



#### **POLICY 2.1**

Volume 2: Development  
 Chapter 1: Gift Acceptance Policy  
 Responsible Office: Development  
 Originally Issued: January 2008  
 Reviewed: December 2016

## **EP Gift Acceptance Policy**

### **Policy Statement**

ASU Enterprise Partners (“EP”) advances Arizona State University (the “University”) as a New American University by securing private gifts from individuals, corporations and foundations. Gifts must be compatible with the mission of the University and EP, and therefore should be solicited and accepted in a manner that protects the interests of EP, the University and the donors.

► Note: This policy is not intended to provide legal or tax advice to donors or prospective donors. Donors and other interested parties are advised to consult their tax and legal advisors when considering a gift to the Foundation.

### **Reason for Policy**

- Provide clarity, consistency and transparency to gift acceptance process.
- Ensure that gifts offered to EP and the University are financially and legally acceptable.
- Serve as a reference document for EP and University staff and donors.

### **Entities Affected By This Policy**

EP, its affiliates, and all units of Arizona State University that work with donors or have the opportunity to accept private gifts or grants.

### **Who Should Read This Policy**

- EP and University development staff.
- Faculty and administrative staff of the University and EP involved in handling or processing gifts.
- Everyone soliciting or accepting gifts.

### **Location of Policy**

EP Intranet

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## Related Documents

EP Documents	Other Documents
Policy 1.4 Policy 2.2  <a href="#">Terms and Conditions</a>	Generally Accepted Accounting Principles (GAAP)  ASU Policy FIN 303: Gift Deposits (including Gift-in-Kind Donations) and Special Event Receipts with a Gift Component  Council for Aid to Education (CAE) Guidelines  Council for the Advancement and Support of Education (CASE) Reporting Standards and Management Guidelines, rev. 2009  Statement of Financial Account Standard 116, <i>Accounting for Contributions Received and Contributions Made</i>  Association of Fundraising Professionals (AFP) – Donor Bill of Rights

## Contacts

Subject Matter	Office Name	Telephone #
Policy Clarification	Development	480-727-9264
Financial Issues	Assistant V.P. and Controller	480-965-4957
Gift Agreements	Gift Agreement Coordinator - Development	480-965-0852
Gift Recording	Director, Office of Gift Administration and Data Management	480-727-6614
Gifts Where Terms are Unclear	Director, Office of Gift Administration and Data Management	480-727-6614
In-kind Gifts: to EP	Director, Office of Gift Administration and Data Management	480-727-6614
In-kind Gifts: to the University	Director, Office of Gift Administration and Data Management	480-727-6614
Making a Gift	Development	480-727-9264

Making a Gift via Payroll Deduction	Director, Office of Gift Administration and Data Management	480-727-6614
Outside Trusts	Office of Estate and Gift Planning	480-965-2038
Planned Giving	Office of Estate and Gift Planning	480-965-2038
Real Estate Gifts	Office of Estate and Gift Planning	480-965-2038
Security Gifts	Assistant V.P. and Controller	480-727-9264

## Definitions

<b>Account</b>	An identifier on EP's financial system that indicates the fund and purpose for which the financial resources are held or expended. An Account will correlate to an Allocation in Advance. Gifts that are restricted, have reporting requirements and/or establish an endowment trigger new account establishment.
<b>Advance</b>	The software used to track information about prospects, donors, alumni, pledges, gifts, payments and club memberships.
<b>Advised Bequest</b>	A gift made through a will or through a trust substituting for a will, such as a revocable trust. A bequest may be outright or contingent. If outright, the designated charity will receive the funds designated, provided there are sufficient assets in the estate to fulfill the bequest. If contingent, the designated charity only receives the funds under certain conditions.
<b>Allocation</b>	A data element within the Advance system identifying the designation of a recorded gift. The Allocation will map to the Account in the Integrated Financial and Administrative Solution (IFAS) system.
<b>CAE</b>	Council for Aid to Education, a national nonprofit organization that offers data and assessments to higher education institutions, including the annual Voluntary Support for Education (VSE) survey, the nation's primary resource on private giving to education.
<b>CASE</b>	Council for Advancement and Support of Education, an international professional association serving educational institutions and advancement professionals. CASE provides standards and an ethical framework for the advancement profession, including best practices for gift accounting and reporting, gift acceptance, and gift recognition.

