# Stockton University Foundation
# GIFT ACCEPTANCE POLICIES AND GUIDELINES

Stockton University Foundation, a not for profit organization organized under the laws of the State of New Jersey, encourages solicitation and acceptance of gifts to Stockton University Foundation (hereinafter referred to as the Foundation) for purposes that will help the University to further and fulfill its mission. The following policies and guidelines govern acceptance of gifts made to the Foundation.

The mission of the Foundation is to:

The Stockton University Foundation supports the philanthropic needs of Stockton University. The Foundation provides leadership and oversight and is responsible for raising, stewarding and distributing its assets.

## I. Purpose of Policies and Guidelines

The Board of Directors of Stockton University Foundation and Stockton University staff solicit current and deferred gifts to secure the future growth and further the mission of the Foundation. These policies and guidelines govern the acceptance of gifts by the Foundation and provide guidance to prospective donors and their advisors when making gifts to the Foundation. These policies shall apply to all gifts received by the Foundation for any of its programs or services.

## II. Use of Legal Counsel

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

1. Closely held stock transfers that are subject to restrictions or buy-sell agreements.
2. Documents naming Stockton University Foundation as Trustee.
3. Gifts involving contracts, such as bargain sales or other documents requiring the Foundation to assume an obligation.
4. Transactions with potential conflict of interest that may invoke IRS sanctions.
5. Other instances in which use of counsel is deemed appropriate by the gift acceptance committee.

## III. Conflict of Interest

The Foundation will urge all prospective donors to seek the assistance of legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences. The Foundation will comply with the *Model Standards of Practice for the Charitable Gift Planner* promulgated by the Partnership for Philanthropic Planning, shown as an appendix to this document.

## IV. Restrictive Gifts

The Foundation will accept unrestricted gifts, and also gifts restricted for specific programs and purposes, provided that such restricted gifts are consistent with its stated mission, purposes, and priorities. The Foundation will not accept gifts that are too restrictive in purpose. Gifts that are too restrictive are those that violate the Foundation's governing documents, gifts that are too difficult to administer, or gifts that are for purposes outside the mission of the Foundation. All final decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the gift acceptance committee of the Foundation.

## V. The Gift Acceptance Committee

The gift acceptance committee shall consist of:

1. The president of Stockton University;
2. The chair of the Foundation Board
3. The treasurer of the Foundation Board;
4. The Chief Development Officer of Stockton University and Executive Director of the Foundation.

The gift acceptance committee is charged with the responsibility of reviewing all gifts made to the Foundation, properly screening and accepting those gifts, and making recommendations to the board on gift acceptance issues when appropriate. The committee may seek input from Foundation Counsel and/or other experts when appropriate.

## VI. Types of Gifts

The following gifts shall be considered:

- Cash.
- Tangible Personal Property.
- Securities.
- Real Estate.
- Remainder Interests in Property.
- Oil, Gas, and Mineral Interests.
- Bargain Sales.
- Life Insurance.
- Charitable Remainder Trusts.
- Charitable Lead Trusts.
- Retirement Plan Beneficiary Designations.
- Bequests.
- Life Insurance Beneficiary Designations.

Final determination of the acceptance of all gifts will be made by the President of Stockton University following recommendations from 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 The Stockton University Foundation and shall be delivered to the Foundation's administrative offices.

2. Tangible Personal Property. All gifts of tangible personal property shall be examined in light of the following criteria:
    - Does the property fulfil the mission of the Foundation?
    - Is the property marketable?
    - Are there any undue restrictions on the use, display, or sale of the property?
    - Are there any carrying costs for the property?
3. Securities. The Foundation may accept both publicly traded securities and closely held securities.

    Publicly Traded Securities. Marketable securities may be transferred to an account maintained at one or more brokerage firms or delivered physically with the transferor's signature or stock power attached. As a general rule, all marketable securities shall be sold upon receipt unless otherwise directed by the investment committee. In some cases marketable securities may be restricted by applicable securities laws.

    Closely Held Securities. Closely held securities, which include not only debt and equity positions in non-publicly traded companies but also interests in limited partnerships and limited liability companies, or other ownership forms, may be accepted. However, gifts must be reviewed prior to acceptance to determine:

    - There are no restrictions on the security that would prevent the Foundation from ultimately converting those assets to cash;
    - The security is marketable; and
    - The security will not generate any undesirable tax consequences for the Foundation.

    If potential problems arise on initial review of the security, further review and recommendation by an outside professional may be sought before making a final decision on acceptance of the gift. Every effort will be made to sell non-marketable securities as quickly as possible.

