

**Radford University Foundation, Inc.
Gift Acceptance Policy & Procedures**

Policy: The Radford University Foundation, Inc. (the "Foundation") will have a sound and well-managed program to manage annual, major gifts, and planned gifts.

Purpose: The policy and following procedures are a guideline to staff involved with accepting gifts for the Foundation. They are intended only as a guide and allow for flexibility on a case-by-case basis.

Approved: Revised March 31, 2017

Administrative Issues:

- All gifts and pledges should be made payable to Radford University Foundation, Inc.
- The Radford University Advancement Office shall assume responsibility for the fund-raising of gifts. The Foundation's Business Office shall assume responsibility for the receipt of gifts.
- Gifts in the form of checks or cash must be logged in and deposited by the Foundation's contributions processor and the appropriate documentation sent to the Advancement Office to be posted to the donors' records. Once posted, the records are then returned to the Foundation's Business Office for document retention. If a donation is brought to the Advancement Office first, it should be securely and quickly transferred to the Foundation's Business Office for processing. In instances where the use specified is unclear, details of the gift should be brought to the immediate attention of the Advancement Office. During the months of June and December, the envelopes in which gifts are mailed (showing official postmark) shall be retained and kept with the deposit information if the bank deposit date is recorded in the following month.
- Unless the donor requests otherwise, donors may be recognized in annual reports and honor rolls listings, though anything more specific (website and/or magazine articles, named facilities, etc.) will require the approval of the donor. Donor records are confidential and will not be sold to or shared (beyond an annual report honor roll listing) with anyone outside of the Foundation or Radford University without the donor's consent.

Types of Gifts:

The following gifts are acceptable upon the criteria and in accordance with the guidelines set forth herein:

- Cash
- Tangible Personal Property ("Gift in Kind")
- Securities
- Real Estate
- Remainder Interests in Certain Real Property

- Oil, Gas, and Mineral Interests
- Bargain Sales
- Life Insurance
- Charitable Gift Annuities
- Charitable Remainder Trusts
- Charitable Lead Trusts
- Retirement Plan Beneficiary Designations
- Bequests
- Life Insurance Beneficiary Designations
- Pledges

The following criteria govern the acceptance of each type of gift:

Cash:

Cash is accepted in any form. **Checks shall be made payable to Radford University Foundation, Inc.** and may be directed to a particular program or project at Radford University. In no event shall a check be made payable to an individual who represents the Foundation. The date of a cash gift is determined by the postmark date on the envelope used to mail the contribution to the Foundation or the date the gift is hand delivered to the Foundation.

This is the date the donor gives up control of the gift. It is a violation of the Foundation’s policy to falsify a written letter of acknowledgement in any way that would violate U.S. Generally Accepted Accounting Practices (GAAP), the Revenue Reconciliation Act of 1993, or Internal Revenue Code section 170 and the regulations underlying that section.

Tangible Personal Property:

The Foundation accepts certain types of gifts in kind for furthering its mission. Gifts of tangible personal property include vehicles, jewelry, artwork, furniture, equipment, and any other personal item owned by a donor. In addition, in the event that a donor is asked to host a university related event, the Foundation accepts the associated direct costs incurred by the donor as a gift-in-kind. A completed Gift in Kind form (located on the Foundation’s website) should be on file to document and record the gift. For internal gift crediting and accounting purposes, gifts of personal property shall be reported at the fair market value placed on them by the donor and supported by copies of receipts or the knowledgeable opinion of a third-party (for example, an appraisal or the opinion of the Museum Director for a piece of artwork). Donations of all vehicles and other gifts valued at \$5,000 or greater must have a plan established with regards to covering carrying costs or selling the asset. Once that plan is determined, the acceptance of the gift must be approved by the Executive Committee of the Board. In order to be tax deductible, the IRS requires gifts valued at \$5,000 or more to be accompanied by a third-party qualified appraisal and the appropriate IRS form to be completed by a registered appraiser and signed by the Executive Director on behalf of the Foundation; however, it is the responsibility of the

donor to obtain the appraisal and IRS form(s). Donors of personal property will be provided with an acknowledgement from the Foundation for the gift-in-kind donation; however, no stated dollar value will be included in the acknowledgement/receipt for any gifts of personal property. It is against Foundation policy to accept personal property on an on-loan basis.

Whenever the Foundation sells an item of personal property within three years of the date of receipt, it must file with the IRS a Form 8282 indicating, among other things, the date of sale of the item and the sale price if a Form 8283 was required because the value of the gift was in excess of \$5,000.

