, after which the corpus will be used by SVSU according to the wishes of the donor.
- d) All documents provided by the Foundation to the donor other than the actual gift instruments will be for informational purposes only. The donor will be urged to review this information with his/her legal and financial advisors.

#### **E. Use of Legal Counsel**

- 1. All gift agreements that need special consideration and knowledge will be reviewed by Foundation legal counsel.
- 2. Although the Foundation provides gift planning assistance and information to donors, donors will be urged to seek their own counsel in matters pertaining to their planned gifts, taxes, and estate planning.
- 3. The Foundation will not draft any legal instruments, such as wills and trusts. The Foundation will not typically pay legal fees that pertain to the drafting of legal gift documents. However, the Foundation can provide model agreements to donors and their advisors.

#### **F. Trusteeship and Trust Management**

- 1. In gifts that involve trusts, the donor selects the trustee. When the Foundation is a beneficiary and the trust is irrevocable, the Foundation may serve as trustee. In any instance in which the Foundation serves as trustee or successor trustee, the trust document and any amendments shall be first reviewed by Foundation counsel and to the extent possible, revised to ensure that Foundation counsel is satisfied with it. The Foundation may serve as trustee in certain other instances upon review by SVSU counsel.
- 2. The donor will typically bear all costs of creating the trust, and the trust will bear all administration costs, except the cost of SVSU counsel, which will be borne by the Foundation.
- 3. If the Foundation serves as trustee, it will serve without compensation.
- 4. Interest and annuity payments are made at the discretion of the donor on a monthly, quarterly, semi-annual, or annual basis. In most cases, payments are made on standard quarterly payment dates.
- 5. As trustee, the Foundation will have responsibility for determining investment strategies for funds held in trust. The Foundation will follow the same investment guidelines used for other Foundation investment assets.

## **G. Publications and Solicitation Materials**

The Executive Director of SVSU Foundation will approve all materials produced in quantity for all fundraising efforts (e.g., SVSU Fund cards and mailings, planned giving brochures, etc.).

## **H. Pledges**

1. The Foundation welcomes pledges (written notice of intent to pay in the future).
2. All pledge documents will contain donor and Foundation information, total amount of pledge, pledge payment amounts, proposed dates of payment, and intended purpose of pledged monies.
3. Before a future gift commitment is recognized and recorded as a pledge, a pledge payment form or letter signed by the donor (or donor's representative) stating the terms of the pledge must be received by the Foundation.

## **I. Named Gift Opportunities**

1. Major gifts often merit additional recognition by naming a facility, program, service, room, street, or other venue in honor of the donor. In general, when a gift substantially covers the cost of a program or facility, the Foundation will consider naming the program or facility in honor of the donor or person. The Executive Director of SVSU Foundation and the President will make the recommendation to the Foundation Board of Directors and the SVSU Board of Control for approval.
2. A current list of general naming opportunities and the designated gift amounts will be published by the Foundation. The list will be reviewed annually to determine if the opportunities and amounts are still valid.
3. A gift commitment of at least \$25,000 is required to create a named endowment fund. Gift commitments which do not meet this minimum may be combined with other endowments that are consistent with the donor's interests or added to the general endowment fund. Intentions of the donor must be appropriately documented with a signed agreement and approved by the Foundation Board. Copies of endowment agreements will be maintained in the file of the donor.
4. Naming opportunities will be honored upon reasonable assurance that the gift commitment will be paid in full. If a donor does not fulfill the pledge agreement as specified, the naming rights can be rescinded. This may, at the discretion of the Foundation, apply to planned gifts, such as life insurance, and other revocable pledges.
5. Unless otherwise agreed upon, no donor-directed program, scholarship or award will be established by the university without appropriate donor funding.



## **J. Donor Records**

1. The Foundation maintains a database of biographical and gift/pledge information about donors. The information in this database is intended exclusively for purposes related to the Foundation's programs.
2. A request from a donor not to release his or her contact information will always be honored, except as required under state and federal laws.
3. The Foundation does release contact information to volunteers acting on behalf of the Foundation. An example of this is volunteers contacting donors regarding an awareness event or program on campus.
4. Volunteers who directly assist the Foundation in its fundraising efforts are given confidential information pertinent to their efforts. Information packets include the following statement:

*All information contained in this packet is the property of SVSU Foundation. This information is intended for the sole use of the Foundation. No one shall reproduce, use, distribute, disclose, or otherwise disseminate the confidential information contained herein.*

## **V. GIFT ADMINISTRATION – GUIDELINES AND PROCEDURES**

### **A. Securities**

1. SVSU will sell publicly traded securities immediately upon receipt of the gift.
2. The value of a gift of publicly traded securities is the mean of the high and low trading prices on the official date of transfer. The official date of the gift depends on the means of transfer:
  - a) If by mail, it is the postmark date.
  - b) If by overnight carrier, it is the date of receipt by the Foundation.
  - c) If by electronic transfer, it is the date the security is received into the Foundation's bank/brokerage account.
  - d) If by re-registering the security into the Foundation's name, it is the date on appropriate written documentation provided by the transfer agent or company.
3. The gift value of publicly traded securities will be calculated prior to brokers' fees or expenses. This is the amount the donor will receive for gift crediting and recognition purposes.
4. Gifts of closely held stock must be approved by the Executive Vice President for Administration & Business Affairs. Gifts of closely held stock exceeding \$10,000 in value require the appraisal of a qualified independent appraiser. Gifts less than \$10,000 may be valued by a qualified independent appraiser or at the per-share cash purchase price of the most recent bona fide transaction involving such stock.
5. Mutual funds will be valued at their net asset value (bid price) on the gift date.