4. Real Estate. Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest. Prior to acceptance of real estate, the Foundation shall require an initial environmental review of the property to ensure that the property has no environmental damage. In the event that the initial inspection reveals a potential problem, the Foundation shall retain a qualified inspection firm to conduct an environmental audit. The cost of the environmental audit shall generally be an expense of the donor.

    When appropriate, a title policy shall be obtained by the Foundation prior to the acceptance of the real property gift. The cost of this policy shall generally be an expense of the donor.

    Criteria for acceptance of the property shall include:

- Is the property useful for the purposes of the Foundation?
- Is the property marketable?
- Are there any restrictions, reservations, easements, or other limitations associated with the property?
- Are there carrying costs, which may include insurance, property taxes, utilities, or debt associated with the property?
- Does the environmental audit reflect that the property is not damaged?

5. Remainder Interests in Property. The Foundation will accept a remainder interest in a personal residence, farm, or vacation property subject to the provisions of paragraph 4 above. The donor or other occupants may continue to occupy the real property for the duration of the stated life. At the death of the donor, the Foundation may use the property or reduce it to cash. Where the Foundation receives a gift of a remainder interest, expenses for maintenance, real estate taxes, and any property indebtedness are to be paid by the donor or life beneficiary.

6. Oil, Gas, and Mineral Interests. The Foundation may accept oil and gas property interests, when appropriate. Criteria for acceptance of the property 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.
    - A working interest is rarely accepted. A working interest may only be accepted when there is a plan to minimize potential liability and tax consequences.
    - The property should undergo an environmental review to ensure the Foundation has no current or potential exposure to environmental liability
7. Bargain Sales. Stockton University Foundation will enter into a bargain sale arrangement in instances in which the bargain sale furthers the mission and purposes of the Foundation. Factors used in determining the appropriateness of the transaction include:
    - The Foundation must obtain an independent appraisal substantiating the value of the property.
    - The Foundation will not assume any debt associated with the property.
    - The Foundation must determine that it will use the property, or that there is a market for sale of the property, allowing sale within 12 months of receipt
    - The Foundation must calculate the costs to safeguard, insure, and expense the property (including property tax, if applicable) during the holding period.
8. Life Insurance. Stockton University Foundation must be named as both beneficiary and irrevocable owner of an insurance policy before a life insurance policy may be recorded as a gift. The gift shall be valued at its interpolated terminal reserve value, or cash surrender value, upon receipt. If the donor contributes future premium payments, the

Foundation will include the entire amount of the additional premium payment as a gift in the year that it is made.

If the donor does not elect to continue to make gifts to cover premium payments on the life insurance policy, the Foundation may:

- Continue to pay the premiums;
- Convert the policy to paid up insurance; or
- Surrender the policy for its current cash value.

9. Charitable Remainder Trusts. The Foundation may accept designation as a remainder beneficiary of a charitable remainder trust. The Foundation will not accept appointment as trustee of a charitable remainder trust.
10. Charitable Lead Trusts. The Foundation may accept designation as a beneficiary of a charitable lead trust. The Foundation will not accept appointment as trustee of a charitable lead trust.
11. Retirement Plan Beneficiary Designations. Donors and supporters of Stockton University Foundation will be encouraged to name the Foundation as beneficiary of their retirement plans. Such designations will not be recorded as gifts to the Foundation until such a time as the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.
12. Bequests. Donors and supporters of the Foundation will be encouraged to make bequests to the Foundation under their wills and trusts. Such bequests will not be recorded as gifts to the Foundation until such time as the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.
13. Life Insurance Beneficiary Designations. Donors and supporters of Stockton University Foundation will be encouraged to name the Foundation as beneficiary or contingent beneficiary of their life insurance policies. Such designations shall not be recorded as gifts to the Foundation until such time as the gift is irrevocable. Where the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

VII. Miscellaneous Provisions

**Securing appraisals and legal fees for gifts to the Foundation.** It will be the responsibility of the donor to secure an appraisal (where required) and the donor’s own independent legal counsel for all gifts made to the Foundation.

**Valuation of gifts for development purposes**. The Foundation will record a gift received by the Foundation at its valuation for gift purposes on the date of the gift.

**Responsibility for IRS Filings upon sale of gift item.** The University accounting staff is responsible for filing IRS Form 8282 upon the sale or disposition of any asset sold within two years of receipt by the Foundation when the charitable deduction value of the item is more than $5,000. The Foundation must file this form within 125 days after the date of sale or disposition of the asset.