<b>Charitable Contribution</b>	A gift that meets the requirements of Section 170 of the Internal Revenue Code.
<b>Charitable Gift Annuity (CGA)</b>	A contract between a donor and the issuing charity. The donor pays the charity a specific sum of money, or transfers readily marketable securities, and in return receives fixed periodic payments for life. CGA contracts may be for a term of one life or two, but no more than two. Annuity payments are backed by the general assets of EP.
<b>Charitable Lead Trusts</b>	<p>Trusts established for a set term by an irrevocable transfer of assets from a donor to a trustee of the donor's choice. There are two types of lead trusts, a Charitable Lead Annuity Trust and a Charitable Lead Unitrust.</p> <p>In a Charitable Lead Annuity Trust, the trustee invests the assets and pays to the charity a fixed amount each year for a defined term. The term may be for a set number of years, for one or more lifetimes, or a combination of the two. At the end of the trust term, the accumulated assets are distributed to beneficiaries named by the donor.</p> <p>In a Charitable Lead Unitrust, the trustee invests the assets and pays to the charity a fixed percentage of the trust's current value each year for a defined term. The term may be for a set number of years, for one or more lifetimes, or a combination of the two. At the end of the trust term, the accumulated assets are distributed to beneficiaries named by the donor.</p>
<b>Charitable Remainder Trust (CRT)</b>	<p>An irrevocable trust that benefits the donor or one or more other individuals named by the donor (known as "income beneficiaries") for a term of years or lives. Upon termination of the trust, the remaining assets pass to one or more qualified charities (known as "remainder beneficiaries"). The donor and the charity agree upon a payout percentage that the income beneficiaries receive annually. The donor names a Trustee who manages the assets and ensures that both the specified annual payout and the remainder are distributed as per the terms of the trust and in accordance with federal and state law. CRTs are tax-exempt trusts. The assets within them may be bought and sold without regard to capital gains taxes. CRT payouts to individual beneficiaries are subject to income taxation.</p> <p>There are two types of standard CRTs: a Charitable Remainder Annuity Trust (CRAT) used to distribute a fixed dollar amount based on the original fair market value of the assets contributed to the trust; and a Charitable Remainder Unitrust (CRUT) used to distribute a fixed percentage of the fair market value of the trust assets, calculated annually.</p>

<b>Contributed Services</b>	<p>Activities provided by individuals without a corresponding payment in return. Donations of these services do not qualify as charitable contributions under the federal tax code.</p> <p>Generally Accepted Accounting Principles require that contributions of services will be recognized for accounting purposes only if the services received (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Services requiring specialized skills are provided by accountants, architects, carpenters, doctors, electricians, lawyers, nurses, plumbers, teachers, and other professionals.</p>
<b>Deferred Gift</b>	<p>Any charitable arrangement, usually established during the donor's lifetime, whereby EP's use of the asset is deferred to some future time and whose principal benefits usually do not accrue to EP until the donor is deceased. Deferred gifts often involve financial, estate, or tax planning, and frequently involve the use of a professional adviser by the donor, such as an attorney, a financial planner, and/or an accountant.</p>
<b>Donor Advised Fund</b>	<p>A fund created from assets given to a tax exempt charitable organization, for which the original donor may subsequently advise the initial organization to make a gift to a qualified second organization, such as EP. The initial tax exempt charitable organization is the legal donor.</p> <p>► Note: A gift from a donor advised fund will not be applied as payment against an individual's pledge.</p>
<b>Donor Directed Fund</b>	<p>A fund created from assets deposited with a financial institution. The assets remain in the name and under the control of the depositor. The depositor may subsequently direct the financial institution to issue a check to EP, an affiliated entity, or the University. The depositor making the direction is the legal donor.</p>
<b>Endowment</b>	<p>A permanent gift that is invested for the long term to provide sustainable financial support for the university through an annual payout.</p>
<b>Exchange Transaction</b>	<p>A transaction whereby one party receives something of value in return for giving up something of value (i.e. the sale of goods and services). When goods and services of more than a token value are given to a donor in exchange for the donor's gift, an exchange transaction has occurred and the gift valuation must be decreased by the value of goods or services received by the donor.</p>
<b>Face Value</b>	<p>The nominal value of the donor's pledge or deferred gift. For cash payments the face value is also the present value.</p>
<b>Generally Accepted Accounting Principles (GAAP)</b>	<p>Reporting standards followed by EP when issuing externally audited financial statements. Rules for counting gifts under GAAP may differ from rules promulgated by CAE or CASE.</p>