The Internal Revenue Code and underlying regulations limit a donor's deduction for a gift of tangible personal property to the donor's basis if the property's intended use is not related to the Foundation's tax-exempt purpose. The Foundation should inform every donor of these rules and recommend that the donor seek outside tax advice regarding the amount of the donor's income tax charitable deduction for the gift.

The income tax laws will treat as unrelated use tangible personal property that the Foundation sells, exchanges, or otherwise disposes of before the last day of the tax year in which the donor contributed the property unless the donor has a written statement from an officer of the Foundation, signed under penalties of perjury that either (1) certifies that the use of the property was related to the Foundation's exempt purpose or function and describes who such use further such purpose or function, or (2) states the intended use of the property at the time of contribution and certifies that such use has become impossible or infeasible to implement. The donor's deduction will be recaptured if the Foundation disposes of the property within three years of the date of the contribution but after the close of the year of the contribution unless the donor has similar statement or certification from the Foundation.

Officers of the Foundation shall provide the required certification or statement when the contributed tangible personal property is related to the mission or function of the Foundation. But, when making this determination, the officer should be aware that the Internal Revenue Code imposes a \$10,000 penalty (in addition to any criminal penalties) on any person who identifies property as related or exempt use property knowing that the property is not intended for such a use.

Securities:

Readily marketable securities, such as publicly traded securities, can be accepted by the Foundation. Gifts of marketable securities may be made by electronic transfer to the Foundation account or may be made by stock certificate, in which case the stock certificate should be either duly endorsed or accompanied by a stock power and in each circumstance accompanied by an appropriate signature guarantee. It is the policy of the Foundation that all readily marketable securities are sold immediately upon receipt. For the Foundation's internal gift crediting and accounting purposes, the value of the securities is the average of the high and low on the effective date of the completed transfer to the Foundation. This gift crediting policy is intended to be consistent with the federal tax law rules for valuing those securities for charitable deduction purposes. Neither losses nor gains realized by the Foundation's sale of the securities shall affect the value of the gift. Gains, losses, and brokerage fees or other expenses associated with a security transaction shall be considered a fund-raising expense. Gift acknowledgements for publicly traded securities will include a description/name (type) of gift (security), the number of shares received, and the date received.

Non-publicly traded securities including membership interests in limited liability companies or partnership interests may be accepted after consultation with the Executive Director and/or the Board President. Prior to acceptance, the

Foundation shall explore methods of liquidation for the securities through redemption or sale.

A representative of the Foundation shall try to contact the closely held entity to determine:

- An estimate of fair market value
- Any restrictions on transfer

For Foundation gift acknowledgement purposes, gift acknowledgements will include a description/name (type) of gift/securities, the number of shares received and the date received. No stated dollar value will be included on the acknowledgement letter for gifts of closely held securities. In the case of non-publicly traded securities valued in excess of \$10,000, the donor must obtain a qualified appraisal to substantiate the amount of the federal income tax charitable deduction. The Executive Director will sign the donor's IRS Form 8283 on behalf of the Foundation.

Real Estate:

Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest.

Gifts of real estate, including time shares, must be reviewed by the Radford University Foundation Real Estate Management LLC Board (RUFREM, LLC) Due to the expenses associated with gifts of real estate, only gifts valued in excess of \$25,000 will be considered. A proposed gift of real estate valued under that amount will be evaluated individually.

Where appropriate, a title binder shall be obtained by the Foundation prior to the acceptance of the real property gift.

The cost of this title binder shall generally be an expense of the donor. The donor is responsible for obtaining the required qualified appraisal for any property valued in excess of \$5,000. The cost of the appraisal is borne by the donor. A copy of the donor's qualified appraisal must also be provided to the Foundation. Prior to presentation to the RUFREM, LLC, a member of the staff must conduct a visual inspection of the property. If the property is located in a geographically isolated area, a local real estate broker can substitute for a member of the staff in conducting the visual inspection.

Prior to presentation to the RUFREM, LLC, the donor must provide, at least, the following documents:

- Real estate tax bill
- Current Plot of Survey
- Current owner's title policy or title commitment
- Substantiation of zoning status
- Appraisal

- A Phase I Environmental Site Assessment addressed to the Foundation reflecting the current environmental condition of the real estate
- A Phase II Environmental Site Assessment, if appropriate

Prior to acceptance of the real property, the gift shall be approved by the RUFREM, LLC of the Foundation and by the Foundation's legal counsel. Criteria for acceptance of the property shall include:

- Is the property useful for the purposes of the Foundation?
- Is the property marketable?
- Should a second appraisal be required? Should it be paid for by the Foundation?
- Are there any restrictions, reservations, easements, or other limitations associated with the property?
- Are there carrying costs, which may include insurance, property taxes, mortgages, or notes, etc. associated with the property?
- Does the environmental audit reflect that the property is not damaged?
- Will a new LLC be set up for the property or in which current LLC will it be placed?