Acknowledgement of all gifts made to the Foundation and compliance with the current IRS requirements in acknowledgement of such gifts shall be the responsibility of the University Development staff on behalf of the Foundation.

## VIII. Changes to Gift Acceptance Policies

These policies and guidelines have been reviewed and accepted by the gift acceptance committee of the Foundation. The gift acceptance committee of the Foundation must approve any changes to, or deviations from, these policies.

Approved on the 4th day of June 2015.

## IX. Attachments

A. *Model Standards of Practice of the Charitable Gift Planner*

# Model Standards of Practice for the Charitable Gift Planner

PREAMBLE
The purpose of this statement is to encourage responsible gift planning by urging the adoption of the following Standards of Practice by all individuals who work in the charitable gift planning process, gift planning officers, fund raising consultants, attorneys, accountants, financial planners, life insurance agents and other financial services professionals (collectively referred to hereafter as "Gift Planners"), and by the institutions that these persons represent. This statement recognizes that the solicitation, planning and administration of a charitable gift is a complex process involving philanthropic, personal, financial, and tax considerations, and as such often involves professionals from various disciplines whose goals should include working together to structure a gift that achieves a fair and proper balance between the interests of the donor and the purposes of the charitable institution.

I. PRIMACY OF PHILANTHROPIC MOTIVATION
The principal basis for making a charitable gift should be a desire on the part of the donor to support the work of charitable institutions.

II. EXPLANATION OF TAX IMPLICATIONS
Congress has provided tax incentives for charitable giving, and the emphasis in this statement on philanthropic motivation in no way minimizes the necessity and appropriateness of a full and accurate explanation by the Gift Planner of those incentives and their implications.

III. FULL DISCLOSURE
It is essential to the gift planning process that the role and relationships of all parties involved, including how and by whom each is compensated, be fully disclosed to the donor. A Gift Planner shall not act or purport to act as a representative of any charity without the express knowledge and approval of the charity, and shall not, while employed by the charity, act or purport to act as a representative of the donor, without the express consent of both the charity and the donor.

IV. COMPENSATION
Compensation paid to Gift Planners shall be reasonable and proportionate to the services provided. Payment of finders fees, commissions or other fees by a donee organization to an independent Gift Planner as a condition for the delivery of a gift are never appropriate. Such payments lead to abusive practices and may violate certain state and federal regulations. Likewise, commission-based compensation for Gift Planners who are employed by a charitable institution is never appropriate.

V. COMPETENCE AND PROFESSIONALISM
The Gift Planner should strive to achieve and maintain a high degree of competence in his or her chosen area, and shall advise donors only in areas in which he or she is professionally qualified. It is a hallmark of professionalism for Gift Planners that they realize

when they have reached the limits of their knowledge and expertise, and as a result, should include other professionals in the process. Such relationships should be characterized by courtesy, tact and mutual respect.

VI. CONSULTATION WITH INDEPENDENT ADVISORS
A Gift Planner acting on behalf of a charity shall in all cases strongly encourage the donor to discuss the proposed gift with competent independent legal and tax advisors of the donor's choice.

VII. CONSULTATION WITH CHARITIES
Although Gift Planners frequently and properly counsel donors concerning specific charitable gifts without the prior knowledge or approval of the donee organization, the Gift Planners, in order to insure that the gift will accomplish the donor's objectives, should encourage the donor, early in the gift planning process, to discuss the proposed gift with the charity to whom the gift is to be made. In cases where the donor desires anonymity, the Gift Planners shall endeavor, on behalf of the undisclosed donor, to obtain the charity's input in the gift planning process.

VIII. DESCRIPTION AND REPRESENTATION OF GIFT
The Gift Planner shall make every effort to assure that the donor receives a full description and an accurate representation of all aspects of any proposed charitable gift plan. The consequences for the charity, the donor and, where applicable, the donor's family, should be apparent, and the assumptions underlying any financial illustrations should be realistic.

IX. FULL COMPLIANCE
A Gift Planner shall fully comply with and shall encourage other parties in the gift planning process to fully comply with both the letter and spirit of all applicable federal and state laws and regulations.

X. PUBLIC TRUST
Gift Planners shall, in all dealings with donors, institutions and other professionals, act with fairness, honesty, integrity and openness. Except for compensation received for services, the terms of which have been disclosed to the donor, they shall have no vested interest that could result in personal gain.
Adopted and subscribed to by the National Committee on Planned Giving and the American Council on Gift Annuities, May 7, 1991. Revised April 1999.