<b>Gift</b>	Financial support given voluntarily with nothing (other than a token of appreciation) received in exchange.
<b>Gift agreement</b>	Documents setting forth the terms and conditions of a donations, including letters of intent, statements of testamentary provision, and grant agreements.
<b>Gift-in-kind</b>	A gift of a non-monetary item of property such as art, collectibles, books, equipment, automobiles, inventory or other physical assets or materials.
<b>Honorary Gift</b>	Donations received in honor of a person or an event. EP acknowledges these with letters to the donors and the honoree.
<b>Intangible Property</b>	An asset not having a physical substance. Examples are patents, copyrights and easements.
<b>Irrevocable</b>	Unable to be rescinded.
<b>IRS Form 8282</b>	The form EP is required to send to both the IRS and the donor if donated property (other than cash and publicly traded securities) is disposed of within three years of the date of the gift, and the donated property was valued on IRS Form 8283 at more than \$5,000.
<b>IRS Form 8283</b>	<p>The form donors are generally required to attach to their tax returns whenever they donate property (other than cash and publicly traded securities) valued at more than \$500.</p> <p>► Note: If the property (other than cash and publicly traded securities) is valued at more than \$5,000, EP must sign the form.</p>

<b>Life Insurance</b>	<p>A policy that will pay a specified sum to beneficiaries upon the death of the insured. There are many types of life insurance policies and many policies are hybrids of one or more of the following:</p> <ul style="list-style-type: none"> <li>• Term Life has no cash surrender or loan value and generally furnishes insurance protection for only a specified or limited period of time.</li> <li>• Whole Life is a policy for which the insured pays a level premium for his or her entire life and in which there is a constantly accumulating cash value which the insured may withdraw or against which the insured may borrow.</li> <li>• Universal Life is a policy over a specified period of time, which builds cash value for policyholders over time. This type of policy emphasizes the separation of the portion of the premium that is used to cover the insurance protection from the portion of the premium allocated to an investment that is used to build the policy's cash value.</li> <li>• Variable Life is a distinct type of whole life insurance in which some amount of the death benefit is guaranteed by the insurer, but the total death benefit and the cash value of the insurance before death depend on the investment performance of that portion of the premium which is allocated to a separate fund.</li> <li>• Group Life Insurance is commonly offered by companies to their employees with a master insurance contract providing life insurance benefits to each covered employee.</li> </ul>
<b>Matching Gift Programs</b>	<p>Programs offered as a benefit to their employees by for-profit companies to encourage employees to make gifts to charitable organizations. If the circumstances of the gift meet the company's matching gift program rules, the company will contribute an amount to the same charity based on the amount of the employee's gift.</p> <p>► Note: A corporate matching gift will not be applied as payment against an individual's pledge.</p>
<b>Memorial Gift</b>	<p>Donations received in memory of someone. EP acknowledges these with letters to the donors and a donor list to the next-of-kin.</p>
<b>Planned Gift</b>	<p>A planned gift generally involves financial, estate, or tax planning, and frequently involves a professional advisor such as an attorney, a financial planner, an accountant, and a philanthropic gift planning specialist. Planned gifts often provide donors with income for life and significant tax deductions. Planned gifts can take the form of advised bequests, charitable lead trusts, charitable remainder trusts, charitable gift annuities, and life insurance.</p>
<b>Pledge (Commitment)</b>	<p>A written or verbal promise by a donor to make a gift.</p>



<b>Present Value (PV)</b>	The value today of an amount to be paid at one or more times in the future. The concept is based on a recognition of the time value of money, therefore the calculation uses a “discount rate”- generally the entity’s average return on its investment.
<b>Quasi-Endowment</b>	A gift of collection of funds that are invested for a period of time, as long as perpetuity, intended to provide financial support for the university through either an annual payout or agreed upon draw. A quasi-endowment may be established by a donor or a unit at ASU, and may allow for spending of the original funds, and may be spent in its entirety, based on the agreement.
<b>Realized Bequest</b>	A gift resulting from a donor’s estate after the donor has died.
<b>Real Property</b>	Land and buildings.  ► Note: Tangible personal property that cannot be removed from land or buildings without causing damage is classified as fixtures and deemed to be part of real property.
<b>Restricted Gift</b>	A gift given to support a specific activity, such as a purpose, program, project, position, or endowment fund. In consultation with EP and/or the University, the donor may temporarily or permanently restrict 95% of the gift. 5% of all gifts are unrestricted for the university.
<b>Retirement Plan Distributions</b>	Payments made from a retirement plan to the account owner. In the case of the account owner's death, payments are made to the beneficiary.
<b>Revocable</b>	Able to be rescinded.
<b>Securities</b>	Instruments that signify an ownership position in a corporation (a stock), a creditor relationship with a corporation or government body (a bond), or rights to ownership such as those represented by an Option, Subscription Right, and Subscription Warrant. Publicly traded securities signify ownership rights that trade on an exchange or over-the-counter market for which public price quotations are available. Closely held securities signify ownership rights for which there are no public price quotations.
<b>Split-interest Gifts</b>	A donation that divides the income and principal benefits between charitable and noncharitable beneficiaries. Three split-interest programs are offered by EP, charitable gift annuities, charitable remainder trusts, and charitable lead trusts.
<b>Tangible Personal Property</b>	Physical property such as art, books, jewelry, livestock, or equipment. Some tangible personal property may be temporarily affixed to buildings. If it can be moved without damaging any real property to which it may otherwise be attached, it is generally considered tangible personal property.
<b>Unrestricted Gift</b>	A gift for use by EP or the University without any additional donor stipulations as to use or purpose.

