

Fundraising Policy

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Purpose and Scope

West Chester University (WCU or University) recognizes that its future success will depend upon its ability to develop a variety of funding sources including gifts and grants from private donors such as alumni, parents, other individuals, corporations, and foundations. The purpose of this policy is to outline the way in which WCU will pursue private gift income and how University employees may participate in that process. This document is intended to supplement the fundraising contract and corresponding MOU between the University and the West Chester University Foundation (the Foundation).

Policy Statement

WCU adheres to the standards of the Council for the Advancement and Support of Education (CASE) in conducting fundraising programs and reporting fundraising results. This policy, however, does not address reporting for the University's financial statements.

Policy Framework

I. Assignment of Fundraising Responsibilities and Functions

Since September 2010, pursuant to agreements entered into by the University, the Foundation has overseen all fundraising efforts to benefit the University. As an independent non-profit organization that exists solely for the benefit of the University, the Foundation is able to accept and manage gifts with greater flexibility than the University. As outlined in its Bylaws, the WCU Foundation performs the following services in support of WCU:

— UNIVERSITY POLICY —

1. solicits funds and other property to advance the charitable, scientific, and educational interests of the University in accordance with priorities set by the University;
2. receives, manages, and liquidates material assets, including unique gifts such as jewelry, artworks, and real property, to the benefit of the University;
3. contributes capital, manages grants in coordination with the Office of Research and Sponsored Programs, and provides other financial assistance to the University, its affiliated entities, and institutions or organizations that become affiliated with the University;
4. manages the relationship, including the selection and negotiation of services, with a financial institution or institutions for the purposes of holding endowment funds, life income gifts, and similar funds;
5. manages contracts for the advancement of the University; including the construction, operation, management, and maintenance of student housing facilities, or any other facilities or projects for the benefit of the University and its educational, scientific, and charitable purposes whether directly or through a single member limited liability company created and owned by the corporation;
6. manages the Foundation's endowment fund, and upon request and with proper approvals, the endowment fund of the University; and
7. engages in any and all acts and engages in all lawful business which a nonprofit corporation may do consistent with or in furtherance of the Foundation's mission to engage donors and other partners to drive student success and secure funding that helps West Chester University students achieve more.

Raising funds to benefit WCU is the primary function for which the Foundation is organized and operates. As a result of its agreement with

the Foundation, the University desires that all private gifts of any type in support of WCU be given through the Foundation. This is further stipulated in the contract and MOU established between the University and the Foundation.

II. The University's Role in Fundraising

It is the University's responsibility to establish all fundraising priorities and to share those priorities with the Foundation. Fundraising priorities and goals are established by WCU's administrative leaders, namely the President, President's Cabinet, and the Council of Trustees. Divisional fundraising priorities, as approved by the President and communicated to the Foundation by the Vice President for University Advancement and External Affairs (VP UA&EA), the University's Liaison to the Foundation, may form the basis for special fundraising initiatives. While the University is in an active fundraising campaign, only a limited number of non-campaign fundraising projects may be undertaken. Depending upon the desires and interests of some donors, opportunities may arise to secure support for and fund additional projects. In most circumstances the donors' contributions will equal the costs of the special project.

Except for the President, senior executives and other employees when authorized by the President, University employees shall not directly solicit gifts on behalf of the Foundation or University. However, University employees are permitted and encouraged to support Foundation fundraising efforts by preparing and presenting information to prospective donors, attending events to encourage prospective donors' interest in the University, and providing reports and other information outlining the results of gifts contributed by donors.

III. Role of the WCU Foundation Liaison (Vice President for University Advancement and External Affairs)

West Chester University's VP UA&EA/Liaison to the Foundation serves as the University's primary contact between WCU and the Foundation. The Liaison, who is appointed by the President of West Chester University, is responsible for monitoring the contractual relationship between the University and the Foundation and ensuring that the Foundation fulfills the goals outlined in that agreement. In addition, the liaison consults with the President and University leadership to communicate fundraising needs and priorities to the Foundation.

IV. Role of the Office of Research and Sponsored Programs

West Chester University's Associate Provost for Research and Creative Activities serves as the University's Chief Research officer and as the liaison between the University and the Foundation for academic grants.

See Definitions section below for more details.

