

**CALIFORNIA STATE UNIVERSITY, FRESNO**  
**ADVANCEMENT SERVICES**  
**POLICIES AND PROCEDURES MANUAL**  
*Updated January 2010*

**PREFACE**

The University Advancement Division of California State University, Fresno facilitates the understanding, participation and support of university goals through students, faculty, staff, alumni, parents, friends, corporations, foundations and legislators. The University Advancement Division represents to various publics an institution with the highest standards of excellence and accountability to its constituents.

Due to the increasing emphasis on securing private support for the University, this manual has been compiled to inform the work of those engaged in cultivating and acknowledging the generosity of others. Critical to our work is the careful stewardship of the resources that others place in our trust, whether public or private. These resources must be treated with the utmost care and honesty, and integrity must characterize our stewardship.

This manual is intended to serve as a reference guide for the stewardship of private support. We recognize the generosity of our donors and we want to ensure that their resources are being used in accordance with their intent.

California State University, Fresno, is hereinafter referred to as “University.”  
California State University, Fresno Foundation, is hereinafter referred to as “Foundation.”

This manual is for staff who are involved with fundraising and other development activities on behalf of the University. This manual may be used to answer a variety of questions, including:

- Definitions of different types of gifts and pledges (See Gift Acceptance Policy)
- Responsibilities and procedures of various offices for proper handling of gifts, including receiving, recording and acknowledging gifts and pledges
- Applicable university policies
- Applicable Internal Revenue Service rules
- Procedures for the creation of endowments
- Requirements for naming opportunities
- Gift recognition levels

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## IRS & BASIC GUIDELINES

1. Internal Revenue Code defines a charitable contribution for income tax purposes as a “contribution or gift to or for the use of” certain types of organizations.
2. The gift tax law defines a gift for tax purposes as “property transferred for less than an adequate and full consideration in money or money’s worth.”
3. If a donor receives/is eligible to receive any benefit from the charitable contribution, the charitable contribution is reduced by the value of the benefit.
4. The organization provides a description and good faith estimate of the value of goods or services provided in return for the contribution.
5. Insubstantial goods or services a charitable organization provides in exchange for contributions do not have to be described if they do not exceed 2% of the amount given or \$91 (2008 figure), whichever is less, or the payment is at least \$45.50 (2008 figure) and the cost of the items does not exceed \$9.10 (2008 figure). (Note: these figures change annually.)
6. The Development Office does not record or count grants from public agencies.
7. If an error is detected in the processing or recording of a donor’s gift, a correction is made immediately and the donor informed as appropriate.

## GIFT ACCEPTANCE

General: It is intended that the Foundation be the official recipient of all monetary contributions and pledges (“gifts”) (defined as all gifts/pledges of money, securities, or real or personal property that is intended to be liquidated for cash, as well as gifts-in-kind) made by donors who wish to benefit the University. This procedure applies to all gifts processed and forwarded by the University to the Foundation for acceptance and management. Any gifts that go to the Foundation first should be sent to University Development within one business day for proper procedure in recording and acknowledgment before being returned to the Foundation.

The Executive Committee of the Foundation Board of Governors shall serve as the Gift Acceptance Committee.

See Appendix B for California State University, Fresno and Fresno State Foundation Gift Acceptance Policy.

# CASH GIFTS

## POLICY

University Advancement will accept monetary gifts provided they support the mission of the University.

## PROCEDURE

Cash or checks may be delivered in person, by mail or electronically.

1. All gifts of cash, checks, and payroll deductions will be accepted by Gift and Records Processing at Keats Building, 5244 N. Jackson Ave., M/S KC45, Fresno, CA 93740-8023. Checks should be made payable to the Fresno State Foundation.
  - a. Effective April 1, 2008 all incoming office mail will be handled in the gift processing area. Gift mail will be opened by 2 staff members, one to sort and one to observe. Non-gift mail will be sorted and delivered to the other areas of Central Advancement.
  - b. Gift mail will be counted by two (2) staff members, a tape with the total run and initialed by both; tape will later be checked against gift entries by person checking accuracy.
2. All checks mailed to the Foundation should be forwarded to Gift and Records Processing in the University Development Office within one business day. All checks mailed to any department in the University should be taken to their respective school/college development staff immediately, who will then hand deliver them to Gift and Records Processing in the University Development Office within one business day. Original documentation, including envelopes and corporate matching gift forms that accompany the check, must be kept with the check. A Gift Reporting and Transmittal (GRT) form completed by development staff should accompany the check along with any additional information from the donor.
  - a. When cash or checks are dropped off by campus personnel at the central development office, the person delivering the gifts will count the total number of checks and total dollar amount along with a member of the gift processing staff. Both people will sign off in a log book.
  - b. Likewise, if a person from university development goes to another office to pick up checks, this person will take a log sheet with him/her and the same procedure of counting and signing off will be conducted. This procedure reduces the risk that a check/cash could be inappropriately diverted.
3. While it is the donor's responsibility, not ours, to ascertain the effective date of a gift for tax-deduction purposes, the following general guidelines are provided for informational purposes. Although the date of gift for IRS purposes for gifts made by check is the date the check is mailed or hand-delivered to the University (under the mailbox rule), such gifts are recorded with the date the check is processed by Advancement Services. Metered mail is effective when delivered to a facility under the control of the USPS. For gifts via credit card, the gift date is the date the transaction is completed. Fresno State processes these credit card gifts strictly in accordance with Payment Card Industry (PCI) standards. If gifts are transferred by EFT or wire, the date of the gift is the date the money is transferred to the Foundation's bank account. For items sent via third parties, like FedEx and UPS, the gift date

is the date the University or Foundation signs for the package. Gifts of foreign currency from outside North America should not be booked until a determination of the net cash value has been made and it is clear that accepting the gift will result in a net benefit to the University. Effective date information is solely for our own internal use; we do not provide tax advice to donors.

4. When gifts are received in University Development, Gift and Records Processing records each gift, creates a digital batch which is uploaded to a shared folder on the auxiliary server, and sends the checks, deposit log and a tape of the amounts to Foundation Financial Services within 2 business days.
5. Gift and Records Processing updates donor records and issues gift receipts within two business days of receipt of gifts.
6. Foundation Financial Services uploads the gift batch from the disk created by Gift Records and Processing into the Foundation's accounting system.
7. Cash gifts are deposited into a suspense account at the Foundation when the GRT has "account to be established" checked. Funds are transferred out when the gift account designated by donor has been established.
8. Reallocations or corrections required after a gift has been processed are handled by Gift and Records Processing. Gift and Records Processing updates the donor record and sends a corrected receipt to the donor. Gift and Records Processing corrects any batches returned by Foundation Financial Services. Posting errors will be corrected within one to two business days and a corrected disk will be returned to Foundation Financial Services. The Director of Data and Information Services notifies the Foundation Financial Services Staff Accountant if it will take longer than 72 hours to send a corrected disk.
9. The Associate Vice President for Development provides monthly, annual and other periodic reports summarizing donor-giving activities. There are also reports available in Advance for users to run.

## CREDIT CARD TRANSACTIONS

Credit card transactions of gifts and pledge payments are processed in Data and Information Services, where gifts are electronically charged to the donor's credit card and posted in Advance. Credit card gifts may originate from the Fresno State website, the annual fund phonathon or other sources. The gift date of a credit card donation is when the bank authorizes the transaction, which is usually the time the transaction is run. Credit card gifts are processed in accordance with Payment Card Industry (PCI) standards.

(Note: credit card donations done on line through Fresno State's website are handled by PayPal or the current vendor and are run immediately when donor submits information. See #3 below.)

When credit card pledges are received in University Development, the following steps are taken:

1. Pledge payments from annual phonathon are electronically charged to the donor's credit card and posted on Advance on the first business day following the phone call which secured the pledge. The credit card number is redacted from the merchant copy of the transaction after the transaction goes through. Gift is recorded on Advance (no credit card number is entered into the database).
2. For a non-phonathon gift, the amount is charged to the donor's credit card upon receipt of a pledge form or GRT form. The merchant copy is attached to the corresponding pledge form or GRT form, and the credit card number is redacted from both the merchant copy of the transaction and the GRT or pledge form after the transaction goes through.
3. On-line credit card gifts are confirmed electronically to Gift & Record Processing with no credit card information included. Transactions are recorded in Advance.
4. Gift Records and Processing issues gift receipts for credit card gifts on a weekly basis. Monthly reconciliations are done with the Foundation.

## COMMEMORATIVE GIFTS

*Definition:* Gifts "in memory of" or "in honor of" individuals.

Gifts are processed by University Development. The Stewardship Coordinator will acknowledge each gift with a thank you letter to the donor, and will inform the surviving family or person being honored by a note that includes names of donors but not dollar amounts.

When a donor makes a gift "on behalf of" another individual, the other person receives "recognition credit." The legal gift credit remains with the person who made the gift (that is, whoever signed the check).

## PLEDGES

*Definition:* A pledge is defined as a personal commitment to make a gift or philanthropic grant, wherein the amount of the gift or philanthropic grant will be paid subsequently by the donor, usually in installments.

### POLICY

1. To be recorded as a documented pledge in University Advancement's records, all pledges in any amount and for duration beyond one fiscal year must be signed by the donor. An email signature is acceptable. (See below for information about verbal pledges.)

2. Phonathon pledges are booked, regardless of amount, without donor signature.

### PLEDGE CARDS/WRITTEN AGREEMENTS

*Definition:* A written, dated and signed agreement between the Foundation and the Donor that a donation will be made at a specified time, or according to a specified time schedule.

Note: Depending on the size and complexity of the pledge, the documentation may be in the form of a simple pledge card or a formal pledge agreement, based on the standard template currently being used. Pledge cards may only be used to document a gift that does not require a formal gift agreement. At a minimum, the pledge card should specify the donor's name, amount of gift, the schedule of payment of the gift monies (payable to California State University, Fresno Foundation) preferably not to exceed five years, the designation for use of the funds, no contingencies or conditions, donor consent to the imposition of the administrative assessment, and include donor's signature.

### PROCEDURE

All complete pledge documentation should be submitted to Advancement Services in a timely manner for recording into the development database of record.

- 1) The Pledge Agreement/Card is prepared by the Director of Development in charge of the gift. If no director is involved, then the Administrator in charge will prepare the Pledge Agreement.  
Note: Some Pledge Agreements are written by other entities. These are still sent through the following approval process when received by University Development. They are treated as unsigned Pledge Agreements at this point.
- 2) Pledge Agreement is sent to the Director of Advancement Operations for review.
- 3) The Director of Advancement Operations forwards the Pledge Agreement to Foundation legal counsel for review when required by current Foundation policy.
- 4) After appropriate approvals have been received, the Pledge Agreement is sent to the donor for signature.
- 5) After the donor signs the pledge agreement, it is forwarded to Advancement Operations to route for Foundation/University signatures in the following sequence when required (Pledge cards require just donor's signature):
  - a) Vice President for University Advancement.
  - b) Executive Director of the Foundation
  - c) President of the University (Foundation Secretary of the Board of Governors).
  - d) Foundation Director of Financial Services.
- 6) Fully signed documents shall be returned to Advancement Operations and distributed as follows:
  - a) Donor(s) – Original(s)
  - b) Foundation files – Original
  - c) Advancement Operations – Copy
  - d) Gift Processing – Copy
  - e) College/unit office – Copy

- f) For financial aid funds, Scholarship Office – Copy
- 7) The Pledge Agreement must be signed by all parties to be entered into Advance. The Pledge Agreement must be irrevocable to be recorded and reported to the Foundation. Any conditions that allow the Pledge Agreement to be revoked will disqualify the pledge for entry in Advance. See Appendix G for reporting and reconciliation guidelines.
  - 8) Gift and Records Processing forwards pledge information to development directors and stewardship for appropriate acknowledgment and recognition of the donor.
  - 9) Pledge payments are recorded during gift batch processing.
  - 10) Gift and Records Processing issues pledge reminders following the donor's billing preference (quarterly, semi-annually, or annually.) If the development director has requested special handling, the director is then contacted by the Executive Director of Advancement Services when Advance has generated the reminder on the pre-set date. Records needing special handling are flagged as such in the system.
  11. The Director of Data and Information Services forwards summary pledge information twice per year as of December 31 and June 30 to the Foundation Financial Services Department for reconciliation to the Foundation's records.

## VERBAL PLEDGES

*Definition:* A pledge, other than from a phonathon, made without donor signature.

1. It is generally University policy not to record verbal pledges. A verbal pledge must be documented by a letter stating the amount of the pledge and the duration of the pledge. The letter may be from a unit development director to the donor or from the volunteer solicitor to the donor. The documentation should state why the donor is unwilling to sign a pledge or when the donor is expected to sign the pledge.
2. A copy of the letter is reviewed with the Director of Advancement Operations or Associate VP for Development for approval. If the verbal pledge is approved, it is forwarded to Gift and Records Processing for tracking and to the Director of Foundation Financial Services. It may be recorded in the gift system with alternative documentation. All such verbal pledges shall be forwarded to and tracked by the Executive Director of Advancement Services. Reminders will be sent out by Executive Director of Advancement Services if there is no special handling required by development staff.