## Principles

### Overview

The Policy Principles are divided into four sections, *Guidelines*, *Types of Gifts*, *Forms of Gifts*, and *Special Situations*.

### A. Guidelines

#### Definition of a Charitable Contribution

Charitable contributions are resources given voluntarily with nothing received in exchange. If a donor receives benefits in return for his or her gift, the value of the benefit he or she receives is deducted from the gift in any receipting, reporting, and gift crediting in accordance with IRS regulations.

Resources that the donor directs to or for the use or benefit of a specific named individual are considered by the IRS to be private benefit, and do not qualify for the charitable contribution deduction. Consequently, funds provided for the purposes illustrated below will not be recorded as gifts to EP:

1. Financial aid for the use of a specified student;
2. Compensation, funding or material goods for a named faculty member or staff person specified by the donor; and
3. Deposits to an account over which the transferor/donor retains expenditure control.

#### Considerations for Accepting a Gift

Gifts that are solicited and accepted must be compatible with the missions of the University and/or EP.

The following factors will be considered before accepting a gift:

- Is it in the best interests of the University, EP and the Donor?
- Will it provide amounts appropriate to carry out the specified use?
- Will it require additional resources to meet the restrictions, matching requirements, maintenance, or other terms?
- Does it infringe on the University's or EP's control over established policies for admissions, appointments, promotions; the conduct of teaching and research; employment of faculty and staff; the construction of facilities; or any other University or EP activities?
- Does it contravene the University and EP policies of nondiscrimination and equal opportunity for all persons regardless of race, sex, color, religion, creed, national origin or ancestry, age, marital status, sexual orientation, disability, or Vietnam-era veteran status?
- Are the terms written so narrowly that the funds will benefit only one individual identified by the donor?

If these or any other factors lead to reservations about accepting the gift, then EP may choose to not accept it. In certain cases, specific proposed gifts may be referred to the EP CEO and/or the University President for a decision.

#### Gift Designations

All gifts to support the University are to be directed to EP, according to University policy FIN 303. Checks should be made payable to the "ASU Foundation". Donors wishing to provide future support

to the University through a bequest, retirement plan distribution, outside trust, or other method should designate the ASU Foundation as the beneficiary.

In addition, EP processes for deposit with the University gift checks that are made payable to the University. Therefore, under university policy all gift checks are sent to EP, regardless of whether the payee is EP or the University.

### **Regulatory Authority and Industry Standards**

All gifts shall be recorded and receipted by EP in compliance with IRS regulations. For purposes of counting and reporting, EP will comply with guidelines established by the Council for the Advancement and Support of Education (CASE), Council for Aid to Education (CAE), the National Association of College and University Business Officers (NACUBO), and Generally Accepted Accounting Principles (GAAP) promulgated by the standard setting bodies, as appropriate.

### **Fiscal Responsibility**

All gifts to the University and EP of cash, checks and securities are to be sent to Cash Receipts within EP Financial Services office as soon as possible, and in any event no more than three business days after receiving the gift.

### **Conditional and Installment Pledges or Gifts**

Pledges or gifts with the following conditions will be reviewed by the EP CEO, University President, or their designees, prior to acceptance:

1. Matching gift challenges with the donation predicated on raising other funds; and
2. Payments predicated on the University or EP achieving an external benchmark or standard. For example, earning a certain investment return on the endowment pool or achieving specific external rankings for academic programs.

Installment pledge payments may not exceed five years for any one gift, unless approved in advance by the EP CEO, COO of the Foundation or CFO.

In rare circumstances, donors may ask to change the payment schedule or cancel their pledges. In these situations, the development officer or other ASU or EP staff in contact with the donor, must alert the COO of the Foundation and complete a Pledge Modification Form for approval.

### **Donor/Purpose Anonymity**

EP understands and respects the preference of donors who wish to remain anonymous, although for record-keeping purposes the identity of all donors must be known by EP's CEO and COO of the Foundation, the University President, and such other officers as they determine have a need to know. Unless a donor requests anonymity, however, EP reserves the right to disclose the name of a donor at its lawful discretion. If a donor wishes to remain anonymous, the donor shall so indicate in a signed agreement. EP will honor requests for anonymity to the extent permitted by applicable law, but may be required to disclose the description, date, amount and conditions of anonymous donations.

