

WEST CHESTER UNIVERSITY GIFT ACCEPTANCE POLICIES

West Chester University of Pennsylvania ("The University") is part of the Pennsylvania State System of Higher Education (PASSHE), a body corporate and politic constituting a public corporation and government instrumentality of the Commonwealth of Pennsylvania, created by Act 188 of 1982, 24 P.S. §20- 2001-A et seq. The following policies and guidelines govern acceptance of gifts made to the University or for the benefit of any of its programs. On or about April 15, 2014, the University and the West Chester University Foundation ("The Foundation") executed a Memorandum of Understanding (MOU) that appointed the Foundation as the coordinating organization for all restricted and unrestricted fundraising efforts to benefit the University. In order to better inform the Foundation with respect to accepting appropriate gifts that benefit the University, the University hereby adopts this Gift Acceptance Policy and the Foundation shall fundraise, accept and record the gifts in accordance with this Policy, the MOU and applicable PASSHE Board of Governor's Policies recited in the MOU.

I. Introduction

It is the purpose of this policy to govern the acceptance of gifts by the Foundation and to provide guidance to prospective donors and their advisors when making gifts to serve The University. The provisions of these policies shall apply to all contributions from non-governmental sources received by the Foundation for any of The University's programs or services.

Gift acceptance must be aligned with University strategic priorities that are communicated to the Foundation, and comply with federal, state and local laws. The University and the Foundation will follow Internal Revenue Service regulations and Council for Advancement and Support of Education (CASE) guidelines when evaluating whether a transfer of assets is considered a gift.

The Foundation shall adopt Gift Acceptance Procedures that describe the process for accepting, recording and counting the gifts.

II. Use of Legal Counsel

The University and the Foundation shall seek the advice of legal counsel in matters relating to acceptance of gifts where appropriate. Review by counsel is recommended for:

- A. closely held stock transfers that are subject to restrictions or buy-sell agreements;
- B. documents naming the Foundation or the University as Trustee;
- C. gifts involving contracts, or other documents requiring the University or the Foundation to assume an obligation, except for charitable gift annuities;
- D. transactions with potential conflict of interest;
- E. other instances in which use of counsel is deemed appropriate by the Gift Acceptance Committee.

III. Restrictions on Types of Gifts

The Foundation will accept unrestricted gifts, and gifts for specific programs and purposes, provided that such gifts are consistent with the University's stated mission, purposes, and priorities. The University will not accept gifts that are too restrictive in purpose. Gifts that are too restrictive are those that violate the terms of the University's Charter, the Foundation's Charters and By-laws, gifts that are difficult to administer, or gifts that are designated for purposes outside the mission of the University. All final decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Gift Acceptance Committee.

IV. The Gift Acceptance Committee

The Gift Acceptance Committee is charged with the responsibility of reviewing gifts made to the University that are physical items valued over \$5,000 such as tangible personal property, equipment, art, or physical plant; all real estate; and gifts that place a condition or obligation on the University or Foundation or gifts that might represent a conflict of interest.

The Gift Acceptance Committee will screen gifts and make recommendations to the President and Foundation Board on gift acceptance issues which may have unusual or exceptional implications for the Foundation or University.

The Committee shall record and maintain minutes of meetings.

The Gift Acceptance Committee shall consist of:

- The University Liaison to the Foundation and or another as designated by the University President
- Foundation Finance Committee Chairperson or their designee
- The Executive Director of the Foundation
- The Chief Financial Officer of the Foundation
- The Chief Development Officer of the Foundation (ex officio member)
- Such other members as appointed by the Foundation Board of Trustees from the Development and Finance Committees

V. Review by the University

Gifts of physical items that are deemed worthy by the Gift Acceptance Committee will be presented to the President to ensure the University leadership approves the gift. Approval by the University should be communicated in writing to the Foundation by the University Liaison.

VI. Types of Gifts

The following gifts are acceptable:

1. Cash
2. Tangible Personal Property
3. Securities
4. Real Estate
5. Remainder Interests in Property

6. Oil, Gas, and Mineral Interests
7. Bargain Sales
8. Fully Paid Life Insurance and Life Insurance Beneficiary Designations
9. Charitable Gift Annuities
10. Charitable Remainder Trusts
11. Charitable Lead Trusts
12. Retirement Plan Beneficiary Designations
13. Bequests
14. Other gifts as approved by the Gift Acceptance Committee

The following criteria govern the acceptance of each gift form:

1. **Cash:** Cash is acceptable in any form. Checks shall be made payable to West Chester University Foundation and shall be delivered to the Foundation Office at 202 Carter Drive, West Chester, PA 19382.
2. **Tangible Personal Property:** All other gifts of tangible personal property shall be examined in light of the following criteria:
 - Advancement of the mission of the University;
 - Marketability of the property;
 - Existence of undue restrictions on the use, display, or sale of the property;
 - Carrying costs for the property.

Examples of tangible personal property include, but are not limited to: automobiles, boats, art, jewelry, furniture, antiques, rare books, manuscripts, musical instruments and laboratory equipment. Examples of intangible personal property include, but are not limited to: computer software, royalties, patents and copyrights.