## COLLECTION & WRITE OFF PROCEDURES

Each month pledge reminders will be mailed to donors according to agreed upon payment schedules. Lapsed pledges are those whose payments are overdue by more than 90 days. Data and Information Services will produce and distribute reports of lapsed pledges to Directors of Development and/or others, as appropriate. Directors of Development must review the reports and indicate action to be taken on each lapsed pledge. Any pledge not noted for additional follow-up will be considered for write off. The Director of Advancement Operations will review the lapsed pledges semi-annually (after December 31 and June 30) and make recommendations to the Associate Vice President for Development and the Vice President for University Advancement for accounts to be written off. (Appendix H).

Payments on First Team pledges shall be collected and deposited by the Bulldog Foundation (BDF). The BDF will notify University Development of new pledges and any payments. *Note: Payments on First Team and other pledge agreements made prior to May 2008 shall be collected by BDF, but deposited into the Fresno State Foundation through University Development, as these earlier agreements name Fresno State Foundation as the recipient.*

Annual fund phonathon pledges not collected by the end of the fiscal year will be written off upon approval of the Director of Annual Giving.

## SECURITIES

### POLICY

Gifts of securities may be publicly traded common stock or bonds or privately held instruments. Acceptance of private stock or other less marketable assets - See Appendix B, Gift Acceptance Policy.

### Publicly Traded Common Stock or Bonds

*Definition:* Securities for which, as of the date of the contribution, market quotations are readily available on an established securities market.

- a. All gifted securities are processed through the Director of Foundation Financial Services and Director of Planned Giving.
- b. The value, for tax purposes, of a gift of securities is the mean value of the security on the credited date of the gift. This information is provided to our donors as a courtesy. The value to the endowment is net sales proceeds.
- c. The Foundation will liquidate gifted securities as soon as possible. Dependent upon donor designation, the proceeds are reinvested in one of two portfolios: current use or endowment.
- d. The effective date of gift for securities held at a bank or brokerage is the date of transfer into a Foundation account. In the case of physical delivery, the date the endorsed certificate accompanied by a stock power is received at the Foundation is the date of the gift. If the certificate and stock power are mailed, the postmark on the stock power envelope is the date of gift. If the certificate is mailed to a transfer agent for reissue to the Foundation, the gift date is the date on the new certificate. –See Appendix B – Gift Acceptance Policy.

### Privately Held Securities

*Definition:* Any stock of a corporation, evidenced by a stock certificate, that is not a publicly traded security, or for which there is no public market.

1. The donor of a privately held security is responsible for establishing and supporting a gift value for tax purposes. This includes completing the appropriate portions of the Internal Revenue Service Form 8283, Non-Cash Charitable Contributions.
2. Security gifts for privately held companies are generally recorded on the University and Foundation books with a value of \$1.00 until liquidity is achieved. At that time a new appraisal is conducted and the new value recorded. For more information, see Appendix B, Gift Acceptance Policy.

### Zero Coupon Bonds

*Definition:* A bond purchased at a discount to its face value, which does not pay interest until maturity.

1. Zero coupon bonds are valued at current market price.
2. The University and Foundation do not recognize the face value of zero coupon bonds and prefer to liquidate them prior to maturity.

### PROCEDURES

1. All donors should be referred to the Director of Foundation Financial Services or the Director of Planned Giving for information on processing securities gifts.
2. The gift value of the security is the average of the high and low of the security on the date of the gift. For mutual fund shares, the net asset value at the close of business on the date of the gift establishes the value of the gift. The Planned Giving Office gets information from the broker to determine the value of the security, then submits the gift information.
3. The Planned Giving Office issues a receipt and sends the valuation and original documentation to Gift and Records Processing. A copy of the GRT, receipt and formal thank you are maintained in the Securities file in Planned Giving. Copies of the receipt are forwarded to the designated department's Director of Development for appropriate acknowledgment, and to the Donor and Volunteer Relations Office, which prepares a letter from the President if value is \$10,000 or more.
4. Gift and Records Processing enters information into the donor record.
5. The Planned Giving Office electronically forwards recording information to the Director of Foundation Financial Services, who is responsible for recording the gift in the Foundation's accounting system, if the Foundation has not already received the information from the brokerage.

## REAL ESTATE

*Definition:* Property of buildings and/or land.

### POLICY

Real estate gifts must be reviewed for acceptance by the Foundation's Gift Acceptance Committee. See *Appendix B: Gift Acceptance Policy* for complete information.

### PROCEDURE

The department receiving information concerning a gift of real estate should contact the Director of Planned Giving.

#### Documentation needed:

1. The address of the property.
2. The identity of all titleholders and interest holders, including documents or materials supporting authority to act, as appropriate.
3. The legal description of the property.
4. Photographs, maps surveys, etc., as required or appropriate.
5. A written history of said property during the current ownership with description of all manners of use of said property, including related contracts, leases, licenses, easements, tax documents, insurance documents, rent rolls, and financial statements, arising out of, or related to, the subject property.
6. An **Owner Disclosure Statement** concerning the condition of the property, including reference to any known defects, additions to structures/remodeling without a permit, geological and structural problems, and/or prior, pending or prospective litigation involving the property.
7. A statement that the property is free of any and all **Authorization** and/or **Right to Sell Agreements** with any broker, or full disclosure thereof.
8. Current preliminary title report
9. Summary of actual or potential legal issues prepared by Staff Counsel

#### Advancement

- a. Informs the donor of acceptance or rejection of the property.
- b. Development officer should inform donor that, if accepted, the IRS shall require an appraisal made within 60 days of the date of the gift. See Appendix B for more detail.
- c. Encourages the donor to submit IRS Form 8283 (Non-cash Charitable Contributions) if the donor intends to claim a deduction.
- d. Forwards all documentation to Gift and Records Processing in Development.

## Gift and Records Processing:

- a. Records the gift on the donor's record.
- b. Sends an acknowledgement to the donor.
- c. Forwards gift information to the designated department's Director of Development for appropriate acknowledgment, and to Stewardship to prepare a letter from the President if value is \$10,000 or more.

Market Value and Marketability. The Foundation must receive a current appraisal (as of within 60 days of the date of gift) of the fair market value of the property and interest in the property the Foundation would receive if the proposed gift were approved. The appraisal and other information must indicate clearly and convincingly that there is a market for the property under consideration and that the property can be sold within a reasonable period of time. The University/Foundation may assist the donor in locating an appraiser who meets IRS requirements, **but the donor must contract directly with the appraiser and pay the full cost.**

A representative of the University/Foundation or its property management affiliates must do a site visit of the property. Regardless of the value placed on the property by the donor's appraisal, the Foundation shall attempt to sell at a reasonable price reflected by the current market. An MAI (or other appropriate) appraisal of the subject property may be used to determine the current market value, and information as to the last date upon which the property was assessed for tax purposes including the assessed value. The Foundation may, without reimbursement therefore, bear the cost of obtaining an MAI (or other appropriate) appraisal of the subject property, should the transferor be unwilling to pay for the same, and should it be deemed appropriate. Make sure the Foundation hires its own appraiser if any consideration is going back to the donor (even naming rights).

The University/Foundation may consider retaining a gift of real estate if the expected return as an investment exceeds what the net sales proceeds might produce if invested as part of the Foundation's endowment or if there is a direct use of the property by the University.

Agricultural land. If the property is agricultural in nature, a written disclosure as to the quantity of any water supply located on the property, with specific information as to reportable contamination, if any, including **DBCP** contamination, and/or specific information as to any flooding problems.

Potential Environmental Risks. Proposed gifts of real property, including gifts from estates, may be required to be accompanied by an environmental assessment completed by an independent firm at the direction of the University/Foundation (at the expense of transferor unless otherwise agreed in writing between transferor and the Foundation). Any questions raised shall be addressed by the GAC or legal counsel as necessary.

If deemed appropriate given the type of property, documentation supporting the fact that the real property is environmentally safe, including (at the expense of transferor unless otherwise agreed in writing between transferor and the Foundation) a pre-acquisition assessment of existing or potential environmental hazards associated with the real property. Such assessment shall consist

of or include an environmental risk report covering **Hazardous Wastes**, which are generally considered to include underground storage tanks, petroleum base products, paints and solvents, lead, cyanide, DDT, printing inks, acids, pesticides, ammonium compounds, asbestos, PDB's cleaning materials, photographic materials, and any other substances classified as hazardous wastes by appropriate state or federal agencies, or controlling law. The assessment and/or report above referenced may be in the form of a standard **Phase I** environmental analysis. The Foundation shall require further environmental review, in the form of a **Phase II** and **Phase III** analysis, where it deems appropriate. Any known or suspected hazards shall be assessed by a competent engineer and the results reported in writing. A satisfactory written determination of environmental safety shall be available to the Foundation prior to its taking title to the subject real property.

The University/Foundation requires that all gifts of an interest in mining, timber, or oil and gas properties (and any other gift the University/Foundation deems appropriate) must be inspected by a properly licensed or certified professional as may be required to demonstrate due diligence and care in accepting the property as free from contamination. Any such inspection shall be documented properly for legal reasons.

Pest Control. If deemed appropriate, a structural **Pest Control Inspection Report** and **Certification** as to any and all structures on the real property. The Foundation may, without reimbursement therefore, bear the cost of obtaining a structural Pest Control Inspection Report and Certification, should the transferor be unwilling to pay for the same, and should it be deemed appropriate.

Asbestos: If the property is intended to be held by the Foundation for public use, an **Asbestos Survey** and **Report** is required as to any and all structures on the real property. The Foundation may, without reimbursement, bear the cost of obtaining such an Asbestos Survey and Report, should the transferor be unwilling to pay for the same, and should it be deemed appropriate.

Survey: If deemed appropriate, transferor needs to provide, at his/her expense, a survey of the subject property, with stakes and map of property lines. If transferor should be unwilling to pay for the same, and should it be deemed appropriate, the Foundation may, without reimbursement therefore, bear the cost of obtaining such a survey of the subject property

Architect's Report: If applicable, an architect's report should be provided demonstrating compliance with any accommodation or access requirements of the **Americans with Disabilities Act of 1990**. The Foundation may, without reimbursement, bear the cost of obtaining such an architect's report, should the transferor be unwilling to pay for the same, and should it be deemed appropriate.

Limitations, Encumbrances and Carrying Costs. **An escrow account shall be opened for the processing of a real property gift that has been approved by the GAC.** A policy of title insurance demonstrating that the subject property is free and clear of any liens and/or judgments is required. No gift of real estate may be accepted until all mortgages, deeds of trust, liens and other encumbrances have been discharged. The existence and amount of any carry costs, such as

property owners' association dues, transfer charges, taxes and insurance must be disclosed. The donor shall pay the costs associated with the conveyance and delivery of the gift. However, the Foundation may, without reimbursement, bear the cost of obtaining a policy of title insurance, should the transferor be unwilling to pay for the same, and should it be deemed appropriate. Written disclosure as to any and all restrictions upon acceptance, use, or disposition of the property, including a statement indicating whether said property is currently covered by, or has ever been covered by, a **Williamson Act** contract (if applicable), and if so, a statement of the amount of deferred property taxes that will become due upon any and all disposition of the property during the term of such contract.

#### PERTINENT IRS GUIDELINES

The Foundation must file an IRS form 8282 if the property is sold within three (3) years from the date of ownership transfer of the property. (See Donee Information Return (IRS Form 8282 under Gifts In Kind below)

#### SPECIAL ARRANGEMENTS OTHER THAN OUTRIGHT GIFTS

The following are examples of types of gifts that the Foundation will give consideration to and may accept provided the appropriate terms and conditions are agreed to with the donor.

#### **RETAINED LIFE TENANCY**

*Definition:* The transfer of a remainder interest in a personal residence, farm, or vacation home with the agreement that the donor may occupy the property until death or relinquishment of property by the donor or person acting with power of attorney.

#### POLICY

1. The donor is responsible for all expenses of maintaining the property unless prior arrangements are approved by the Foundation Board of Governors.
2. The donor receives any income generated from the property until death.

#### PERTINENT IRS GUIDELINES

1. The property must be a personal residence, farm, or vacation home.
2. The agreement is irrevocable.
3. The donor receives a current income tax deduction for the property's discounted value.

#### **BARGAIN SALE GIFTS**

*Definition:* A sale of property in which the amount of the sale proceeds is less than the property's fair market value. When such a sale is made to a qualified charitable organization, the

excess of the fair market value of the property over the sale price represents a charitable contribution to the organization.

## POLICY

1. The Foundation Gift Acceptance Committee examines each gift on an individual basis to determine whether it is in Foundation's interest to accept the bargain sale item.
2. It is preferred that the donor provide an independent real estate appraisal.

Note: Corporations offering standard "educational discounts" to any educational institution are not engaging in the act of making a "bargain sale."

## GIFTS-IN-KIND

*Definition:* Gifts-in-kind include physical assets, such as collections, equipment, books, works of art, software and other personal or corporate property given to the University for its use or for liquidation.