### **Approvals**

All approvals required under this policy must be documented in writing and signed by the approver. E-mails from the approver will be considered sufficient documentation.

### **B. Types of Gifts**

Donations to EP take many forms. They can be spent immediately, create an endowment, provide benefits to both the University and an external beneficiary (split-interest agreement), constitute a

promise to give in the future (pledge), or be provided as part of a corporate matching program. In each case there are procedures and documents to protect the interests of all of the parties.

1. **Expendable gifts** are paid in cash or a form that is easily convertible to cash, such as checks, credit cards, or marketable securities. A gift agreement or signed letter of intent between the donor and EP is used to document the donor's intentions for expendable gifts of \$100,000 or more. For expendable gifts under \$100,000, written documentation describing the use of the funds is required. The documentation may be correspondence from the donor, a pledge card, or the initial solicitation material.
2. **Endowments** are created from a variety of resources. EP maintains and manages a fully diversified investment pool for its endowments and similar funds. Therefore, preferred funding sources for endowments are cash or those assets that can be quickly converted to cash, such as marketable securities, and then invested in EP's endowment pool. Endowments may also be funded from other assets such as real or personal property. However, until the assets are sold and added to the endowment pool, there is no payout and no funds will be available for spending by the ASU beneficiary.

The creation of an endowment fund requires a fully executed endowment agreement signed by the donor and EP. The agreement contains the name of the fund, the donor's name and contact information, identification of an ASU beneficiary, gift purpose, and standard terms regarding investment practices, endowment payout, EP policies, and other general information. The agreement is reviewed and approved by the ASU beneficiary, typically an academic dean or other University administrator, prior to execution.

Criteria for the use of funds, documented in endowment agreements, should be as broadly stated as possible to ensure the ASU beneficiary can make use of the annual payout in accordance with the donor's intent, both now and in perpetuity. Any additional relevant documentation that may be interpreted to govern the use of the gift or fund payout or the donor's expectations shall be included as an attachment to the agreement.

3. **Split-interest gifts** are offered in three types: charitable lead trusts, charitable remainder trusts, and charitable gift annuities. Although there are no formal age requirements, the preference is that a donor be at least 60 years old. These agreements are established and maintained by EP's Office of Estate and Gift Planning. Development officers should contact that office when a donor is interested in this type of giving.
4. **Promises to give in the future** (pledges) can be fulfilled within a person's lifetime or as provided in that person's will. The following information is required prior to accepting a pledge:
  - Donor (full name)
  - Address
  - Amount
  - Payment schedule
  - Gift purpose or restrictions
  - Other relevant information.

A letter of intent or other signed documentation from the donor may be used to record pledges. Promises made by email may be recorded as long as they provide all required information. Send this information to the EP's Office of Gift Administration and Data

Management as soon as possible but no later than three business days after receipt of the documentation.

► **Caution:** Pledge payments may not exceed five years, unless approved in advance by the EP CEO, COO of the Foundation or CFO.

Revocable provisions in a will are noted in EP's gift system as "advised bequests" but do not constitute gifts that can be counted for GAAP or CAE purposes. Donors who have indicated that they have made a bequest for the benefit of ASU may, depending upon the individual situation, be asked to disclose, in writing or by copy of the will, the relevant clause that benefits the University as evidence of their gift. This information is used for internal financial purposes only and is not binding on the donor.

Donors may make a bequest commitment irrevocable by executing a separate contract, such as a Contract to Make a Will.

Advised bequests accompanied by a signed gift agreement or other signed contract are recorded in the financial systems as pledges.

EP will not accept gifts where it is required to serve as an executor (personal representative) for a donor's estate, or as trustee of a trust other than a charitable remainder trust. Exceptions may be approved by the EP CEO upon the advice of EP's General Counsel.

EP shall not provide legal or tax planning advice for donors. Additionally, no EP or University employee may serve as a legal witness to a donor's will or other estate planning document that includes a provision by which the donor intends to support ASU.

5. **Corporate matching programs:** EP participates in corporate matching programs and carefully monitors and follows the guidelines of each corporation to comply with their plans. Corporate matching gifts may not be used to fulfill an individual's pledge.

### C. Forms of Gifts (Methods of Payment)

Gifts to EP can come in many forms. Outright gifts include donations of:

- Cash, in the form of currency, checks and credit cards
- Publicly traded stocks, bonds, or mutual funds
- Privately held securities
- Partnership interests
- Real Property
- Tangible Personal Property
- Intangible Property
- Life Insurance
- Retirement Plans
- Services

1. **Gifts of cash** in the form of currency, checks and credit cards, and publicly traded securities generally do not require any special approvals. Donations made via payroll deduction are a form of cash gifts. Refer to the *Forms* section of this policy for a link to instructions for making a gift via payroll deduction, or of publicly traded securities. Gifts of publicly traded securities are handled in accordance with EP's Investment Policy.