The final determination on the acceptance of other tangible property gifts over \$5,000 shall be made by the Gift Acceptance Committee which is responsible for conducting due diligence review on the gifts and their valuation.

3. **Securities:** Publicly traded securities and closely held securities may be accepted as gifts. The securities or their proceeds shall be delivered to the Foundation at 202 Carter Drive, West Chester, PA 19382.

The final determination on the acceptance of closely held securities shall be made by the Gift Acceptance Committee.

4. **Real Estate:** Gifts of real estate may be received by the Foundation on behalf of the University. These gifts may include developed property, undeveloped property, or gifts subject to a prior life interest. Criteria for acceptance of the property shall include:

- Usefulness of the property for the purposes of the University;
- Marketability of the property;
- Any restrictions, reservations, easements, or other limitations associated with the property;
- Carrying costs such as insurance, property taxes, mortgages, or notes, etc., associated with the property;
- Results of environmental audit.

The final determination on the acceptance of real estate shall be made by the Gift Acceptance Committee.

5. **Remainder Interests In Property:** Remainder interest in real property may be accepted as a gift. The final determination on the acceptance of remainder interests in property shall be made by the Gift Acceptance Committee.
6. **Oil, Gas, and Mineral Interests:** Oil and gas property interests may be accepted, where appropriate. Criteria for appropriateness of such gift shall include:

- Gifts of surface rights should have a value of \$20,000 or greater.
- Gifts of oil, gas and mineral interests should generate at least \$3,000 per year in royalties or other income (as determined by the average of the three years prior to the gift).
- The property should not have extended liabilities or other considerations that make receipt of the gift inappropriate.
- If the interest is a working interest, the impact on the Foundation and University should be determined so that a plan to minimize to the impact, if accepted, can be prepared.
- The property shall undergo an environmental review to ensure there is no current or potential exposure to environmental liability.

The final determination on the acceptance of oil, gas and mineral interests shall

be made by the Gift Acceptance Committee.

7. **Bargain Sales:** Bargain sale arrangement in instances in which it furthers the mission and purposes of the University may be accepted as gifts. Criteria which may be used in determining the appropriateness of the transaction include:

- An independent appraisal substantiating the value of the property.
- The debt ratio must be less than 50 percent of the appraised market value.
- The University or its affiliates will use the property, or that it is marketable, within 12 months of receipt.
- The costs to safeguard, insure, and expense the property (including property tax) during the holding period.

The final determination on the acceptance of bargain sale donations shall be made by the Gift Acceptance Committee.

8. **Life Insurance:** A fully paid life insurance policy is acceptable as a gift if the Foundation is named as both owner and beneficiary. Life insurance policies with the Foundation named as beneficiary or contingent beneficiary may be accepted as gifts.
9. **Charitable Gift Annuities:** Charitable gift annuities may be accepted as gifts. The minimum gift for funding shall be \$25,000. The minimum age for life income beneficiaries of a gift annuity shall be 60. Where a deferred gift annuity is offered, the minimum age for receipt of life income shall be 50.
10. **Charitable Remainder Trusts:** Charitable remainder trusts may be accepted as gifts. The minimum initial gift shall be \$50,000. The final determination on the acceptance of charitable remainder trusts shall be made by the Gift Acceptance Committee.
11. **Charitable Lead Trusts:** Charitable lead trusts may be accepted as gifts. The minimum initial gift shall be \$50,000. The final determination on the acceptance of charitable lead trusts shall be made by the Gift Acceptance Committee.

12. **Retirement Plan Beneficiary Designations:** Retirement plan beneficiary designations are accepted as gifts with the Foundation named as beneficiary of the retirement plan.
13. **Bequests:** Bequests to The Foundation in wills and trusts may be accepted as gifts. The final determination on the acceptance of bequests made in a will or trust shall be made by the Gift Acceptance Committee.

VII. Miscellaneous Provisions

Responsibility for IRS filings upon sale of gift items:

The Foundation is responsible for filing IRS Form 8282 upon the sale or disposition of any donated asset held within three years of receipt of the asset, where the charitable deduction value of the item was \$5,000 or greater or otherwise as required by applicable IRS regulations or law.

Donations to Endowed Funds:

The Foundation will apply checks under \$500 made payable to an endowed scholarship or operating fund to the related endowment fund unless a letter with specific instructions not to do so accompanies the check.

Endowed Funds:

Establishment of endowed funds requires \$25,000 or greater donation and approval by the Foundation Executive Director.

Named Funds:

Establishment of non-endowed named funds (funds with an individual or family name in the description) require \$5,000 or greater donation and approval by the Foundation Executive Director.

Naming Policy:

Please see the West Chester University Facilities Naming Policy for information regarding naming facilities.

Permanent Art Collection Acquisition Policy:

Please see the West Chester University Permanent Art Collection Policy for information regarding donations to the permanent art collection.

Acknowledgement of all gifts and compliance with IRS requirements:

The Foundation is responsible for the acknowledgement of all gifts accepted by it on behalf of the University and compliance with current Internal Revenue Service requirements.

VIII. Changes to Policies

Any changes to or deviations from these policies must be brought to the attention of the University Liaison for resolution.

APPROVED AS OF 5/14/2018

Christopher Fiorentino
Christopher Fiorentino, President
West Chester University