## POLICY

Gifts are to be made to the California State University, Fresno Foundation. Gifts of real property to the University are also accepted through the California State University, Fresno Foundation. (See Section on Real Estate.) Gifts to the Agricultural Foundation are handled separately. (See Procedures #1 and #4 below)

ACCEPTANCE (Also refer to Appendix B, Gift Acceptance Policy)

The Foundation has delegated authority to the University, through the Office of University Advancement, to accept gifts-in-kind that will benefit the University. All gifts-in-kind to the University must be reported to Advancement Services, regardless of value, so that the University can record each gift. The gift-in-kind will be recorded by the Foundation and ownership transferred by Board action to the University. Signatures required are as follows: the dean of the college/school or other appropriate University official receiving the gift, Director of Development, the Director of Advancement Operations, Executive Director of the Foundation, and the Associate Vice President for Development or the Vice President for University Advancement.

The following guidelines are provided to govern the acceptance of gifts for use by the University, and to conform to Internal Revenue Service regulations.

University Advancement retains the right to accept or decline gifts-in-kind on an individual basis. There are some gifts that the Foundation may not want or may not be able to accept. If there is a question about restrictions or costs attached to a gift, the Director of Advancement

Operations, the Associate VP for Development and the VP for University Advancement should be contacted respectively before a department or program agrees to accept a gift.

A Gift-in-Kind Acceptance Form, available from University Development or the Informed Filler website, must be filed on all gifts-in-kind received, as well as a Gift Reporting and Transmittal form (GRT). The filing of these forms will initiate the review and approval process for acceptance of the gift-in-kind and is also necessary to maintain appropriate gift records by University Development.

Acknowledgments for gifts-in-kind, generated by the Director of Development or Stewardship office, shall describe the property transferred, but shall not state a monetary value. However, University Advancement may choose to value the gift (for internal purposes) lower than the appraised amount. The donor will receive recognition credit for the determined valuation. If the value of the gift-in-kind is at least \$10,000, it will also be acknowledged by the University President.

The in-kind gift must be accepted by the Foundation before December 31 to qualify as a gift in that calendar tax year.

## VALUATION

It is the sole responsibility of the donor to provide an assessed valuation and transportation of the in-kind gift to the Foundation, and to be knowledgeable about Internal Revenue Service regulations concerning in-kind gifts. The Internal Revenue Service guidelines in use at the time of transfer will be strictly adhered to, and may be obtained from the donor's professional tax advisors.

Should the Foundation or University decide to sell or dispose of a gift valued at over \$500 within a three-year period from the date of receipt, the Foundation is required to complete and submit a corresponding Form 8282 to the IRS stating the date of disposition and value received. Gifts received from donors during a calendar year that are valued at over \$500 and that cumulatively exceed \$5,000 are also required to be reported on Form 8282, if sold within a three-year period from date of receipt.

Software gifts-in-kind will be valued in accordance with CASE Standards. See Appendix F.

## PERTINENT UNIVERSITY AND IRS GUIDELINES

1. If the gift lacks IRS Form 8283, it is flagged as having an estimated value. Gift and Records Processing updates the donor gift record from estimated value to verified value when the necessary documentation is received.
2. The deductible amount of a property contribution may be the cost basis to the donor or its fair market value, depending on the tax status and circumstances of the donor. (See Appendix L on related use.)

3. The deductible amount of a corporate gift-in-kind is generally the cost of production or purchase of the item(s).
4. University Advancement records corporate gifts-in-kind at fair market value taking into consideration educational discounts.

## PROCEDURE

The following forms are required on all gifts-in-kind:

1. Gift-In-Kind Acceptance Form

- The recipient of gift must be one of the following: University c/o the Foundation, the Fresno State Foundation, Ag Operations, Association, Athletics or Ag Foundation.
- Obtain required signatures.
- Director of Advancement Operations signs for University/Foundation (including Ag Operations and Athletics).
- Associate Vice President for Auxiliary Operations and Enterprise Development signs for Association and Ag Foundation.

2. GRT

- Attach documentation of gift value.
- Use proper account number for school or program.

3. IRS Form 8283

NOTE: The donor is responsible for submitting IRS Form 8283 to the IRS.

- The donor should complete IRS tax form 8283 (Non-Cash Charitable Contributions) if the value exceeds \$500 and he/she desires a tax deduction for the gift; no formal appraisal is required up to \$5,000.
- Gifts with a fair market value exceeding \$5,000 will be reported at the values placed on them by qualified independent appraisers as required by the IRS for valuing non-cash charitable contributions. In accordance with IRS regulations, it shall be the donor's responsibility to order and pay for the qualified appraisal. The appraisal cannot be made earlier than 60 days prior to the gift. If the value of the gift in the appraisal is listed as a range of values, the gift will be valued at the midpoint of the range.
- If form is not received with gift, Development staff member should inform donor to download latest version of Form 8283 from [www.irs.gov](http://www.irs.gov).
- When received from donor, the Director of Advancement Operations signs tax form for University and Agriculture Operations.
- When received from donor, the Associate Vice President for Auxiliary Operations and Enterprise Development signs tax form for Association and Ag Foundation.
- Director of Development returns signed tax form to donor.

4. Submit Forms as follows:

- Gifts to the Foundation (including Ag Operations and Athletics): send originals to University Development, Gift Processing, KC45.

- Gifts to Association and Ag Foundation: send originals to Auxiliary Services, OF33. Once signed copies are received, send to University Development, Gift Processing, KC45.
- If IRS Form 8283 is not submitted with the GRT, send it to the respective office as soon as it is received.

*Approved by the California State University, Fresno Foundation Board of Governors March 27, 2008.*

#### Donee Information Return (IRS Form 8282)

Under certain circumstances described below, if the Foundation sells, transfers, exchanges or otherwise disposes of donated property within three years of the date of receipt of the property, the Foundation must file Form 8282 (Donee Information Return) with the IRS reporting such an action. A department that becomes aware of such a disposition should notify the Foundation. Among the information required is the name of the donor, their address and tax ID number, and any amount received upon disposition. If the transfer is made to a successor donee (that is, another nonprofit entity), information concerning that donee must be included as well. Form 8282 must be filed with the IRS, copying the donor, within 125 days of the date of disposition (except as noted in the third bullet below), with a copy to the donor. Staff Counsel is responsible for preparation of the Form 8282 and its transmittal to the IRS and to the donor. This filing requirement applies *only* to the following items of donated property or equipment:

- Property for which the University/Foundation has completed the donee acknowledgment section of the donor's IRS Form 8283
- Property that is considered a restricted donation under Section 170(e)(4) of the Internal Revenue Service Code. This consists of donated equipment where the University has committed 80 percent of its use for research, experimentation or research training conducted in the United States, in the physical or biological sciences.
- Property for which the University/Foundation has not completed the donee acknowledgment section of the donor's IRS Form 8283 but which the University/Foundation later becomes aware should have been so substantiated, such as where such property had a fair market value of more than \$5,000 as of the date of the donation and the donor failed to submit Form 8283 to the University/Foundation for acknowledgment. In this case, Form 8282 must be filed within 60 days from the date the University/Foundation became aware of the omission.

## CORPORATE MATCHING GIFTS

*Definition:* Donations made by certain corporations and organizations matching employees' donations based on pre-established formulas and limits.

### POLICY

The University will accept matching gift requests on behalf of the Foundation provided they follow the guidelines of the IRS and the company providing the match.

The University and its auxiliaries will no longer accept matching gifts for athletics or other entities when those gifts are associated with memberships or benefits (i.e. tickets, personal seat licenses, suites, etc.). Applications for matching gifts to athletics for philanthropic or capital purposes will be considered when qualified. Matching gifts to the alumni association scholarship program will be accepted when qualified.

Matching gifts for naming rights and the Save Mart Center are not accepted.

*Adopted by California State University, Fresno, February 5, 2008*

*Adopted by Fresno State Foundation, March 27, 2008*

## PROCEDURE

- 1) Matching Gift Form & Documentation come in to Data Operations Analyst, who reviews for eligibility to be matched.\*\*
- 2) Matching Gift Form & documentation move to Executive Director of Advancement Services/Campus Matching Gifts Coordinator for second review for eligibility. If eligible, form is signed by Executive Director of Advancement Services/Campus Matching Gifts Coordinator\*. (Do not sign on line where Analyst signs off for university, see #5).
- 3) Form is returned to the Data Operations Analyst.
- 4) Form is processed and entered into Advance.
- 5) Data Operation Analyst signs off on Matching Gift Form\*.
- 6) Claim form is mailed out, copy kept on file.\*\*
- 7) Matching gift check is received from the company. Original form and documentation reviewed to check for account that the gift is to be posted in where it might differ from the original transaction.
- 8) Matching gift check deposited into appropriate account provided supporting documentation demonstrating eligibility has been included.
- 9) Gifts and Records Processing sends receipts to the matching gift corporation unless the company requests no receipt.

\*If either the Data Operation Analyst or Executive Director of Advancement Services is not available to review and approve matching gift claims in a timely manner, the second layer of review and approval will be either Director of Data & Information Services or the Associate Vice President of Development.

\*\*Some claim forms and confirmation are done entirely online and only one person in University Development can log on and confirm that the gift is eligible. Other claims are done totally

internally by the corporations and the Development staff never sees a claim form. The matching gift that is received in this manner is reviewed by the Data Operation Analyst and Executive Director of Advancement Services to determine if it is eligible, where it should be deposited, or if it should be returned.

## PHILANTHROPIC GRANTS

*Definition:* An award from a corporation or foundation that does not constitute an exchange transaction and does support the educational mission of the University. All contractual awards and all awards from public agencies are handled by the Office of Research and Sponsored Programs (ORSP). Grants may range from purely philanthropic to completely contractual. On the continuum between the extremes, some grants are processed and recorded by Development and some by ORSP. See Appendix M: “Guidelines for Grants and Gifts” dated 1/14/05.

For procedures related to philanthropic grants facilitated and recorded by University Development, see Appendix J: Philanthropic Grant Guidelines.

For the process of counting selected philanthropic grants that are handled by the Office of Research and Sponsored Programs but are countable as private support for campaign purposes, see Appendix K: Counting Philanthropic Grants.

## ESTATE DISTRIBUTION

*Definition:* Proceeds of a will or bequest.

### POLICY

1. Estate distributions are designated per instruction of the estate. If the University is unable to follow the bequest exactly as stipulated under the will, the Director of Planned Giving contacts the executor to obtain a mutually acceptable designation or to decline the gift.
2. Undesignated bequests are credited as unrestricted bequests, and are used at the discretion of the University.

### PROCEDURE

1. The Planned Giving Office sends estate documents to Gift and Records Processing when it receives new bequest documentation for recording in the Advance system. Copies are also sent to Foundation Legal Counsel and Foundation Financial Services.

2. Upon receiving bequest proceeds and documentation from an estate, the Planned Giving Office sends copies of all relevant documentation to Foundation Legal Counsel and Foundation Financial Services.
3. The Planned Giving Office prepares a Gift Reporting and Transmittal form. The original check and GRT are forwarded to Gift and Records Processing.
4. Gift and Records Processing updates the estate record, issues a gift receipt (except when a receipt is provided by the estate), and submits a batch summary report to Foundation Financial Services (as with other cash gifts).
5. Gift and Records Processing forwards information for gifts of \$10,000 and more to Donor and Volunteer Relations for appropriate acknowledgment and recognition.

#### PERTINENT IRS GUIDELINES

1. Bequests to qualified charitable organizations are allowed as deductions when determining the net value of an estate for tax purposes.
2. Tax consequences of testamentary intentions can be complex; please contact the Office of Planned Giving for additional information.

## PLANNED GIVING

*Definition:* A set of ways a donor can leave money/assets to the University at his/her death; or a way to invest money so that the donor receives benefits during his/her life and then bequeaths the remaining funds to the University. For real property gifts, see section on Real Estate. More details on acceptance in Appendix B.

#### PROCEDURE

1. Donor inquiries regarding planned gifts are directed to the Planned Giving Office, which forwards planned gift information for review and acceptance by the donor.
2. Once the donor accepts the terms and conditions of the gift agreement, copies of the gift agreement are signed by the donor and returned to the Planned Giving Office with the gift. The Planned Giving Office:
  - a. Sends cash gifts (accompanied by a GRT) to Gift Records and Processing to follow the path of all other cash gifts.
  - b. Sends gifts of real estate to Gift and Records Processing (with GRT) to be logged and forwarded to Foundation Financial Services. These gifts follow the path of all other gifts of real estate.

- c. For gifts of securities, Planned Giving receives valuation information from the Foundation stock broker and follows the processing path of all other gifts of securities.
3. The Planned Giving Office forwards the gift agreement with the donor's signature to Advancement Operations for routing for signatures.
4. Once the agreement has been executed in accordance with University and Foundation policies and procedures
  - a. One copy is forwarded to Gift and Records Processing. Gift and Records Processing will set up the gift in the Advance system to monitor and maintain the agreement.
  - b. Two copies are forwarded to the Planned Giving Office, which keeps one copy of the contract for the file and one for the donor.
  - c. Forward original to Foundation Financial Services.
5. Gift and Records Processing forwards one copy of the GRT to appropriate Director of Development and/or Stewardship for appropriate acknowledgment.