2. **Privately held securities** - Gifts of unregistered, restricted, or closely held stock, or gifts of securities with limited marketability require the prior approval of the CFO. Non-publicly traded securities accepted as gifts will be liquidated as soon as practical.
3. **Partnership interests** – Gifts of partnership interests are considered on a case-by-case basis and require the approval of the CFO.
4. **Real Property** – Contact EP’s Office of Estate and Gift Planning to begin the evaluation process of potential gifts of real estate. The Office of Estate and Gift Planning will coordinate with EP’s Managing Director of University Realty. Gifts of real estate may include unimproved land, single and multifamily residences, condominiums, apartment buildings, commercial property, and shares of real estate development ventures. These gifts may also take the form of bargain sales, in which the property is sold to EP at a purchase price of less than its market value. Because of transaction and management costs, only real property gifts valued at greater than \$15,000 will be considered for acceptance, except under special circumstances. Gifts of real estate intended for EP are subject to approval by the Real Estate Committee of EP’s Board of Directors. Gifts of real estate intended for the use of ASU are subject to approval by ASU’s Senior Vice President of Finance.
5. **Tangible Personal Property (Gifts-In-Kind)** – Gifts of tangible personal property can be in the form of long-term assets, such as artwork or furniture, or of consumable goods, such as office supplies, food or beverages. These gifts can be made either to the University or EP, and can be of any value. If the tangible personal property is to be used, then title should be directed to the University. If the property is to be sold, the gift should be directed to EP. Gifts of consumables should be made to the organization (University or EP) that will be using the items.

To substantiate a charitable contribution deduction of tangible personal property, IRS regulations require the donor to obtain a qualified appraisal for any gifts of tangible personal property with a fair market value in excess of \$5,000. To avoid any conflict of interest, EP cannot pay or reimburse a donor for appraisal costs. Neither the University nor EP are qualified appraisers for tax purposes.

In accordance with University Policy, before the University can accept any gift-in-kind of chemical, biological or physical materials that present or might present a potential hazard, or any equipment which has the potential to injure or to produce a product that may cause injury, the college or department representative must contact ASU Environmental Health and Safety Department for an evaluation. EP will also seek advice from the University’s Environmental Health and Safety Services or from other third-party advisors before accepting donations of these items to the Foundation.

Items which have no potential for injury that may be accepted without Environmental Health and Safety Services’ review include the following: books and other papers, works of art, costumes, non-poisonous plants, general office equipment, and other small electrical items in good condition.

The University and/or EP reserves the right to reject any gift-in-kind that appears to carry risk potential, and that has not been referred to the University’s Environmental Health and Safety Services.

- 6. Intangible Property** - Because the management of intangible property rights can be complicated, all gifts of intangible property, including book or music royalties, **must be** approved by the intended ASU beneficiary and EP's CFO prior to acceptance.

Examples of these types of gifts are:

- John Donor, a professor, gives EP the copyright to his popular book.
- Jane Donor, a scientist, donates to EP her patented process for making a vaccine.
- Joan Donor, a cartoonist, gives to EP all trademark and licensing rights associated with one of her popular characters.

To substantiate a charitable contribution deduction for intangible property, IRS regulations require the donor to obtain a qualified appraisal for any gifts of intangible property with a fair market value in excess of \$5,000. To avoid any conflict of interest, EP cannot pay or reimburse a donor for appraisal costs. The qualified appraisal must be completed no earlier than sixty days prior to the date of gift. If EP chooses to conduct its own independent appraisal of the property, it will bear all costs of that appraisal.

EP reserves the right to liquidate, upon transfer or at any time thereafter, any intangible property obtained through charitable donation, unless otherwise specified in a legally binding agreement between EP and the donor(s). Any such restrictions may impact its marketability and therefore the value of the gift.

- 7. Life Insurance** - EP may accept gifts of life insurance policies in the following situations:

- The donor wants to irrevocably transfer ownership of whole, variable or universal life insurance policies with the understanding EP will liquidate the policy as soon as practicable, at EP's discretion.
- The donor wants to irrevocably transfer ownership of whole, variable or universal life insurance policies and continue making premium payments directly to the insurance company (not to or through EP). If the donor desires to obtain a gift receipt for premium payments made directly to the insurance company, the donor must provide proof of such payments to EP to document these gifts. To facilitate the receipt process for the donor, the Foundation will provide the donor an annual reminder with instructions for documenting premium payments made on behalf of EP by the donor.
- The donor/owner may name EP the beneficiary of the policy.