V. Individual Lists and Requests for Information

Separate from fundraising initiatives, the University conducts evaluations and projects that require access to alumni and donor lists that are the property of the WCU Foundation. The Foundation has agreed to provide WCU with access to its mailing lists for purposes approved by the University through the WCU Foundation Liaison.

The Foundation will not provide data for any reason to off-campus organizations, such as churches, political groups, businesses, or individuals. After using data for its approved purpose, WCU employees who obtained the list may not use it for any other purpose. Any requests for data or other information from the WCU Foundation must be made through a data request via e-mail, to the VP UA&EA and then forwarded to the WCU Foundation.

As a result of the Foundation's responsibility to maintain data, no University employee shall maintain lists of alumni or other individuals or organizations for purposes of resource development or communications separate from those maintained by the Foundation. In addition, University employees shall provide the Foundation with information about their interactions with alumni, individuals, and organizations that occur in their capacity as a University employee via email to the appropriate Foundation department

VI. Gift Processing

All gifts in support of the University except for student club and organization fundraising, are to be given through and processed by the Foundation. If a charitable donation is received and the check is made payable to the University, the Foundation can deposit the check with supporting documentation of charitable intent and consent of the donor. Apart from the Foundation, gifts in support of WCU may not be processed through any other office or affiliated organization including Student Services, Incorporated and the West Chester University Alumni Association.

The WCU Foundation Liaison will receive gift summary monthly reports from the Foundation. Gifts designated by donors for specific colleges, units, or departments will be reported to the heads of those colleges, units, or departments at the end of each quarter of the fiscal year.

Gifts from University faculty and staff may not be designated to support a fund that supports the faculty member's salary, or that pays for any equipment or other benefit to the faculty member that might be considered substantial under IRS guidelines and regulations.

VII. Endowments & Special Funds

The University and Foundation hold numerous endowed funds which are designed to support institutional operations and/or provide scholarships in

perpetuity. Only a portion of the market value of the endowment is expended each year as recommended by the Foundation Board of Trustees and approved by the WCU Council of Trustees. Endowments may be named in honor of the donor or in a manner of the donor's choosing.

The current minimum gift amount required to establish a new endowment is \$25,000. To establish a new endowment, a signed Fund Guideline Form is prepared outlining donor intent and fund criteria. At the discretion of the WCU Foundation Executive Director, a gift of less than \$25,000 may be used to start an endowment if the WCU Foundation Executive Director determines with a reasonable degree of certainty that the donor will contribute a total of \$25,000 to support the endowment within five years of the initial gift. Donors will not be permitted to have control over the investment of endowment funds or the use of the income beyond the initial restriction.

Twice annually the University Vice President for Finance and Administration will receive a summary of the market value, additions, and interest earnings for the various endowments as compiled by the Foundation from information supplied by both the University and Foundation. Earnings to be distributed to WCU will be computed applying the total return calculation to the spending rate recommended by the Foundation Board of Trustees and approved by the WCU Council of Trustees.

Naming opportunities and the process are outlined in the [WCU Naming University Facilities and Programs Policy](#). In some cases, the WCU Foundation Liaison maintains a list of the gift amounts for special fundraising initiatives.

VIII. External Advisory Boards

UNIVERSITY POLICY

External Advisory Board will be governed by the University with an independent policy to be developed. Members of External Advisory Boards are appointed by the President or designee. Foundation employees can make recommendations for service on Advisory Boards for engagement opportunities. On an annual basis, a listing of college level Advisory Boards membership will be provided to the Foundation for inclusion on mailings by the Foundation Liaison.

IX. Gift Fees

In 2006, the University and Foundation adopted a gift fee as a means to offset the University's contracted costs for the work done by the Foundation by providing resources to support the fundraising operations. The fee applies to gifts except for gifts of real property or services that are to be retained or used by the University or Foundation (e.g., real estate, artwork, equipment, contributed services). A gift may be exempted from the fee with the approval of the WCU Foundation Executive Director.

In 2021, the University and WCU Foundation Board approved an [Investment Policy](#) to include an annual management fee of up to 2% on endowment funds held at the Foundation.

The current fee percentages by gift type are as follows:

GIFT TYPE	FEE PERCENTAGE
Scholarship Gifts	0%
Operating Gifts	2.5%
Capital Gifts	2.5 %
Endowment Gifts	Per Investment Policy - Up to 2% of total endowment value annually
Estate Gifts	5.0%

Earned Income Tax Credit (EITC)	20.0%
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X. Recognition

The University understands the need for and importance of recognizing donors for their financial support. The Foundation manages donor recognition societies, events and communications for this purpose.