## **A. BEQUEST INTENTIONS**

*Definition:* Notification by the donor of proposed bequest to the University.

## **B. CHARITABLE REMAINDER TRUSTS**

### **POLICY**

A minimum of \$50,000 is needed to fund a charitable remainder trust.

*Adopted by Fresno State Foundation Board of Governors September 9, 2008.*

### **PERTINENT IRS GUIDELINES**

The income tax deduction in the year of the gift is based on the life expectancy of the income beneficiary or beneficiaries, the amount to be paid annually, and certain expected returns as provided by the federal government.

#### **1. Charitable Remainder Annuity Trust**

*Definition:* A trust that provides for a specific dollar distribution to one or more beneficiaries for life or for a term of years not to exceed twenty. An irrevocable remainder interest must be held for the benefit of, or paid over to, a designated charity. The

distribution to the beneficiaries must be a sum that is not less than 5% of the initial fair market value of the trust assets.

The donor may not add to the fund once the fund has been established; however, donors may create additional trusts.

## 2. Charitable Remainder Unitrust

*Definition:* A trust that provides for a distribution equal to a fixed percentage of the fair market value, to one or more beneficiaries, for life or for a term of years, not to exceed twenty, after which the assets revert to Foundation. A unitrust must have a specified payout rate, which must be a fixed percentage that is not less than 5% of the value of the trust assets determined annually.

The donor may add to the fund.

## C. POOLED LIFE INCOME FUNDS

*Definition:* A fund to which each donor transfers property and retains an income interest for the life of one or more beneficiaries. The property is co-mingled with property transferred by other donors who have made similar transfers.

### POLICY:

1. A minimum gift of \$5,000 is required for participation in the California State University, Fresno Foundation Pooled Life Income Fund.
2. The donor may add sums of \$1,000 or more to the pooled life income fund.
3. The income is variable.
4. There is no minimum age for participation.

*Adopted by Fresno State Foundation Board of Governors September 9, 2008.*

### PERTINENT IRS GUIDELINES

1. The tax deduction available in the year the gift is made is based on the life expectancy of the income beneficiary or beneficiaries and the fund's highest payout rate for the three preceding tax years.
2. Income earned in a pooled life income fund is reported as ordinary income by the beneficiary.

## D. CHARITABLE GIFT ANNUITIES

*Definition:* A gift transfer of cash or other property to a qualified charitable organization in exchange for a commitment by the organization to pay the donor or a designated beneficiary a specified amount each year. A gift annuity is a contract and may cover a maximum of two lives.

### POLICY

1. A minimum gift of \$10,000 is required to establish a California State University, Fresno Foundation Charitable Gift Annuity.
2. All gift annuities shall be executed contemporaneously with the acceptance of the gift proceeds, but only after the proposed gift annuity has been reviewed by legal counsel (outside counsel or staff counsel). All gift annuities shall comply with all applicable laws. After execution by all parties, the gift annuity shall be registered in a timely manner with the California Department of Insurance by the Planned Giving Director, Staff Counsel or the investment manager/trust company.
3. The rate of return is currently based on the tables of the American Council on Gift Annuities (ACGA), dependent upon beneficiary age.
5. The minimum age for participation is 45. Minimum age for a second annuitant is determined on a case by case basis.

*Adopted by Fresno State Foundation Board of Governors September 9, 2008.*

### PERTINENT IRS GUIDELINES

1. The tax deduction in the year of the gift is based on the life expectancy of the income beneficiary or beneficiaries and the anticipated income payout.
2. Income may be reported as a combination of tax-free income (return of principal), capital gain and ordinary income depending upon the nature of the assets contributed.
3. The donor may not make additional contributions to a charitable gift annuity; however, the donor may enter into additional contracts.

#### a. Immediate Annuities

Payments begin immediately for a period of years or the lifetime(s) of the income beneficiaries, whichever is shorter.

b. Deferred Gift Annuities

Payments begin at a time agreed upon in the annuity contract for a period of years or the lifetime(s) of the income beneficiaries, whichever is shorter.

**E. TRUSTS HELD OUTSIDE OF THE UNIVERSITY**

*Definition:* Trusts that are managed by an outside source for the benefit of the University.

**POLICY**

1. Control of a trust held outside of the University or the Foundation rests with the donor's designated trustee.
2. The Planned Giving Office normally holds a copy of such agreements once notice has been given of the trust's existence.
3. The donor receives gift credit for the portion of the fair market value of the trust that will benefit the Foundation.
4. For Lead trusts the donor receives credit for a pledge and/or each trust distribution.

*Adopted by Fresno State Foundation Board of Governors September 9, 2008.*

**F. LIFE INSURANCE**

*Definition:* Life Insurance for gift purposes is a policy for which documentation is received naming the Fresno State Foundation as beneficiary or beneficiary and owner.

**POLICY**

1. The California State University, Fresno Foundation must be named as owner and irrevocable beneficiary of life insurance policies to generate gift credit.

See Appendix B on how to count and what to give donor as credit.

2. Corporations may designate the University as beneficiary of insurance policies they hold on members of their boards of directors or trustees. Formal notification of the corporation's intentions must be given, and the University credits the pledge as a gift from the individual insured.

*Adopted by Fresno State Foundation Board of Governors September 9, 2008.*

## PERTINENT IRS GUIDELINES

1. If the life insurance policy is paid up, the donor is entitled to a charitable deduction equal to the lesser of the cost basis or FMV of the policy. FMV is defined as the replacement cost of the policy or the single-premium sum that would purchase the same death benefit at the insured's current age. The cost basis is defined as aggregate premiums paid less the sum of dividends received in cash and amounts surrendered.
2. If the life insurance policy is not paid up, the donor is entitled to a charitable deduction equal to the lesser of the cost basis or FMV of the policy. FMV is defined as the interpolated terminal reserve plus unearned premium.
3. Continued payment of life insurance premiums is deductible by the donor. It is preferred that the donor make payments to the Foundation rather than to the insurance provider. If the donor fails to make the premium payments in a timely fashion, the Foundation retains the right to cash out the policy.

## G. FRACTIONAL UNDIVIDED INTEREST

*Definition:* An agreement whereby a percentage of ownership in personal property is deeded irrevocably to the University or the Foundation.

## POLICY

1. Gifts of real estate follow the policies and procedures as stated for real estate.
2. Gifts of securities follow the policies and procedures as stated for securities.
3. Acceptance is determined on a case-by-case basis.
4. All fractional undivided interest agreements are subject to the approval of the Foundation Executive Committee.

*Adopted by Fresno State Foundation Board of Governors September 9, 2008.*

## SUSPENSE GIFT PROCEDURES

Suspense accounts are set up and tracked when Gift Processing receives gifts for an account that does not exist. This occurs because the donor makes the gift before a pledge card, gift agreement or trust account application has been completed. Completion of the appropriate document results in a new account being set up by the Fresno State Foundation.

## PROCEDURE

Even though the account has not been set up, the gift is deposited and credited to Suspense until the documentation is complete and the account is set up. In Advance each gift is tracked with its own suspense sub-account. Gift Processing waits for notification from the Director of Development that the account has been set up. Gift Processing then notifies the Foundation to transfer the funds from the suspense account to the new account.

Every month Gift Processing distributes a report of outstanding Suspense gifts. This report goes to Director of Data & Information Services, Data Operations Specialist, Director of Advancement Operations, Executive Director of Advancement Services, and Director of Donor & Volunteer Relations in Advancement as well as Director of Financial Services (Foundation), Director of Management Information Services (CSUF Auxiliary Corporations), Bookkeeping Technician (Foundation) and Staff Accountant (Foundation). The Director of Advancement Operations usually takes the lead on getting people to get accounts set up to move money out of Suspense. The Staff Accountant, Bookkeeping Technician and Auxiliary Director of Management Information Services notify Advancement when an account has been setup.

## ACKNOWLEDGMENT PROCEDURES

### POLICY

Gifts of all levels will be receipted and donors will be recognized appropriately.

### PROCEDURE

#### 1. Basic principles

- a. All gifts are receipted. Most gifts have computer-generated receipts that include a thank-you message from the University President.
- b. Gifts-in-kind are acknowledged by letter, describing the gift but without any reference to a value. For Memorial and In Honor Of gifts, donors are receipted and additionally, the family or person in whose name the gifts are given will receive a letter/card from the Stewardship Office noting the names of donors, without dollar amount. If it is a memorial that receives a large number of gifts, the notification to the family is sent at least weekly.
- c. See section on Securities to see procedures for acknowledgment.
- d. In addition, for gifts of \$500 or more, personal letters are sent, as follows:
  - i. \$ 500 - \$9,999 letter from dean or program director
  - ii. \$10,000 or more letter from the president as well as dean/director

#### 2. Additions and exceptions

- a. The President personally acknowledges all gifts to the President's Fund.
- b. Schools or departments may choose to send personal letters at lower gift levels.

- c. Directors of Development may also write to donors with whom they have a special relationship.
- d. Foundation Governors and campaign volunteers will be enlisted to telephone or write to donors of significant gifts.

### 3. Implementation

- a. Lists of donors are to be pulled from the Advance database by college/unit development offices weekly.
- b. Each office has the current fiscal year's dean-approved letter template.
- c. In each unit's development office, administrative staff produces letters for the respective dean's signature, with personalization as appropriate, reviewed by the director of development.
- d. The Stewardship Office pulls complete lists and handles acknowledgments for gifts to programs outside of units with development offices.
- e. The Stewardship Coordinator produces letters for the President's signature, using pre-approved templates and adding personalization.
- f. The Stewardship Office mails the signed letters, keeping a copy for filing and noting the acknowledgment in Advance.

### 4. Other considerations

- a. Thank-you letters are produced for large pledge commitments. All payments are receipted and acknowledged by letter.
- b. For donors of multiple large gifts during a fiscal year, care must be taken that the donor does not receive the same letter twice.
- c. Confirm donor expectations regarding pledge payment reminders, anonymity and recognition.

## CRITERIA FOR CREATING ENDOWMENTS

1. Named endowments can be created when the donor has made the commitment (by gift and/or pledge) for at least the minimum endowment amount. The inclusion of deferred gifts in fulfilling gift levels for naming requires approval on a case-by-case basis. Present value calculations may be used.
2. The endowment account can be opened when monies are received and essential details are defined (name of account, purpose, etc.). A Gift/Endowment Agreement must be created and signed as expeditiously as possible.
3. The minimum amounts required for each type of endowment are as follows:

a. Endowed Position Namings

Dean <sup>1</sup>	\$2.0-10.0 million
Chair <sup>2</sup>	\$1.5-4.0 million
Director <sup>3</sup>	\$1.5-4.0 million
Professorship <sup>4</sup>	\$0.5-1.0 million
Coach <sup>5</sup>	\$2.0-10.0 million
Graduate Fellowship	minimum: \$100,000
Scholarship	minimum: \$ 25,000
Honors Scholarship	\$150,000
Athletic team player positions	\$250,000
To endow any fund	minimum: \$ 25,000

b. Endowed Program Namings

College or school <sup>6</sup>	\$10.0-20.0 million
Department <sup>7</sup>	\$3.0-5.0 million
Institute	\$4.0-10.0 million
Center	\$2.0-5.0 million
Lecture series or other program	\$250,000-500,000

4. New endowments must be fully funded within five (5) years of creation of the endowment. Exceptions may be granted only by the Vice President for University Advancement, Executive Director of the Foundation or the University President. The above referenced minimums apply to endowments that support existing University programs. Funds for new programs or positions must be fully funded before naming. There must be adequate funding at start up.

*Adopted by Fresno State Foundation Board of Governors September 9, 2008.*

## INFORMATION REQUIRED

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<sup>1</sup> Required amounts depend on particular discipline.

<sup>2</sup> The endowed chair minimum will only supplement an existing faculty line. To endow a new, additional position, the amount required depends on actual costs.

<sup>3</sup> The minimum supplements an existing position. A new position requires an amount that will support actual costs.

<sup>4</sup> A professorship, by definition, is always only an augmentation to an existing position.

<sup>5</sup> Required amounts depend on particular sport.

<sup>6</sup> Required amounts depend on size of school or college.

<sup>7</sup> Required amounts depend on discipline and size.

The following information must be received by Gift and Records Processing. An account request form may be used if funds have been received without fully executed agreements.

1) Pledge/gift/endowment agreement signed by the donor (with documentation that the donor has read, understands, and approves the Foundation's endowment management fee policy and gift assessment fee, realizing that his/her endowment is subject to such fees). See Appendix C: Foundation Endowment Management Fee Policy.