EP will not accept gifts of life insurance with the following characteristics:

- Ongoing premium payments are required by or through EP.
- Interests in term policies, since they have no current cash value and seldom remain in force until the death of the insured.
- Group life insurance as it is owned by the employer. Donors may opt to name EP as beneficiary of either a term or group life policy, and this qualifies as a revocable deferred gift rather than a current outright gift.
- Participation in any pooled insurance program including Investor-Owned Life Insurance or Stranger-Owned Life Insurance programs.

To determine whether a gift of life insurance meets the requirements of this policy, the development officer is to notify the EP's Office of Estate and Gift Planning, which will assess the policy.

8. **Retirement Plan Distributions** - Naming EP as a beneficiary of retirement plan proceeds is not an outright gift but an expectancy, similar to a bequest in a will. Contact EP's Office of Estate and Gift Planning when you learn of these situations.
9. **Services** – EP accepts and appreciates the services of its volunteers. However, the donations of these services do not qualify as charitable contributions under the IRS tax code, and therefore, are excluded from CASE and CAE reporting.

Under certain circumstances, Generally Accepted Accounting Principles require that contributions of services will be recognized for accounting purposes if the services received (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and (c) would typically need to be purchased if not provided by donation. Services requiring specialized skills are provided by accountants, architects, carpenters, doctors, electricians, lawyers, nurses, plumbers, teachers, and other professionals. Notify EP's CFO when you learn of situations that may meet these criteria.

#### **D. Special Situations**

##### **Outside Trusts**

Donors may notify EP that they are planning to establish or have established a charitable remainder or lead with another organization and have designated EP or the University as the beneficiary. Contact EP's Office of Estate and Gift Planning when you learn of these situations.

##### **Partial Interest Gifts**

Consult EP's CFO when presented with gifts that have the following characteristics:

1. Gifts subject to life estate or remainder interest in a home or farm
2. Transfers of a partial interest in an asset
3. Oil, gas, water and mineral interests
4. Timber
5. Qualified conservation contributions.

##### **Requests for Exceptions to the Policy**

Any exceptions to this policy must be fully vetted and approved by the EP CFO and COO of the Foundation.



## Responsibilities

<b>ASU Environmental Health and Safety Services</b>	Evaluate gifts of materials or equipment that may present a potential hazard or may have a potential to injure, prior to acceptance by the University.
<b>ASU Finance Office</b>	Send checks payable to ASU Enterprise Partners to EP's Cash Receipts office within three business days of receipt.
<b>ASU Property Control Office</b>	Approve and record gifts of tangible personal property that are given to the University for its use.
<b>CFO</b>	<p>Make final determination for special situations or requests for exceptions to the policy, with COO of the Foundation.</p> <p>Evaluate gifts of services to EP to determine whether they will be recorded under Generally Accepted Accounting Principles.</p> <p>Sign IRS Form 8283 for gifts to EP and University of personal property, (tangible and intangible), and real property valued at greater than \$5,000. Sign gift agreements, with COO of the Foundation or EP CEO.</p>
<b>College or Unit Administrative Office</b>	<p>Educate college and unit staff on the provisions of this policy.</p> <p>Contact the University Environmental Health and Safety Department before accepting any gift of materials or equipment that presents a potential hazard or has a potential to injure.</p>
<b>Development Officer</b>	<p>Send or ensure that gifts received are sent to EP's Cash Receipts office within three business days of receipt.</p> <p>Gather information about pledges and send it to EP's Office of Gift Administration and Data Management within three business days of receipt. Share information about unique or unusual gift situations with the COO of the Foundation or designee.</p> <p>Work with EP's Gift Agreement Coordinator to prepare gift agreements for endowment gifts of any amount and expendable gifts of \$100,000 or more.</p> <p>Provide donor with appropriate instructions and forms to document and facilitate gift commitments.</p>