Depending upon the level, purpose and type of gift, a donor may be recognized through a naming opportunity. [The WCU Naming University Facilities and Programs Policy](#) provides specific direction regarding the University’s requirements for naming opportunities and should be consulted prior to making any naming commitments to a prospective donor. The WCU Foundation Liaison is responsible for overseeing the approval process for all naming gifts.

Additional publicity and recognition of gifts are agreed upon at the time of gift or outlined in a gift agreement.

XI. Other Fundraising

This section deals with fundraising events or meetings that are outside of the working list of funding priorities.

Internal clubs, departments, offices, and external groups raising funds for the good of the University.

1. Upon being authorized by the President or senior executives (as set forth in II above), a group organizing to raise awareness and/or directly solicit gifts for a University purpose also must have a University employee as a sponsor. This sponsor will be responsible for the activity and its cost to the University. The sponsor shall be someone in authority over the

- department who will approve and guide activities, and who will be the liaison with the WCU Restricted Funds and Facilities Management offices.
2. Generally, per [West Chester University Facility Use Policy](#), the cost of the event is borne by the sponsoring department or will be paid out of proceeds from the event.
 3. The department should budget costs to reimburse the University for any wear and tear on facilities, costs of security, clean-up, etc.
 4. Tickets for fundraising events must be priced so that event revenues are likely to cover event expenses and generate net income to support the purpose of the event. Ticket prices and event budgets should be established in consultation with the Foundation.
 5. Contributions requiring IRS acknowledgement will be deposited at and receipted by the Foundation.
 6. No WCU employees may use University funds to purchase a ticket to attend any fundraising event sponsored by the Foundation, University, or any University department, program, or club regardless of the sponsor or purpose. However, employees who are required to attend a fundraising event to assist with its operation are not required to purchase a ticket to attend the event. The cost of their attendance will be considered an event expense and included in the event budget.

Fundraising on WCU's campus to benefit entities other than the University.

1. Approval for such activities must be granted by the WCU Foundation Liaison and the WCU Vice President for University Affairs and coordinated through the Conference Services Office.
2. Generally, the University must charge an outside group who is using WCU facilities for their own financial benefit. The charge should be one or the other: a fee to offset costs incurred plus an additional charge to account for wear and tear on the facility; OR a percentage of the fees

charged to attendees as agreed by the campus sponsor, and the two administrators above. External groups wishing to use University facilities should consult the Office of Conference Services for more information (see [West Chester University Facility Use Policy](#)).

3. Each group must have a campus sponsor who is responsible for the University's facilities, organization of the event, and cost management.
4. No employees of West Chester University may use University funds to purchase a ticket to attend any fundraising event sponsored by external groups on campus unless attendance advances the mission of West Chester University and is approved by employees' Vice President or the Vice President's designee.
5. No University funds may be used to purchase alcohol at events or for any purpose.
6. The President may exempt a group from portions of this Policy as the President deems appropriate.

XII. Enforcement

All University policies are located in the official [WCU Policy Library](#).

In cases where the Policy is not being observed, the WCU Foundation Liaison will contact the employee(s) involved to inform them of the problem and correct procedures. If the employee continues to ignore the Policy, the WCU Foundation Liaison will inform the employee's supervisor of the matter and request corrective measures. Funds raised by employees who are not in compliance with this Policy may be withheld or returned to the donor.

Definitions

Fundraising Efforts and Award

Responsibility for management of all extramural support is assigned to either the Foundation (via the existing service contract) or the WCU Office of

Research and Sponsored Programs based on the type, terms and conditions of award. For gifts, and as outlined in the service agreement, the WCU Foundation is responsible for all aspects of donor identification and assignment, recordkeeping, cultivation, solicitation and stewardship. Regarding grants, the Office of Research and Sponsored Programs is responsible for pre-award grant management, the Grants Accounting Office is responsible for post-award accounting, funding and financial reporting, and the Principal Investigator is responsible for ensuring that the grant terms and all internal and grant management requirements are fulfilled. Four different types of awards – Gifts, Grants, Service Agreements and Cooperative Agreements – can be distinguished that relate to extramural funds. Neither the process by which funds are acquired, nor the source of the funds or the use by the sponsor or donor of the term grant or gift, determines how the funds will be administered at WCU. In cases where a donor or a sponsor uses the term grant and gift interchangeably, the definitions in this policy will apply.