2) Endowment fund name (formal name approved by donor)

3) Fund type (can be found in Endowment Minimums list)

Examples:     Endowed lecture fund  
                  Named scholarship  
                  Endowed chair for librarian

4) Description of fund, including preferences or restrictions

Examples:     To provide support for a professorship in the Humanities  
                  To underwrite the Art and Music library collections  
                  To provide scholarship assistance to an entering freshman, preference to a student with interest in science

## INCOME SUPPORT FROM NEW ENDOWMENTS

The Fresno State Foundation allocates endowment income annually on June 30<sup>th</sup> which is the end of the fiscal year. New endowments created during the fiscal year receive a weighted share of the annual income allocation in the year of creation. Hence they receive less than twelve months of income in the year they are created.

## ENDOWMENTS CREATED BUT NOT FULLY FUNDED

If a new endowment is created but is never fully funded, the endowment will continue to exist as a named endowment, but benefits associated with a fully funded endowment will not take effect. Income from the endowment will be used to increase the endowment principal or, at the request of and approval of the Fresno State Foundation and donor, reapplied for other purposes.

Endowed faculty and student positions will not be filled until the endowment is realized.

## NAMING OF BUILDINGS AND INTERIOR AND EXTERIOR SPACES

1. The naming of buildings, additions to buildings, units of a complex, and large exterior spaces, whether or not in response to specific gifts, requires action by the President of the University and the Vice President for University Advancement; consultation with the Executive Committee of the Academic Senate; and final approval by the CSU Board of Trustees.
2. The naming of interior and exterior spaces in honor of individuals but not in response to specific gifts requires action by the President of the University and the Vice President for University Advancement; consultation with the Executive Committee of the Academic Senate; and the final approval of the CSU Board of Trustees.
3. Interior and small exterior spaces for which funds have been received may, with the approval of the President (and/or appropriate dean), be named in honor of the donor or as requested by the donor without action by the CSU Board of Trustees. Actions without formal Trustee approval must be verified by the Office of the Chancellor.

*See Appendix D for details on CSU and Fresno State Policies and Procedures.*

### Facility Namings

The amount for a facility naming depends upon the actual cost of the project. Naming of an existing facility is based on estimated replacement value or renovation costs.

Building	50% of the full cost, plus arrangements for maintenance
Auditorium	\$0.5-2.0 million
Smart classroom	\$100,000-500,000
Conference room	\$100,000-500,000
Laboratory <sup>1</sup>	\$100,000-1.0 million
Farm enterprise labs <sup>2</sup>	\$100,000-500,000
Gallery	\$200,000-1.0 million
Office	\$ 50,000-250,000
Foyer	\$100,000-500,000
Garden	\$100,000-500,000

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<sup>1</sup>Required funding depends on costs and discipline. A time limit may be placed on lab names, unless the gift includes a fund for maintenance and updating.

<sup>2</sup>Required funding depends on costs and discipline.

Playing field<sup>1</sup>

Stadium<sup>1</sup>

Practice facility<sup>1</sup>

Parking lots or facilities<sup>2</sup>

Other campus elements: Campus entry mall, walkways, plaza, water feature<sup>3</sup>

## DONOR RECOGNITION

The following recognition labels and levels were implemented effective 2004-2005.

### *The Pinnacle Society*

The Pinnacle Society originally recognized cumulative giving to the University of \$100,000 and above. Founding Members continue to be recognized for that level of giving. Beginning in 2004-05, the gift level to qualify for membership was raised to \$500,000. Existing members at that level and at \$1 million were given the new recognition designations. Qualification is based on outright gifts, irrevocable pledges, gifts-in-kind or a combination thereof.

Paramount Members	\$1 million or more
El Capitan Members	\$500,000-\$999,000
Founding Members	Original \$100,000 donors

### *The Heritage Society*

Membership in the Heritage Society is open to individuals who provide verification informing California State University, Fresno that they have made a provision in their will or other planned giving option.

### *Annual Giving*

Recognition is accorded to individuals for their total gifts to Fresno State during a fiscal year.

Centennial Society	\$10,000 and above
Cardinal & Blue Patrons	\$5,000-\$9,999
Benefactors	\$2,500-\$4,999

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<sup>1</sup>Required funding depends on costs and program.

<sup>2</sup>Required funding depends on size and costs.

<sup>3</sup>Determined case by case.

Fellows	\$1,000-\$2,499
Builders	\$500-\$999
Partners	\$100-\$499

## SYSTEM USE AND INFORMATION CONFIDENTIALITY

### POLICIES

University Advancement (Alumni Relations, Communications and Development) provides employees access to a number of information and office automation systems. The use of all computers, peripherals, software and telecommunications facilities is reserved exclusively for support of tasks that are required of employees in performing their official duties.

The information maintained on all systems is subject to stringent confidentiality restrictions. Because the data maintained by University Advancement includes alumni information, gift/pledge records and biographic data for a large set of donors, faculty/staff, volunteers and friends, from time to time an employee may handle information about people they know. Employees are required to refrain from discussing such information with non-State or non-Auxiliary personnel. Even the most casual conversation may jeopardize the trust placed in us by our constituents.

Information in the form of online inquiry lists, labels, computer tapes/diskettes and reports is available only to authorized University and Auxiliary representatives in support of approved University activities. It is the responsibility of any individual, department or unit requesting information to maintain the confidentiality of that data, ensuring its appropriate use even after it leaves their hands.

### PROCEDURE

1. Each employee must sign a confidentiality form. See Appendix N.
2. Requests for data should be forwarded to University Development, Data and Information Services. Requests under the Public Records Act must be forwarded to the Office of the Vice President for Administration.

## SPECIAL GIFTS.

Final decisions as to whether to receive or reject any questionable or special gifts will be made by the Gift Acceptance Committee of the Foundation Board of Governors. This committee will act, based on information provided to them for each gift in question. In some cases, the GAC

may request additional information before either following or rejecting a recommendation. This recommendation will then go on to the full Foundation Board of Governors for their ultimate review, acceptance or rejection.

# APPENDIX A

## GUIDELINES FOR FUNDRAISING

### Introduction

Private support plays a vital role in enhancing the university's teaching, research and service efforts. Our fundraising programs focus on integrating the interests of donors with the priorities of the university.

Development is a relationship-building and matchmaking process. The aim is to develop relationships between prospective funders and university programs. Personal relationships—with development staff, university representatives and volunteers—are a means to the end, not the end in itself. The matchmaking is to be focused on understanding the prospective donor's values and discovering the interests and passions that will motivate the donor to invest in a particular university program. These general principles apply to both individual and organizational donors.

The development process is more art than science. We can set targets for productivity but must also pay attention to effectiveness—that is, we must measure quality of effort as well as quantity. It takes both. The work must be both active and attentive, vigorous and thoughtful. Development is also a long-term process. Small gifts may be generated quickly—by a letter or a phone call, for example. Major gifts are typically the product of sustained effort.

Because major gift fundraising takes time and attention, both planning and recordkeeping are essential. The prospect management system in the Advance database is our resource for tracking the process. Using this resource assures continuity, enables collaboration and promotes accountability.

### Program Structure

Fresno State's development operation is part of the Advancement Division, reporting to the Vice President for University Advancement. The chief development officer, currently titled as Associate Vice President for Development, oversees the various functions, including constituency fundraisers, prospect research, data and technology services, gift and records processing, planned giving, corporate-foundation relations, annual giving, stewardship and volunteer relations. The structure comprises unit-based development directors (schools and colleges, library, student affairs) and central services (research, processing, planned giving, etc.). In addition, the associate athletic director for development, who reports to the athletic director, is a member of the development operation. The primary focus of constituency directors of development is intended to be on major gifts. All staff represents the university as a whole and as honest brokers.

The AVP/Development, in conjunction with the VP/Advancement, is responsible for leadership and coordination of fundraising efforts. Each dean, in conjunction with Central Development, coordinates fundraising activity within his or her unit.

A coordinated fundraising effort will help achieve the following common objectives:

- Orchestrated approaches to prospective donors, whether individuals or organizations.
- Maximum engagement of fundraising volunteers.
- Optimum engagement of university leaders.
- Teamwork among school/unit development staff and campus-wide (central) staff.

## Ruling Principles

### 1. Priority setting

- a. Annual action plans – Each unit within Development prepares an annual plan, created in consultation with the respective dean or other university official. The AVP/Development, in conjunction with the VP/Advancement and other Advancement Division unit heads, guides the process, compiles the plans and publishes them at the beginning of each fiscal year for the campus community and volunteer leadership. The action plans specify the primary funding targets and activities for development staff, including dollar goals.
- b. Campaign – In the context of a campaign, fundraising projects are proposed by faculty and staff, vetted by deans, and evaluated by the Provost and other campus leaders. The approval process culminates in the Comprehensive Campaign Senior Team (CCST). Members include the President, Provost, VP/Advancement AVP/Development, and the AVP/University Communications. Top priorities are approved by the President and tested for feasibility. Needs and projects not identified as “tier 1” priorities are considered to be on the “opportunity list,” in that a prospective donor uninterested in tier 1 projects may be interested in supporting another project that will benefit the university.
- c. Staffing - Development staff time and effort are to be directed primarily to fundraising for identified priorities. Campaign priorities generally extend over a period of years. During a campaign, the annual action plan will indicate the particular year’s campaign project activities, in addition to any ongoing (“base”) fundraising efforts.

### 2. Prospect management

- a. Development staff members and selected university leaders are assigned as “primary staff” for prospective donors for whom they are leading the fundraising strategy. Others may be assigned to the same prospects as “secondary staff” or “team member.”
- b. Assignments are at the request of the development staff member or university leader. The VP/Advancement, AVP/Development or others may suggest assignments, which are then confirmed with the indicated development officer.
- c. The primary staff member has the responsibility to define the major gift strategy, plan the steps, execute and/or orchestrate the steps, report on contacts, and update

status and other data as needed. The objective is to garner one or more major gifts and to steward those gifts appropriately.

- d. A director of development can expect to handle 100 to 150 assigned prospects, depending on the amount of time assigned to other duties.

### 3. Definition of terms

- a. Major gift – A gift of \$50,000 or more is considered “major.”
- b. Report of contact (ROC) – Staff, university leaders and volunteers are expected to document substantive interaction with prospective major donors by preparing an ROC. For volunteers and others without direct access to Advance, information can be conveyed to Development staff by email, written summary or if no other way, orally. Effective ROCs include date, specifics of relevant information, outcomes and suggested next steps.
- c. “Substantive” – This term indicates an interaction that does one or more of the following: a) brings the prospective donor closer to the university or a particular program, b) helps everyone better understand the prospect’s interests or capacity, c) moves the prospect and fundraisers closer to readiness for an ask. In contrast, a phone call setting an appointment does not require an ROC—although it may be recorded as the completion of an assigned task on Advance.
- d. A “strategy team” meeting brings together representatives of all campus programs that have an interest in and information about a particular prospect. University leaders, development staff, faculty or staff members, and volunteers may be involved. The objective of such a meeting is to define the best strategy, in keeping with university priorities, for cultivating and soliciting the prospective donor. This process applies to both individual and organizational prospects and can be useful as well for refining as well as initiating a given strategy.
- e. When multiple campus programs have an interest in a particular prospect, “clearance” is granted to one program to proceed with cultivation and solicitation, generally for six to twelve months. Decisions about clearance are ideally reached by consensus after discussion involving all interested parties (such as at a strategy team meeting). If consensus is not achievable, the President is the ultimate authority in determining clearance.

*Approved by Board of Governors, October 30, 2007*

## **Donor Bill of Rights**

Philanthropy is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To assure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the not-for-profit organizations and causes they are asked to support, we declare that all donors have these rights:

1. To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.
2. To be informed of the identity of those serving on the organization's governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities.
3. To have access to the organization's most recent financial statements.
4. To be assured their gifts will be used for the purposes for which they were given.
5. To receive appropriate acknowledgment and recognition.
6. To be assured that information about their donations is handled with respect and with confidentiality to the extent provided by law.
7. To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.
8. To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.
9. To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.
10. To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.

The text of this statement in its entirety was developed by the American Association of Fund-Raising Counsel (AAFRC), Association for Healthcare Philanthropy (AHP), Council for Advancement and Support of Education (CASE), and the Association of Fundraising Professionals (AFP), and adopted in November 1993.

*Accepted by Board of Governors, October 30, 2007*

## **CASE Statement of Ethics**

Institutional advancement professionals, by virtue of their responsibilities within the academic community, represent their colleges, universities, and schools to the larger society. They have, therefore, a special duty to exemplify the best qualities of their institutions and to observe the highest standards of personal and professional conduct.

In so doing, they promote the merits of their institutions, and of education generally, without disparaging other colleges and schools.

Their words and actions embody respect for truth, fairness, free inquiry, and the opinions of others.

They respect all individuals without regard to race, color, sex, sexual orientation, marital status, creed, ethnic or national identity, handicap, or age.

They uphold the professional reputation of other advancement officers and give credit for ideas, words, or images originated by others.

They safeguard privacy rights and confidential information.

They do not grant or accept favors for personal gain, nor do they solicit or accept favors for their institutions where a higher public interest would be violated.

They avoid actual or apparent conflicts of interest and, if in doubt, seek guidance from appropriate authorities.

They follow the letter and spirit of laws and regulations affecting institutional advancement.