Depending on the value and desirability of the gift, the donor's connection with the Foundation and the donor's past gift record, the donor may be asked to pay for all or a portion of the following:

- Costs of environmental remediation
- Maintenance costs
- Real estate taxes
- Insurance
- Title insurance premiums
- Survey costs
- Real estate broker's commission and other costs of sale

In the event the RUFREM, LLC agrees to accept the real estate, for the Foundation internal gift crediting and accounting purposes, the value of the gift will be the appraised value of the real estate.

If the Foundation sells the real estate within three years of the date of the contribution, it will file the required Form 8282 with the IRS.

Remainder Interests in Property:

The Foundation will accept a remainder interest in a personal residence, farm, or vacation home or property subject to the provisions of the above section on real estate. The donor or other occupants may continue to occupy the real property for the duration of the stated life. At the death of the life tenant, the Foundation may use the property or reduce it to cash. Where the Foundation receives a gift of the remainder interest, expenses for maintenance, real estate taxes, and any property indebtedness

are to be paid by the donor or primary beneficiary and should be addressed in a separate agreement with the donor.

Oil, Gas, and Mineral Interest:

The Foundation may accept oil and gas property interests, where appropriate. Prior to acceptance of an oil and gas interest the gift shall be approved by the Executive Committee, and if necessary, by the Foundation's legal counsel.

Criteria for acceptance of the property shall include:

- Gifts of surface rights shall 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 Executive Committee should determine the impact on the Foundation so that it may develop a plan to minimize that impact if accepted
- The property should undergo an environmental review to ensure that the Foundation has no current or potential exposure to environmental liability

Bargain Sales:

The Foundation will enter into a bargain sale arrangement in instances in which the bargain sale furthers the mission and purposes of the Foundation. All bargain sales must be reviewed and recommended by the Executive Committee in consultation with the RUFREM, LLC. Factors used in determining the appropriateness of the transaction include:

- The Foundation must obtain an independent appraisal substantiating the value of the property (in addition to any required appraisal that must be obtained by the donor to substantiate the donor's federal income tax charitable deduction)
- If the Foundation assumes debt with the property, the debt ratio must be less than 50% of the appraised market value
- The Foundation must determine that it will use the property, or that there is a market for the 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

Life Insurance:

The Foundation will accept gifts of life insurance in appropriate circumstances. All gifts of life insurance having a face value of \$100,000 or more must be reviewed and approved by the Executive Committee of the Board of Directors. The Foundation must be named both beneficiary and irrevocable owner of a life insurance policy before a policy can be recorded as a gift. If the Foundation is named as the beneficiary

of a life insurance policy, it may be recorded as a pledge as it pertains to the percentage of the death benefit assignment of the face value. This would be referred to as a revocable gift.

The Foundation will report the cash surrender value of the policy when given rather than its face value as the amount of the gift. If the policy is a paid-up policy, the value of the gift for the Foundation's gift crediting and accounting purposes is the policy's fair market value. If the policy is partially paid up, the value of the gift for the Foundation's gift crediting and accounting purposes is the policy's fair market value. (Note: For IRS purposes, the donor's charitable income tax deduction is equal to the interpolated terminal reserve.) If the donor pays further premiums on the policy, the Foundation will include the entire amount of the premium payments in its gift totals as the payments are made. If the Foundation elects to pay the premiums, it will consider those payments as operating expenses and not report increases in the cash surrender value as a gift.

Regardless of whether the donor or the Foundation pays the premium on a policy the Foundation owns, the difference between the cash value and the insurance company settlement at the death of the donor shall not be reported as a gift but rather a gain on the disposition of the asset. In those cases where the Foundation receives the proceeds of an insurance policy in which it was named beneficiary but not owner, the full amount received will be recorded as a gift on the date delivered. For acknowledgement purposes, the Foundation may publicly recognize the entire amount of a paid up insurance policy rather than what its cash value would be.

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
- Surrender the policy for its current cash value or consider a "life settlement" option.

The Executive Committee must review any other proposed gift involving the use of a life insurance policy, particularly if the transaction involves the purchase of a new policy.

Charitable Gift Annuities:

The Foundation may offer charitable gift annuities. The minimum gift for funding shall be **\$10,000** (exceptions can be made by the Executive Committee). 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 life income beneficiaries shall be 50. No more than two life income beneficiaries will be permitted for any gift annuity. Gift annuities shall be credited at their fair market value which is the full amount of the asset used to fund the gift. Annuity payments may be made on a quarterly, semiannual, or annual schedule. Annuity rates shall be based on those established by the American Council on Gift Annuities.