For the purposes of this policy, these four award types are defined as follows:

A. Gifts (or donations)

A gift is a voluntary transfer of money, property (e.g., equipment), or other assets (e.g., personnel time and skill) made with donative intent and without any expectation of or receipt of direct economic benefit or any other tangible compensation (i.e., goods and services). There is no *quid pro quo* that is commensurate with the worth of the gift. While the donor generally does not participate in determining how the gift is used, the gift may be restricted to broadly defined activities or a specific program area or purpose (e.g., fund a scholarship, endow a professorship, establish a research center, or construct a building). Gifts may be from individuals, foundations or corporations.

1. Annual (Current Use) Gifts

Annual gifts include any cash contributions (or means resulting in cash) and are typically spent annually. Gifts placed in an unrestricted fund are subject to the President's discretion.

2. Capital Gifts

Capital gifts are outright gifts for such purposes as property, buildings, equipment, renovations. Revocable planned gifts are not accepted for capital projects.

3. Endowment Gifts

Endowment gifts are contributions of current assets which are held in perpetuity to support a project or program designated by the donor. For endowments owned by the University and managed on its behalf by the Foundation, income from endowments is spent annually as recommended by the Foundation Board of Trustees and approved by the WCU Council of Trustees. Endowment gifts may be used to establish a new endowed account (\$25,000 minimum) or make additional contributions to an established fund. Endowment funds are invested and managed as directed by the WCU and Foundation Investment Policies. Endowments created prior to July 1, 2003, are assets of WCU while endowments established after July 1, 2003 are assets of the Foundation. Contributions to existing WCU endowments are transferred to WCU and remain assets of the University.

B. Grants

A grant is a written agreement that creates a voluntary relationship between a sponsor and a recipient in which: 1) the principal purpose of the relationship is the transfer of money, property, services or anything of value from the sponsor to the recipient ; 2) a public purpose is specified with a defined scope of work enumerating certain performance objectives to be achieved during a specific period of performance; and 3) no substantial involvement is anticipated between the sponsor and the

recipient during the accomplishment of the public purpose. The award agreement includes provisions for the assignment of proprietary rights to and provisions of work products derived from the performance of the scope of work, as well as requirements for formal financial or technical reporting by the recipient as to the actual use of the money or assets provided by the sponsor. In competitive situations, the sponsor states its willingness to provide support for work of a general type in a request for applications or proposals (RFP) and solicits proposals from potential recipients. Respondents compete for the grant award, with the sponsor using evaluation criteria to review submitted applications. The final award may involve negotiations between the sponsor and the recipient. Multi-year grant awards are possible, disbursed on an annual basis by the sponsor with the requirement for the recipient to submit a continuation application as each subsequent grant period approaches. Although the recipient makes no guarantees other than the work will be done as described and that generally accepted management practices will be followed, the award agreement is enforceable by law with the transfer of support revocable for cause.

Grants may be administered by the Office of Research and Sponsored Programs, or the Foundation as defined in Section D. Grants may be considered charitable or non-charitable.

Neither the process by which funds are acquired, nor the source of the funds or the use by the sponsor or donor of the term grant or gift, determines how the funds will be administered at WCU. In cases where a donor or a sponsor uses the term grant and gift interchangeably, the definitions in this policy will apply.

C. Service Agreements, Cooperative Agreements and Sponsorships Defined

A **service agreement** is an agreement between the University and another entity to provide an economic benefit or services to that entity in return for compensation, services or other benefits. Such service agreements are binding and create a *quid pro quo* relationship between the University and the entity. Service agreements are excluded from fund raising totals.

A **cooperative agreement** is a funding mechanism used by the Federal Government which involves substantial staff involvement from a federal agency. Cooperative agreements are excluded from fund raising totals.

A **sponsorship agreement** is an agreement between the University and another entity to sponsor activities, events or programs. Most corporate sponsorship dollars are included in fund raising totals less the fair market value of goods or services unless it constitutes advertising. Service agreements and cooperative agreements may be administered by the Office of Research and Sponsored Programs or the Foundation at the discretion of the University while sponsorships are administered by the Foundation.