They observe these standards and others that apply to their professions and actively encourage colleagues to join them in supporting the highest standards of conduct.

The CASE Board of Trustees adopted this Statement of Ethics to guide and reinforce our professional conduct in all areas of institutional advancement. The statement is also intended to stimulate awareness and discussion of ethical issues that may arise in our professional activities. The Board adopted the final text in Toronto on July 11, 1982, after a year of deliberation by national and district leaders and by countless volunteers throughout the membership.

*Accepted by Board of Governors, October 30, 2007*

## **AFP Code of Ethical Principles and Standards of Professional Practice**

The foundation of philanthropy is ethical fundraising, and a key mission of AFP is to advance and foster the highest ethical standards through its Code of Ethical Principles and Standards of Professional Practice.

### **Code of Ethical Principles—Adopted 1964; amended October 1999.**

The Association of Fundraising Professionals (AFP) exists to foster the development and growth of fundraising professionals and the profession, to promote high ethical standards in the fundraising profession and to preserve and enhance philanthropy and voluntarism. Members of AFP are motivated by an inner drive to improve the quality of life through the causes they serve. They serve the ideal of philanthropy, are committed to the preservation and enhancement of voluntarism, and hold stewardship of these concepts as the overriding principle of their professional life. They recognize their responsibility to ensure needed resources are vigorously and ethically sought and the intent of the donor is honestly fulfilled. To these ends, AFP members embrace certain values that they strive to uphold in performing their responsibilities for generating charitable support.

### **Standards of Professional Practice**

AFP members agree to abide by the AFP Standards of Professional Practice, which are adopted and incorporated into the AFP Code of Ethical Principles. Violation of the Standards may subject the member to disciplinary sanctions, including expulsion, as provided in the AFP Ethics Enforcement Procedures.

### **Professional obligations**

1. Members shall not engage in activities that harm the members' organization, clients or profession.

2. Members shall not engage in activities that conflict with their fiduciary, ethical and legal obligations to their organizations and their clients.
3. Members shall effectively disclose all potential and actual conflicts of interest; such disclosure does not preclude or imply ethical impropriety.
4. Members shall not exploit any relationship with a donor, prospect, volunteer or employee to the benefit of the members or the members' organizations.
5. Members shall comply with all applicable local, state, provincial and federal civil and criminal laws.
6. Members recognize their individual boundaries of competence and are forthcoming and truthful about their professional experience and qualifications.

#### **Solicitation and use of charitable funds**

7. Members shall take care to ensure all solicitation materials are accurate and correctly reflect their organization's mission and use of solicited funds.
8. Members shall take care to ensure donors receive informed, accurate, and ethical advice about the value and tax implications of potential gifts.
9. Members shall take care to ensure contributions are used in accordance with donors' intentions.
10. Members shall take care to ensure proper stewardship of charitable contributions, including timely reports on the use and management of funds.
11. Members shall obtain explicit consent by the donor before altering the conditions of a gift.

#### **Presentation of information**

12. Members shall not disclose privileged or confidential information to unauthorized parties.
13. Members shall adhere to the principle that all donor and prospect information created by, or on behalf of, an organization is the property of that organization and shall not be transferred or utilized except on behalf of that organization.
14. Members shall give donors the opportunity to have their names removed from lists that are sold or rented to or exchanged with other organizations.
15. Members shall, when stating fundraising results, use accurate and consistent accounting methods that conform to the appropriate guidelines adopted by the American Institute of Certified Public Accountants (AICPA)\* for the type of organization involved. (\* In countries outside of the United States, comparable authority should be utilized.)

#### **Compensation**

16. Members shall not accept compensation that is based on a percentage of charitable contributions; nor shall they accept finder's fees.
17. Members may accept performance-based compensation, such as bonuses, provided such bonuses are in accord with prevailing practices within the members' own organizations and not based on a percentage of charitable contributions.
18. Members shall not pay finder's fees, commissions or percentage compensation based on charitable contributions and shall take care to discourage their organizations from making such payments.

# APPENDIX B

GIFT ACCEPTANCE POLICY  
CALIFORNIA STATE UNIVERSITY, FRESNO  
AND  
CALIFORNIA STATE UNIVERSITY, FRESNO FOUNDATION

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GIFT ACCEPTANCE POLICY  
CALIFORNIA STATE UNIVERSITY, FRESNO  
AND  
CALIFORNIA STATE UNIVERSITY, FRESNO FOUNDATION

## INTRODUCTION

The purpose of this policy is to outline the process for the review and acceptance of gifts to be administered by the California State University, Fresno Foundation (“Foundation”). Nothing in this Policy shall prevent the University from accepting a gift in the name of the University and without the involvement of the Foundation.

These standards should be interpreted in the light of two overriding principles:

- 1) A gift shall not be accepted by the Foundation if such acceptance would not be in the interest of the University. While this document is intended to provide guidance to University personnel regarding acceptance of prospective gifts, donors are ultimately responsible for ensuring the proposed gift furthers their own charitable, financial and estate planning goals. Therefore, each prospective donor is urged to seek the advice of independent legal counsel in the gift planning process. It is not within the province of the Foundation or University staff to give legal, accounting, tax or other advice to prospective donors.
- 2) The University/Foundation should not accept a gift unless there is a reasonable expectation that acceptance of the gift will ultimately benefit the University. The University encourages private support that will not encumber the University with gifts that may be restricted in a manner not in keeping with the University’s mission or that are likely to generate a disproportionate cost or inappropriate obligation in relation to the benefit received.

## DEFINITIONS

### GIFT

A contribution received by the University/Foundation for the benefit of the University for either unrestricted or restricted use in furtherance of the University’s mission and which requires nothing in exchange beyond an assurance that the intent of the contribution shall be honored. If a donor receives benefits in return for a contribution, the amount of the gift recorded and reported is reduced by the fair market value of all benefits given in accordance with IRS regulations.

### GRANT

A contribution that typically comes from a corporation, foundation, or other organization (not an individual) and is received by the Foundation for either unrestricted or restricted use in furthering the mission of the University. The University may determine that what a donor calls a grant is, for internal record-

keeping purposes, a gift. A grant that has been determined to be a gift is donative in nature. It is given voluntarily and without expectation of any tangible compensation and implies no responsibility to provide the donor with a product, service, or intellectual property. In the rare cases when a difference of interpretation arises, the Provost and Vice President for Academic Affairs shall consult with appropriate offices and determine the proper administration of the award.

#### CONTRACT

An agreement between the institution and another entity to provide an economic benefit for compensation. The agreement is binding and creates a quid pro quo relationship between the institution and the entity.

#### PLEDGE

Pledges are commitments to give a specific dollar amount according to a fixed time schedule. All pledges other than annual fund telephone pledges are required to be in writing, except that an oral pledge (a pledge that a donor declines to document in writing) may be booked by Advancement Services if the commitment is documented by the University/Foundation, reflecting our understanding of the donor's verbal commitment back in writing to the donor, and the donor acknowledges the terms outlined in that communication to be correct. Documented pledges are recorded on the University's fundraising database and included in Advancement Services' financial reporting.

#### TRUE ENDOWMENT FUNDS

Sometimes known as "permanent endowment funds," true endowment funds are institutional funds with respect to which a donor has stipulated, as a condition of the gift, that the gift is to be maintained inviolate and in perpetuity. True endowment funds are to be invested for the purpose of producing present and future income that may, also by donor stipulation, be expended or reinvested with the original gift. Written agreements signed by both the University/Foundation and the donor, when applicable, are required for the establishment of all endowments, unless the endowment is established through a bequest after the death of the donor. Contributions clearly designated for an endowment fund by the original donor who signed a gift agreement creating that endowment fund generally do not require a separate gift agreement.

#### TERM ENDOWMENT FUNDS

Term endowment funds are similar to true endowments except that upon passage of a stated period of time, or the occurrence of a particular event, all or part of the gift may be expended. True and term endowments are collectively referred to as "donor-restricted" transactions.

#### QUASI-ENDOWMENT FUNDS

Quasi endowment funds, or "funds functioning as endowments," are institutional funds that the University administration has determined are to be retained and managed like an endowment, or that the donor intends should be managed like an

endowment, except that the donor has given consent in a gift agreement for the University to expend endowment principal for specific purposes or under certain conditions. Principal and income of these funds may be used at the discretion of the University administration. Funds that the University administration set aside to function as an endowment may be unrestricted or restricted as to the purpose or time of expenditure by any agent outside the institution.

## GIFT REVIEW AND ACCEPTANCE

By operating agreement between the CSU and the Foundation, the Foundation Board of Governors is responsible for accepting or declining all gifts to the Foundation for the benefit of the University.

Except for gifts requiring review and approval of the Gift Acceptance Committee, the Foundation Board of Governors delegates responsibility for this review and acceptance to the Executive Director of the Foundation (ExecDir) with the acceptance process and level of review determined by the type of gift involved. Staff Counsel for the Auxiliary Corporation will be consulted for legal advice on any gift as appropriate.

Gifts determined by the ExecDir to pose moderate or material risk to the institution will be reviewed and considered for approval by the Gift Acceptance Committee (“GAC,” defined in the following section) before being accepted and before any representations are made to the donor that the gift will be accepted. Such gifts include, but are not limited to:

- Outright gifts of real property or an interest in real property
- Gifts of real property when a bequest is realized
- Gifts of personal property with a fair market value exceeding \$5,000 if not to be used by the University; and gifts of personal property with a fair market value exceeding \$100,000 if to be used by the University. Examples of such gifts would include:
  - Works of art or other objects
  - Airplanes, boats, cars, or other vehicles
  - Mineral, water, or timber rights
  - Oil wells
  - Overseas investments
  - Manuscripts
  - Literary works
  - Computer software
  - Computer hardware
  - Intellectual property
  - Patents
  - Machinery or equipment
- Other gifts of unusual items or gifts of questionable value
- Conditional pledges, including those with matching requirements
- Gifts of real or tangible personal property subject to donor restrictions regarding disposal of the property

- Partnerships
- LLCs
- Non-publicly traded securities
- Notification of the intent to gift real property through a bequest
- Unusual deferred gifts
- Partnership investments
- Interest in business entities
- Alternative investments
- New types of gifts that have not been dealt with before
- Cash gifts (or pledges) totaling Two Hundred Thousand Dollars (\$200,000) or more
- Cash gifts (or pledges) of any amount having significant donor restrictions
- Cash gifts (or pledges) of any amount requiring that the donor receive benefits of value (i.e. naming, tickets, seats, advertising, luxury suites, etc.)

The Gift Acceptance Committee shall consider all matters it believes relevant to the question of whether or when to accept such a cash gift or pledge, including but not limited to the source of funds out of which the gift or pledge is to be made, the background of the donor, etc.

In any case in which the donor wishes to anonymously contribute or pledge to contribute in excess of Two Hundred Thousand Dollars (\$200,000), the due diligence to be exercised under this paragraph shall be performed by the University President.

Gifts of equipment that a vice president, dean, or director certifies would otherwise have to be purchased by the institution may be accepted at the administrative level determined by a vice president, dean, or director unless acceptance of the gift would commit the university to unbudgeted carrying costs, in which case the gift should also be reviewed by the VPUA. Gifts of art or other objects (including fractional interests) must be accompanied by appropriate documentation or provenance to ensure the objects being gifted have been legally and ethically collected, purchased or held.

The Foundation Board designates authority and responsibility to the ExecDir to accept gifts in kind, in accordance with Foundation policy.

Each gift, including its terms and conditions, and the identity of the donor, shall be considered to be confidential to the extent allowed by law.

#### GIFT ACCEPTANCE COMMITTEE

The Gift Acceptance Committee shall consist of the Executive Committee of the Foundation Board of Governors. The VPUA and ExecDir will serve as staff to the committee.

The committee shall meet in person, telephonically or electronically as needed to approve all gifts of real property, non-publicly traded securities, any gift that requires the Foundation to act as a trustee of a trust, and any gift determined to pose moderate or material risk to the

Foundation or University. The committee must have a majority of then-sitting members in order to approve or decline gifts.

Additional GAC members may be appointed at the discretion of the President of the University. The committee shall consult with legal and/or audit counsel, as appropriate, in matters related to the acceptance of gifts. The President of California State University, Fresno has ultimate authority.

Whenever possible, a draft gift agreement shall be included as part of presentations to the GAC. It is understood that upon acceptance by the GAC, all gifts or gift commitments, unless received by bequest, shall be documented with a written agreement between the donor and the Foundation.

University Development may hold a gift and not immediately book it if there are questions or if documentation is incomplete. The Executive Director of Advancement Services will work with the development director or area dean or director to resolve issues or complete documentation of the gift.

## TYPES OF GIFTS

Gifts to the University/Foundation may be in the form of outright gifts, pledges or deferred commitments. Gift acceptance details and procedures for gift recording vary according to the gift type.

## OUTRIGHT GIFTS

Outright gifts include cash and cash equivalents, securities, real property, interests in business entities, and personal property.