The Foundation will not accept real estate, tangible personal property, or any other illiquid asset in exchange for current charitable gift annuities, except in unusual circumstances and only upon approval of the Executive Committee. The Foundation may accept real estate, tangible personal property, or

other illiquid assets in exchange for the deferred gift annuities so long as there is at least a 5-year period before the commencement of the annuity payment date, the value of the property is reasonably certain, and the Executive Committee of the Board approves the arrangement.

Funds contributed in exchange for a gift annuity shall be set aside and invested during the term of the annuity payments. Once those payments have been terminated, **the 25%** of funds representing the remaining principal contributed in exchange for the gift annuity shall be transferred to the Foundation's general endowment funds to include unrestricted funds and/or 75% to such specific fund as designated by the donor if documented.

Charitable Remainder Trusts:

The Foundation will not accept appointment as Trustee of a Charitable Remainder Trust. Charitable Remainder Trust interest will be recorded on the donor's gift record. If such deferred gifts increase in value at the time they are received by the Foundation (usually at the person's death), the donor will be given credit for the difference between the initial fair market value of the contribution and the amount realized by the Foundation.

Charitable Lead Trusts:

The Foundation will not accept an appointment as Trustee of a Charitable Lead Trust. In reporting the value of a Charitable Lead Trust, only the income received from it each year during the period of operation of the trust shall be included in the Foundation's gift totals.

Retirement Plan Beneficiary Designation:

Donors and supporters of the Foundation shall be encouraged to name the Foundation as beneficiary of their retirement plans. This 75/25 split will be a standard Foundation policy. If the donor's gift agreement is not consistent with this policy, the Foundation will follow the terms of the gift agreement.

Bequests:

Assets transferred through bequests that have immediate value to the Foundation or can be readily liquidated, shall be encouraged by the Advancement Office. Gifts that appear to require more cost than benefit shall be discouraged or declined. Unless otherwise restricted by the donor, disposition of bequest assets valued at \$50,000.00 or more will be determined by the Executive Committee of the Board of Directors. Disposition of bequest assets below \$50,000.00 shall be determined by the Executive Director and the Board President. The Foundation will not accept appointment as executor for an estate.

Bitcoin:

The Foundation may accept bitcoin donations with a minimum substantiation of **a minimum of \$10,000** in value through an approved processor like BitPay only.

Pledges:

Pledges represent signed statements of intent which should be recorded on the donor's gift record. Such statements are generally not legally binding upon the donor, the donor's heirs or estate. Pledge totals will be included in the fundraising totals, but will be tracked in a distinct category. Cash paid on pledges will be reported as cash pledge payments in the Advancement Office annual report.

The Foundation shall record as a pledge a Testamentary Commitment which is documented by a photocopy of the pertinent portion of the will, trust document, or insurance policy, and/or letter describing the commitment and its ultimate financial value to the institution, being sure to verify that the beneficiary is listed as "Radford University Foundation, Inc." Such pledges shall be recorded as Testamentary Pledge Commitments and they shall be kept separate from pledge commitments which are being paid on a predetermined payment schedule. ***Provisions that name the Foundation as a contingent beneficiary shall be included in the Testamentary Pledge Commitment total.***

Such designations shall not be recorded as gifts to the Foundation until such time as the gift is irrevocable. Where the Testamentary Commitment 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.

Miscellaneous Provisions:

- Securing appraisals and legal fees for gifts to the Foundation:

It shall be the responsibility of the donor to secure an appraisal (where required) and independent legal counsel for all gifts made to the Foundation.

- Responsibility for IRS filings upon sale of gift items:

The Executive Committee of the Foundation is responsible for filing IRS Form 8282 upon the sale or disposition of any asset sold within three years of receipt by the Foundation where the charitable deduction value of the item was \$5,000 (\$10,000 in the case of non-publicly traded securities) or greater and the donor was required to obtain a qualified appraisal. The Foundation's Controller will file this form on the Executive Committee's behalf within 125 days of the date of sale or disposition of the asset.

- Gifts to Endowment:

The Foundation accepts gifts and bequests restricted to endowment. The endowed fund will be invested according to the Investment Policy and pays out the income earned on the assets annually, as stated in the Spending Policy as approved by the Board of Directors. Every restricted endowment is required to have *Conditions of Establishment*, and/or a Gift Agreement signed by the donor and the Foundation before any money can be spent from the Endowment.

- Restricted Gifts:

The Foundation may accept restricted gifts if they do not violate public policy do not impose an undue burden on the Foundation or Radford University and further the mission and purposes of the Foundation and Radford University.