**B. Gifts of Real Estate**

Gifts of real property should typically be free of any mortgage or liens. **The Foundation reserves the right to inspect the property and conduct an environmental assessment, typically at the expense of the donor.** In most cases, gifts of real property will be sold at the earliest opportunity upon receipt. Per section III Program Administration, the Executive Director may convene an ad hoc committee comprised of individuals with appropriate expertise to review any proposed gift of real property prior to acceptance.

**C. Tangible and Intangible Personal Property**

A committee will review any proposed gift of personal property prior to acceptance.

**D. Charitable Gift Annuities**

1. The Foundation's investment policy governing gift annuity reserves is to establish a separate account for these reserves and to invest the entire amount of these gifts during the donor's lifetime in order to protect and insure the annuity payments.
2. No gift annuity will be issued for less than \$50,000.
3. No current gift annuity agreement will be issued for an income recipient under the age of 50. For a deferred payment gift annuity, no agreement will be issued to an income recipient under the age of 30.
4. The rates payable on charitable gift annuities will be those established by the American Council on Gift Annuities.
5. No gift annuity agreement will be for more than two beneficiaries.
6. For deferred gift annuities, the period of deferral between the initial transfer of assets from the donor and the date annuity payments begin will be no more than 35 years.
7. All gift annuities must meet the standards required by the IRS code and regulations in effect at the time the gift annuity is established.

**E. Life Insurance**

The Foundation will accept gifts of life insurance that meet one of the following criteria:

1. *Fully-paid policies* - These are policies taken out by an individual who has completed all premium payments and now wishes to donate the policy to the Foundation. If the donor names Saginaw Valley State University Foundation as owner and beneficiary, it is an irrevocable gift.
2. *New policies in which the Foundation is named owner and beneficiary* - A donor may wish to take out a life insurance policy with the objective of making a gift to the Foundation. In these cases, Saginaw Valley State University Foundation is named owner and beneficiary. The donor makes

a gift to cover the annual cost of the premium and the foundation makes the payment directly to the insurance company.

3. *Policies in which the Foundation is named beneficiary, but not owner* - For a variety of reasons, the ownership of some policies cannot be changed. However, the donor may designate a charitable beneficiary. A gift of this type would be a revocable deferred gift because the donor retains ownership.

#### **F. Estate Planning and Retirement Accounts**

1. The Foundation staff will assist donors in how to name SVSU Foundation as a beneficiary of their wills, trusts, retirement accounts, or other estate planning vehicles.
2. All unrestricted bequests and matured deferred gifts will be designated to specific programs of the Foundation as directed by the Board of Directors.
3. As beneficiary designation represents a revocable gift, the gift will only be recognized in campaigns if the estimated gift value is included in the gift commitment.
4. Gifts received through wills, trusts, retirement accounts and other estate planning vehicles will be evaluated according to portion of the policy herein corresponding to the asset type given.

#### **G. Charitable Remainder Trusts, Charitable Lead Trusts, and Other Donation Vehicles**

The Foundation will work with the donor's professional advisors (attorney, accountant, investment advisor, etc.) to establish charitable remainder trusts, charitable lead trusts or other donation vehicles. When entering these types of arrangements, care should be taken to ensure that both the interests of the Foundation and the donor are fulfilled. If the Foundation will serve as trustee, a review, including legal review will be performed.

### **VI. REPORTING AND COUNTING GIFTS**

#### **A. Acknowledgement of Gifts, Gift Receipts**

1. The Foundation Office will officially recognize all gifts with a receipt stating the gift amount, if applicable, generally within three days of receipt of the gift.
2. An acknowledgement receipt will be sent to donors stating the amount and date of the actual gift for tax purposes. Unless the situation is otherwise, the receipt will indicate that neither goods nor services were provided in return for the contribution.
3. Gifts of more than \$1,000 will receive a personal letter from the President in addition to the standard response.

4. Gifts are recognized and reported based on the calendar year. Calendar year statement information will be provided at the request of the donor. SVSU employees who give via payroll deduction will receive gift receipts at the conclusion of the calendar year.

## **B. Recording and Counting Gifts**

To provide uniformity in reporting and in keeping with professional best practices, the Executive Director of the Foundation will report and count all donations and agreements in accordance with the following industry standards:

1. For internal reports, SVSU will use a dual reporting system:
  - a) The full face value of all donations, current and deferred; and
  - b) The amount allowed by the Internal Revenue Service as a charitable deduction for federal income tax purposes (or the discounted present value).
2. For external reports, such as the Annual Report, only the face value amount will be reported.
3. Charitable lead trusts provide irrevocable pledges to the Foundation. The Foundation will report the income received each year during the period of operation of a trust, except during a campaign, in which case the Foundation will also report amounts expected to be received in the remaining years of the campaign and/or pledge payment period.
4. If they have not been previously counted, bequests actually received are counted in the year received or in the campaign total following the counting policies appropriate to the form of the bequest.
5. **Pledge receivables are reviewed on an annual basis. Those pledges deemed uncollectible will be written off and any donor naming recognition amended accordingly.**

## **C. Donor Recognition**

The Foundation will recognize donor gifts as follows:

1. Unless otherwise requested, donors will be recognized in the SVSU Foundation Report of Annual Giving each spring. This report will include gift commitments made during the previous calendar year.
2. Lifetime Gift Clubs recognize donors who have made cash or irrevocable gifts totaling over \$100,000 during their lifetime.
3. Major Gift Clubs recognize donors who have made gifts totaling \$10,000 or more over the most recent 10-year period. Pledges will be recognized at the full commitment amount.
4. Annual Gift Clubs recognize annual contributions of \$100 or more. Annual installments of major gift pledges will also be recognized in this category. Corporate matching gifts will be added to the donor's personal gift amount.
5. Planned gifts will be recognized in the Creating the Future Society.