### CASH AND CASH EQUIVALENTS

Cash gifts of any amount are accepted by the Foundation/University. These gifts can take the form of currency, check, EFT (electronic funds transfer), wire transfer, or credit card transaction.

### SECURITIES

Publicly traded securities (stocks, bonds, and mutual funds) are accepted by the University/Foundation. Gifts of publicly traded securities are typically sold immediately but may be retained under certain circumstances.

Gifts of securities are valued at the mean of the high and low price of the security as of the date of the gift. The date of the gift is defined as the date of the postmark on the envelope or the date the security is hand-delivered (physical certificates) or the date the stock is received in one of the Foundation's brokerage accounts (book-held securities). The Foundation will liquidate gifted securities as soon as possible.

Given the potential financial commitment of the Foundation to exercise stock options, and possibly negligible tax-deduction value to the donor, proposed gifts of stock options will go before the GAC.

The GAC must approve gifts of all non-publicly traded (closely held) securities prior to acceptance, taking into consideration measures such as potential legal liabilities, valuation, marketability, restrictions, and any other issue that may arise either in the gift negotiation or in a corresponding shareholders' agreement.

#### REAL PROPERTY

Real property can be used for deferred gifts (see below) as well as outright gifts. To be accepted as an outright gift or as a bargain sale gift, the gift portion of a property's fair market value must be of net benefit to the University/Foundation.

Real property includes improved or unimproved land, personal residences, farmland, commercial property, and rental property. These types of gifts are often complicated and require involvement of a number of professionals, advisors, and University and Foundation staff. This policy shall be communicated to donors when the University receives notification of the donor's intent to gift real property. If it is the intention of the donor that the Foundation not immediately dispose of real property, an agreement must be made in writing between the Foundation and the donor before such property may be accepted by the Foundation; in general, the University/Foundation shall not accept real estate gifts if the donor places restrictions limiting the choices of the Foundation to owning, managing, or disposing of property. Gifts of timeshares, while discouraged, will go before the GAC.

As with any gift of property, if the Foundation sells or otherwise disposes of the donated property within three years of the date of the gift, the Foundation must file an information return on IRS Form 8282 and send a copy to the donor.

The donor of real property should discuss any possible charitable deduction with his or her attorney before making the decision to donate the property. The gift value of a bargain sale will be determined as described by the IRS in Publication 526. Real property may be gifted at three different times: during the donor's lifetime, upon notification by the donor of the intent to give a gift through a bequest, and upon receipt of a bequest.

Notification of gifts of real estate should be referred to the Director of Planned Giving, who will consult with Foundation staff counsel. If the donor wants to give real property, the proposed gift will be reviewed by the GAC.

Prepaid expenses shall be deducted from the gift proceeds when said proceeds are or become available for disbursement. Prepaid expenses are those that are incurred by the Foundation in securing the donated property, as well as in maintaining the donated property, such as but not limited to any and all appraisal

costs, environmental impact report costs, real property taxes, escrow and title insurance fees, personal property taxes, maintenance, repair, and upkeep costs and expenses as well as disposition costs and other expenses attributable to the donated property and paid by or to be paid by the Foundation.

If the donor notifies the University/Foundation of the intent to gift real property through a charitable bequest, University staff may acknowledge the intent to give following the GAC review of the following criteria:

- A current appraisal is desirable, but not required, unless called for in accordance with approved Foundation procedure. If a current appraisal is not available, it is acceptable for a designated University/Foundation representative or its property management affiliate to complete a site visit of the property to generally evaluate marketability.
- At the time the bequest is documented, the donor must be informed that a complete evaluation of the property (including an assessment of the market value and completion of an environmental assessment) will be completed at the time the bequest is realized.
- At the time a bequest of real property is realized, the University/Foundation will consider the gift using the same criteria as if the donor was to gift the property during his/her lifetime.
- Gifts of real property qualifying for a charitable deduction to the donor shall be valued by using the fair market value of the property as determined by a qualified appraisal. Under normal circumstances, appraisals are provided by, and paid for, by the donor. Except as otherwise required by approved Foundation procedure, the donor or estate of donor in the case of a bequest shall pay the costs associated with the conveyance and delivery of the gift, with any exceptions noted above.
- If the Foundation should sell or otherwise dispose of the donated property within three years of the date of the gift, the Foundation must file an information return on IRS form 8282 and send a copy to the donor.

PERSONAL PROPERTY: ACCEPTED WITH INTENT TO SELL

The University/Foundation may consider gifts of personal property; such gifts may be tangible or intangible. Examples of tangible personal property include, but are not limited to: works of art or other objects, manuscripts, literary works, vehicles, developed software (See Appendix F in Policies and Procedures Manual), equipment and livestock. Examples of intangible personal property include, but are not limited to: various intellectual properties such as patents, copyrights and software under development. Such gifts retained by the University/Foundation are considered to be gifts-in-kind and are discussed in the next section.

With the exception of property the University can immediately put to use in furtherance of its mission, as discussed below, it is the policy of the Foundation to sell or otherwise dispose of all gifts of personal property. The Foundation's intention to sell the property and use the proceeds to further the mission of the University shall be communicated to the donor in writing at the time of the gift, specifying if the gift were to be retained by the University/Foundation, it would be for a use unrelated to its mission and could potentially affect the deductibility of the gift.

Gifts of personal property shall be valued at their full fair market value. Gifts with fair market values exceeding \$5,000 will be reported at the values placed on them by qualified independent appraisers as required by the IRS for valuing non-cash charitable contributions. Gifts of \$5,000 or under may be reported at either the value declared by the donor or the value placed on them by a qualified expert on the faculty or staff of the University/Foundation. If a value as specified above is not placed on a gift of personal property, the value shall be recorded at \$1. Gifts of intellectual property shall be valued according to applicable IRS guidelines.

Title to the gift property shall be clear and unencumbered, and properly documented. Careful consideration should be given to marketability, storage, transportation and disposal costs of all gifts of personal property.

The GAC will consider all gifts of personal property with a fair market value greater than \$5,000 if not to be used by the University.

PERSONAL PROPERTY (OR GIFTS-IN-KIND): RETAINED FOR UNIVERSITY USE

Gifts-in-kind are a form of personal property that will be retained and used by University faculty, staff, administrators or students. Such gifts shall be used to further the core mission of the University in the areas of teaching, research, creative endeavors, outreach programs or a combination thereof. The use and need of the property should be clearly documented and approved by the appropriate vice president, dean, or director. If applicable, Risk Management or Staff Counsel may be asked to provide approvals as well. These approvals will be coordinated through the Director of Advancement Operations. Gifts to the Agricultural Foundation are handled separately. See section on Gifts In Kind in Policies and Procedures Manual.

With the exception of software, gifts-in-kind shall be valued at their full fair market value. Gifts with fair market values exceeding \$5,000 will be reported at the values placed on them by qualified independent appraisers as required by the IRS for valuing non-cash charitable contributions. Gifts of \$5,000 or under may be reported at either the value declared by the donor or the value placed on them by a qualified expert or expert source. If a value as specified above is not placed on a gift of personal property, the value shall be recorded at \$1. Gifts of intellectual property shall be valued according to applicable IRS guidelines.

Gifts-in-kind of software, provided clear title and ownership are conveyed to the University, if they have an established retail value are treated like other gifts-in-kind and counted at the educational discount value (if one exists) or the fair market value, as long as the agreement qualifies as a charitable donation under the laws of the appropriate tax authority. A written confirmation of the value of the gift at the educational discount price should be obtained from the donor. See Appendix F.

Title to the gift property should be clear, unencumbered and properly documented. Careful consideration should be given to maintenance, insurance, storage and transportation costs of all gifts-in-kind.

The GAC may review all gifts-in-kind that involve the following circumstances or are valued at more than \$100,000:

- Acceptance of the gift involves significant or unbudgeted additional expense for its present or future use or display, maintenance, transfer, insurance or other institutional costs
- Financial or other burdensome technical or service obligations or expenses that are, or will be, incurred by the University or the Foundation as a result thereof
- The gift is made on the condition or expectation that the item(s) will be loaned back to the donor or to the donor's designee for life or extended periods of time designated by the donor
- Acceptance or subsequent utilization of the property would result in an "unrelated activity" as defined in unrelated business tax law

## INTERESTS IN BUSINESS ENTITIES

Gifts of interests in business entities (partnership interests, S corporations, C corporations, non-publicly traded stock, interests in limited liability companies, etc.) may be accepted by the Foundation with the approval of the GAC. Issues to be considered in accepting such gifts include terms of a partnership or LLC operating agreement, any issues of legal and/or financial liability in accepting the gift, the probability of conversion to a liquid asset within a reasonable period of time, projected income that shall be available for distribution and administrative fees, and the nature of the business from which the asset is derived.

## GIFTS OF CONTRIBUTED SERVICES

The IRS does not allow charitable deductions for gifts of services (only for tangible items), even if the market value of such services can readily be attained. In addition, counting guidelines from the Council for Advancement and Support of Education (CASE) and the Council for Aid to Education (CAE) do not allow gifts of services to be counted. The receiving department may acknowledge and thank the donor for services, without specifying a dollar amount. In addition, "recognition credit" (not legal credit) may be entered into the University's donor database for donor recognition/stewardship purposes, according to the University's established gift recognition standards. No receipt should be generated.

## DEFERRED GIFTS

The Foundation accepts deferred gifts including charitable bequests, charitable gift annuities, charitable remainder trusts, charitable lead trusts, gifts of life insurance and retained life estates. Whenever possible, the Foundation will outsource management of CRATs, CRUTs and CGAs. The Foundation will not act as trustee of any trust (whether charitable or revocable) without the advance approval of the GAC.

### CHARITABLE BEQUESTS

A donor can make a charitable bequest to the University or Foundation in a will and/or a living trust. A bequest of cash or publicly traded securities is always acceptable. A bequest of any asset defined in this document as possibly needing approval of the GAC must be approved or declined by the GAC. For a bequest involving real property, the executor, personal representative or trustee may be asked to sell the property within the estate or trust and distribute the net proceeds to the University/Foundation. The University/Foundation may also choose to decline to accept the property.

### CHARITABLE GIFT ANNUITIES

A charitable gift annuity is a contract between the Foundation and a donor (different from a trust agreement) in which the donor makes an initial payment of cash or marketable securities to the Foundation and the Foundation agrees to pay the donor an annuity for the rest of the donor's lifetime. The minimum acceptable gift will be assets valued at \$10,000. The annual payment to the donor is based on the age of the donor and the fair market value of the initial payment by the donor. Since the donor expects to receive payments from the Foundation for the remainder of his or her lifetime, the actual "gift" to the Foundation has a deductible value of significantly less than the donor's initial payment. The Foundation offers the gift annuity rates recommended by the American Council on Gift Annuities. The Foundation will accept current gift annuities whose initial payment is at least one year after the gift date. The deferral period will be at the discretion of the donor and the Office of Planned Giving.

Gift annuity agreements shall be limited to one life or two lives in being at the time of the gift. Ordinarily the minimum age for the annuitants shall be 45 for immediate annuities. For deferred annuities or unusual circumstances, contact the Director of Planned Giving. State registration requirements must be adhered to in those states whose insurance or other laws and regulations require.

We will not issue an annuity based on a real estate, closely held stock, or hard to value gift. A FLIP unitrust is the proper vehicle.

### UNITRUSTS

The basic form of a unitrust provides for payment to a donor and/or beneficiary(ies) of an amount equal to a set percentage of the fair market value of the assets of the trusts and is valued annually. The percentage is determined at the time the trust is created, is stated in the trust, and is permanent. The minimum payout allowed under IRS regulations is currently 5% annually (as of 2008). The maximum percentage shall be determined by the

GAC based on recommendations by the Planned Giving staff. According to current IRS regulations (as of 2008), the value of the charitable remainder must be at least 10% of the net fair market value of the property transferred to the trust on the date of the transfer.

Payments may be set for life or a term of years not to exceed 20 years. Because income payments are based on a fixed percentage of the annual market value of trust assets, payments will vary in amount as the value of the assets changes.

Payment to income beneficiaries must come exclusively from the trust assets and are not guaranteed by the Foundation.

#### CHARITABLE REMAINDER ANNUITY TRUSTS

These trusts are similar to unitrusts except that the donor and/or beneficiary(ies) annually receive a payout that is fixed irrevocably at the time of the gift and stated in the gift agreement. Under IRS regulations, the payout must currently equal at least 5% (as of 2008) of the fair market value of the assets placed in the trust when it is created. Income in excess of the annual payment is added to the principal. Unlike a unitrust, IRS regulations do not allow additions to annuity trusts.

#### CHARITABLE LEAD TRUSTS

This type of trust is designed to make periodic payments to a charity for a period of several years, after which the trust terminates and the assets pass to the designated individuals either outright or in trust. The Foundation will not serve as trustee of a charitable lead trust. Any exceptions to this policy should be approved by the GAC.