<b>Office of Estate and Gift Planning</b>	<p>Coordinate gifts of charitable lead trusts, charitable remainder trusts, and charitable gift annuities.</p> <p>Advise on gifts of life insurance, bequests, or other deferred gifts.</p> <p>Work with University Realty to evaluate potential gifts of real estate and recommend for acceptance or refusal.</p> <p>Receive communication about all outside trusts established to benefit the University and EP.</p>
<b>Financial Services (EP)</b>	<p>Open new accounts.</p> <p>Deposit gifts of cash, checks, credit cards, and securities in a timely manner.</p> <p>Calculate and record pledge information for financial statement reporting. Report gift totals following Generally Accepted Accounting Principles, and both CAE and CASE guidelines.</p>
<b>General Counsel</b>	<p>Advise the Foundation COO when an EP employee is being asked to serve as an executor of a donor's estate.</p>
<b>Office of Gift Administration and Data Management</b>	<p>Record all gifts and pledges that benefit the University and EP.</p> <p>Monitor and request gifts under corporate matching programs.</p> <p>Monitor and prepare reminders for pledge payments.</p> <p>Prepare IRS Form 8283 for gifts to EP and the University of personal property, (tangible and intangible), and real property valued at greater than \$5,000. Complete IRS Form 8282 for items donated to EP valued at greater than \$5,000 that were sold within 3 years of receiving the gift.</p>
<b>CEO (EP)</b>	<p>Decide on the acceptability of gifts with factors that may have cause for concern to EP or the University. Sign agreements when appropriate.</p>
<b>University Realty</b>	<p>Work with the Office of Estate and Gift Planning to evaluate potential gifts of real estate and recommend for acceptance or refusal.</p>
<b>Representative of the University College or Unit who is in contact with the donor</b>	<p>Send gifts received to EP's Cash Receipts office, with <i>Request for Deposit</i> form, within three business days of receipt.</p> <p>Provide requisite information on new pledges, including when appropriate signed documentation such as a <i>Letter of Gift Intent</i>, to EP's Office of Gift Administration and Data Management within three business days of completion. Share information about unique or unusual gift situations with the Foundation's COO.</p>

	Work with the unit's development office and/or with EP's gift agreement coordinator to prepare gift agreements for endowment gifts of any amount and expendable gifts of \$100,000 or more.
<b>Foundation COO</b>	With CFO, decide on the acceptability of unusual gifts including partnerships, intangible property, partial interest items, donor advised funds, and other unusual situations.  Review and approve any requests for exception to the policy, with CFO.  Oversee gift agreement process and sign gift agreements, with CFO.
<b>University President</b>	Advise on the acceptability of gifts with factors that may have cause for concern to the University.
<b>Everyone</b>	Understand your roles and responsibilities under this policy.

### Forms and Tools/Online Processes

<b>Form</b>	<b>Use</b>	<b>Location</b>
<b>Gift Agreements</b>	To formally document the terms establishing a permanent or quasi-endowment of any amount, or an expendable gift of \$100,000 or more	<a href="#">Gift Agreements forms</a>
<b>Gift-in-Kind (GIK) and Contributed Services (CS) Approval Form</b>	To report and request approval for all gifts of property (non-cash) and services	<a href="#">Gift-in-kind</a>
<b>Gift of Securities Form "Donor Intent – Stock Gift Wire (DDTC) Instructions"</b>	Used to make a gift to the Foundation of publicly traded securities.	<a href="#">Stock Transfer forms</a>
<b>IRS 8282 Form</b>	To report a sale or gifted property if the sale occurred within	<a href="http://www.irs.gov/formspubs/lists/0..id=97817.00.html">http://www.irs.gov/formspubs/lists/0..id=97817.00.html</a> (scroll to form or use search feature at top of page)

	three years of receiving the gift.	
<b>IRS 8283 Form</b>	Filed by the donor to substantiate a non-cash gift greater than \$500.	<a href="http://www.irs.gov/formspubs/lists/0,,id=97817,00.html">http://www.irs.gov/formspubs/lists/0,,id=97817,00.html</a> (scroll to form or use search feature at top of page)
<b>Letter of Intent</b>	Used to document an expendable commitment, may be countersigned if the amount exceeds \$100,000	<a href="#">Letter of Gift Intent</a>
<b>Planned Giving Form</b>	To report information on deferred gifts to the Foundation offices of  Gift Administration and  Data Management and  Financial Services	<a href="#">Estate and Gift Planning forms</a>
<b>Gift and Pledge Transmittal Form</b>	To provide information on pledges, as well as pledge payments and gifts for deposit including the account to which the funds are to be credited.	<a href="#">Request for Deposit form</a>
<b>Request for Payroll Deduction</b>	Used by employees to make a gift to the Foundation via an amount withheld from their salary.	<a href="#">Payroll deduction forms</a>

<b>Pledge Modification Form</b>	Used to record donors' requests to modify or cancel pledges	<a href="#">Pledge Modification Form</a>
<b>Statement of Testamentary Provision</b>	Used to document a donor's intent to support ASU through an estate provision	<a href="#">Statement of Testamentary Provision</a>
<b>Terms and Conditions</b>	Provides standard language for University and EP staff and donors regarding the terms and conditions for gift administration	<a href="#">Terms and Conditions</a>