D. Determining the Administrative Status of Awards: Charitable versus Non-Charitable

The following indicators shall be considered in determining whether an award to WCU will be considered a grant, service agreement, cooperative agreement (non-charitable) or a gift (charitable).

If any one of the following conditions exist, it is considered a grant, service agreement or cooperative agreement (non-charitable):

1. The award is from a federal, state, or municipal governmental agency or from an entity that provides a subcontract containing the so-called "flow down" of federal, state, or municipal governmental agency provisions.
2. The sponsor allows the university to recover facilities and administrative costs related to the work to be supported by the award.
3. The sponsor specifies a desire to gain direct economic benefit or other tangible benefits as a result of the University's activities to be conducted by the award.
4. The award is from a corporation's Research and Development budget and is considered by the corporation as a cost of doing business rather than as a charitable gift.
5. The award document stipulates a cost sharing commitment of university resources (i.e., personnel, facilities, equipment).
6. The award document specifies adherence to a line-item budget with specific limitations, cost accounting and effort reporting standards, financial controls, specific billing requirements, payment contingent upon satisfactory programmatic progress, and prior sponsor approval for such things as pre-award costs incurred by the University or the transfer of funds from one budget category to another and from one budget period to another.
7. The award document stipulates the ownership or disposition of tangible or intangible property resulting as a consequence of the University's activities, including records, data rights, licensing arrangements for patents or copyrights, research-related materials, inventions, and other intellectual property.
8. The award document places restrictions on the publication of data from activities supported by the agreement, including

outright restriction of publication or the requirement for prior review or approval by the sponsor.

9. The award document stipulates that the University will focus activities or conduct studies on proprietary substances, products, or processes or on intellectual property owned by the sponsor.
10. The award document requires an authorized institutional signature stipulating research compliance certification (e.g., human subjects, drug-free workplace, laboratory safety).

If the indicators above do not exist, then the award to WCU will be considered a gift. In these cases, and based on its service contract with the Foundation, the University desires that the Foundation be responsible for solicitation, negotiation, receipt, and administration of the award, ensure proper accounting for the use of the funds, and provide proper stewardship with the donor.

Charitable gifts may require an application and reporting but do not include any of the requirements to be considered “non-charitable grants” in section D. Corporate and Foundation gifts may be referred to as grants but for the purpose of this document are considered gifts.

If the indicators cannot readily determine the proper classification as a grant or gift, the final determination of the designation will be referred to the WCU Foundation Liaison in consultation with ORSP and the Foundation.

Unless otherwise directed by the University, the Office of Research and Sponsored Programs has the responsibility for negotiation and setup of the award (pre-award functions), the Grants Accounting Office provides

proper accounting for expenditures, maintains auditable records, and, in collaboration with the Office of Research and Sponsored Programs, affords accountability to the sponsor (post-award functions).

When the WCU Foundation facilitates the receipt of funds solicited through, and at the request of, the Office of Research and Sponsored Programs, acting as the fiduciary agent and contract / agreement signer, the Foundation will receive 20% of the grant approved indirect cost funds that would normally be assigned to the Office of Research and Sponsored Programs for pre- and post-award administration and reporting. If no indirect costs are included in the award budget, the WCU Foundation will not charge a fee for the grant administration.

E. Corporations & Foundations

All gift solicitations from corporations and foundations for any University purpose must be managed in consultation with the WCU Foundation.

References:

[Act 188 of 1982, as amended \(24 P.S. article XX-A\)The Higher Education Modernization Act \("HEMA"\) \(24 P.S. §2511.101, et seq.\)](#)
[BOG Policy No. 1985-04-A \(University External Financial Support\)](#)
[Naming University Facilities and Programs Policy](#)
[OOC Std. No. 2013-15 \(Relationships with Affiliated Entities\)OOC Std. No. 2018-32 \(Employee Compensation for Sponsored Activities for State System Universities\)](#)
[WCU Facilities Use Policy](#)
[WCU Policy Library](#)

Reviewed by:

Vice President for University Advancement and External Affairs; Vice President for University Affairs; Vice President for Diversity, Equity, and Inclusion; Senior Associate Vice President and Chief Human Resources Officer; Office of Research and Sponsored Programs; West Chester University Foundation; Department of Conference Services

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