#### LIFE INSURANCE

The University/Foundation can receive two types of life insurance gifts: as beneficiary or as owner and beneficiary. The donor, on the advice of his or her advisors, must decide which arrangement is in the donor's best interests. Should the University/Foundation learn that it has been named as a beneficiary of a life insurance policy but not its owner, no gift shall be counted until after the death of the donor, when the Foundation receives its share of the proceeds. When ownership of a life policy is transferred to the Foundation and it further names the Foundation as sole or partial beneficiary of the policy's proceeds, the Foundation shall count its pro rata portion (if multiple beneficiaries are named) of any existing cash surrender value of the policy, and/or the pro rata portion of any premium payments made by the donor, as the gift value. Anticipated payments are not counted until they are made.

The Director of Planned Giving and Staff Counsel must also review gifts of life insurance for which the Foundation is beneficiary and owner, or gifts of insurance that are funded with assets other than cash or securities; he/she may ask the GAC to review these gifts, as well.

#### RETAINED LIFE ESTATES

Donors can receive a sizeable income tax deduction by making a gift of their personal residence or farm to the Foundation while retaining full use and rights to the property

during their lifetime: the donor retains a “life estate” and the Foundation receives the “remainder interest.”

A life estate is created by transferring a deed to the Foundation which reserves a life estate for the life of the donor or his or her designees. Donors must sign a Life estate agreement with the Foundation to clarify their responsibility for property repairs, taxes, insurance and other expenses. Donors are encouraged to have all documents reviewed by their own attorneys. All the normal review and gift acceptance procedures for gifts of real estate apply to gifts of life estate/remainder interest deeds.

## PLEDGE PAYMENTS AND DOCUMENTATION

### PLEDGE DOCUMENTATION

See Pledge Section in Policies and Procedures Manual.

### PLEDGE PAYMENTS

Pledges typically will be fulfilled with payments of cash, credit cards, EFT, payroll deductions or marketable securities.

If real estate or other non-marketable assets are used as payment, the initial value recorded against the pledge shall be the fair market value of the real estate or assets as determined by an independent qualified appraisal. As with gifts of securities, donors shall receive legal and recognition credit equal for the fair market value (normally based on an appraisal within 60 days of the gift date), regardless of the sale price of the asset.

If publicly traded securities are used as payment, the amount booked against the pledge shall be valued on the legal date of the gift.

Expected matching gift amounts (such as from employers) cannot be used to reduce pledge balances. Matching gifts cannot be obligated by donors and cannot be used to satisfy pledges. It is permissible for the donor to have matching funds deposited into the same fund as his or her gift if permissible by the matching corporation. The pledge agreement should reflect the anticipated amount for which the donor is personally responsible.

Similarly, gifts from donor-advised funds cannot be obligated by the donor and cannot satisfy pledges nor result in benefits to the individual or the fund.

### PLEDGE WRITE-OFFS

See section on Pledges in Policies and Procedures Manual.

## SPECIAL CIRCUMSTANCES

### MATCHING GIFTS

The University honors each organization's matching gift policies while optimizing matching opportunities as much as possible. If University staff has reason to believe that a donor is not in compliance with a matching entity's policies, staff will contact the donor for clarification. Examples may be gifts directed to non-qualifying programs or pooling of gifts with non-employee donors. The University will not knowingly submit claims for non-qualifying gifts.

As stated in the section on Corporate Matching Gifts in the Policies and Procedures Manual, the University and its auxiliaries will no longer accept matching gifts for athletics or other entities when those gifts are associated with memberships or benefits (i.e., tickets, personal seat licenses, suites, etc.). Applications for matching gifts to athletics for philanthropic or capital purposes will be considered when qualified. Matching gifts to the alumni association scholarship program will be accepted when qualified. Matching gifts for naming rights and the Save Mart Center are not accepted.

### GIFTS FROM EMPLOYEES

Gifts to the University/Foundation from University/Foundation employees are encouraged, and may be accepted if the purpose of the gift is to support bona fide University activities. Such gifts are subject to University/Foundation policies and procedures for expenditure to ensure there is no personal benefit to the donor/employee that would jeopardize the tax deductibility of the gift.

### COMMEMORATIVE (MEMORIAL, HONORIAL AND "ON BEHALF OF") GIFTS

Memorial and honorial gifts are encouraged by the University/Foundation as generous and thoughtful ways to recognize people's lives and accomplishments. When a memorial gift is made, the decedent's next of kin is notified by Stewardship; such notifications must not specify gift amounts. When necessary, and unless there is a gift instrument designating the use of such donation(s), the next of kin will be consulted about the designation of memorial monies, including whether the funds will be spent as current funds or go into an endowment fund. In the case of honorial gifts, the honored person is notified of the gesture but again without detail about gift amounts.

### GIFTS FOR THE BENEFIT OF SPECIFIC INDIVIDUALS

A gift that is made with the condition that the proceeds will be spent by the University or Foundation for the personal benefit of a named individual or individuals is not tax deductible as a charitable contribution. The GAC will review and view with caution gifts that are inappropriately targeted toward the benefit of specific individuals. Similarly, the GAC may review proposals for endowed funds that contain unusual restrictions or unusual administrative requirements and proposed gifts for research projects or other scholarly activities undertaken by named individuals. Funds received from a third party who has selected the recipient (such as an external scholarship granting entity) shall be accepted and processed by the appropriate University office.

#### PREMIUMS AND GOODS OR SERVICES RECEIVED

The IRS requires nonprofits to verify that no substantial goods or services were received in exchange for a contribution in order for the gift to qualify for a full charitable deduction. The IRS permits small value benefits based on the amount paid without disclosure. The IRS changes these limits annually. The Executive Director of Advancement Services should be contacted for the current limits. Standard receipts verify this qualification. Where premiums or services are offered, the receipt reflects the total amount paid as well as a value and description of the benefits received.

#### AUCTION ITEMS

Donors who purchase items at an auction may claim a charitable contribution for the excess of the purchase price paid for an item over its fair market value. The donor must be able to show, however, that he or she knew the value of the item was less than the amount paid. For example, an institution may publish a catalog, given to each person who attends an auction, providing a good faith estimate of items that will be available for bidding. Assuming the donor has no reason to doubt the accuracy of the published estimate, if he or she pays more than the published value, the difference between the amount paid and the published value may constitute a charitable contribution deduction. In addition, donors who provide goods for an institution to sell at an auction often ask the institution if the donor is entitled to claim a fair market value charitable deduction for a contribution of appreciated property to the institution that will later be sold. Under these circumstances, the law limits a donor's charitable deduction to the donor's tax basis in the contributed property and does not permit the donor to claim a fair market value charitable deduction for the contribution. Specifically, the Treasury Regulation under Section 170 provides that if a donor contributes tangible personal property to an institution that is put to an "unrelated use," the donor's contribution is limited to the donor's tax basis in the contributed property. The term "unrelated use" means a use that is unrelated to the institution's exempt purposes or function. The sale of an item is considered unrelated, even if the sale raises money for the institution to use in its programs.

#### RAFFLES

The Foundation does not sponsor raffles.

#### CORPORATE SPONSORSHIPS

This policy does not apply to California State University, Fresno Association, Inc. or the Athletic Corporation.

Most corporate sponsorship dollars are fully countable (less the value of tangible benefits received); the determining factor is whether the recognition the corporation receives constitutes advertising. The IRS defines advertising in this instance as competitive pricing or product information displayed because of the donation. If the recognition fits this definition of advertising, the sponsorship is an exchange transaction, not a gift. Simple name or logo placement is not advertising.

If, in return for a gift, a donor or donor organization has its name placed on a brick, chair, building or other item or program that remains part of the institution, this recognition does not reduce the value of the gift so long as it is not advertising as defined by the IRS, above.

#### TRADE AND BARTER GIFTS

When services are provided to the University and athletics tickets or other deliverables are offered in return, no gift transaction is considered to have occurred, even if the value of the service exceeds that of the tickets.

#### DIVERSITY GIFTS

If a donor wishes to designate a gift with provisions relating to ethnic, religious, gender or other descriptions, the University/Foundation will follow federal and state regulations in effect at the time.

#### GIFT REFUNDS

There may be circumstances when it is in the best interest of donor relations to reimburse a donor. The VPUA and ExecDir shall review these requests. If approved, in recognition of the fact that all gifts are permanent (a gift is not a gift unless it is irrevocably given), with donors likely having claimed a tax deduction for the gift, any reimbursements to donors shall be treated as income to the individual. If the payment is equal to or greater than \$600, and was made in a prior tax year, such payments shall result in the generation of a 1099 to the donor who will then be obligated to pay taxes on the stated amount.

### TAX CONSIDERATIONS

The Internal Revenue Service has several requirements that relate to donor tax deductions for cash and non-cash gifts to charities.

#### RECEIPTS

The University's practice is to issue receipts for all gifts; Advancement Services is responsible for issuing all gift receipts. (Individual areas may acknowledge gifts, but not receipt them.) The IRS requires a receipt to substantiate most charitable gift deductions. The donor should retain the receipt in his/her records; it need not be filed with the return.

#### DEDUCTIBILITY

Gifts to the University/Foundation are usually deductible at their full fair market value as of the date of the gift for both state and federal tax purposes. One important exception to this rule is that for gifts of tangible personal property that are intended to be resold by the Foundation, the donor is entitled to an income tax deduction that is the lesser of the item's fair market value or the donor's cost basis; auction rules vary somewhat. Contact the Director of Planned Giving or Executive Director for Advancement Services for more information. Tax laws governing charitable gifts are complex; the University/Foundation encourages donors to seek professional advice on tax issues.

NON-CASH CHARITABLE CONTRIBUTIONS (IRS FORM 8283)

Non-cash Gifts over \$500: If a donor wishes to claim an income tax deduction of \$500 or more in any year for gifts to the University/Foundation which are not cash, the donor must file IRS Form 8283 (Non-cash Charitable Contributions) with his or her federal income tax return.

Non-cash Gifts over \$5,000: Normally, if a donor wishes to claim charitable income tax deduction exceeding \$5,000 in any tax year for gifts that are not cash or publicly traded securities, then the donor needs to obtain qualified appraisals of the property donated and the University/Foundation must acknowledge receipt by signing the IRS Form 8283, which the donor then files with his or her income taxes. Normally the University/Foundation cannot provide or pay for an appraisal for a donor's tax purposes nor will the University/Foundation attempt to estimate for a donor the fair market value of any real or personal property gift of more than \$5,000.

Form 8283 is processed through the University Advancement. It is the donor's responsibility to submit Form 8283 to Gift and Records Processing.

GIFTS OF SECURITIES

Securities Not Publicly Traded: A qualified appraisal and the University/Foundation's acknowledgment of receipt on IRS Form 8283 are required for gifts of securities that are not publicly traded if their total value is more than \$10,000.

Publicly Traded Securities: Additional documentation is not required for gifts of publicly traded securities, regardless of their value.

DONEE INFORMATION RETURN (IRS FORM 8282)

Under certain circumstances described below, if the Foundation sells, transfers, exchanges or otherwise disposes of donated property within three years of the date of receipt of the property, the Foundation must file Form 8282 (Donee Information Return) with the IRS reporting such an action.

*Approved by the California State University, Fresno Foundation Board of Governors on December 1, 2009.*

## APPENDIX C

### FOUNDATION POLICY ON ASSESSMENT OF ENDOWMENT MANAGEMENT FEES

WHEREAS, The California State University, Fresno Foundation (“FOUNDATION”), variously acts as custodian and administrator of certain permanent, donor-restricted endowment funds received from donors that are intended to benefit California State University, Fresno (“UNIVERSITY”) and aid the UNIVERSITY in attainment of its educational mission. Upon receipt, such funds are pooled and then invested/managed by third party money managers; and

WHEREAS, by resolution adopted April 23, 1996 and amended May 20, 1997, and June 17, 2003, the FOUNDATION Board of Governors (“BOARD”) approved the assessment of a management fee to be imposed from time to time upon one or more pre-existing pooled FOUNDATION endowment funds, such assessment representing reasonable compensation for administrative services rendered.

NOW THEREFORE, BE IT RESOLVED THAT any and all assessments pursuant to the resolutions described above shall be subject to all the following conditions:

1. Endowment fund purchasing power over time shall be and remain inviolate, in perpetuity.
2. Assessment and appropriation of the management fee shall be allowed by the BOARD only to the extent reasonably prudent, and upon consideration by the BOARD of at least the following factors:
  - a) The cost of the management services customarily provided by the FOUNDATION relative to the management of the endowed funds administered by the FOUNDATION;
  - b) Long term and short term needs of both the FOUNDATION and UNIVERSITY in carrying out their common charitable and educational purposes;
  - c) Present and anticipated financial requirements of the FOUNDATION and the UNIVERSITY;
  - d) Expected total return (i.e., yield and realized and unrealized appreciation) on the implicated endowment funds;
  - e) Prevailing economic conditions; and
  - f) General diversity and level of risk of invested endowment funds.
3. At a minimum, endowment fund principal shall be adjusted to account for inflation (as reflected by the changes in the *Consumer Price Index* or other appropriate measure) such that amounts assessed for administrative fees **shall not** diminish the original principal amount of the endowments, adjusted for inflation.

4. All assessments for management fees shall be assessed in a reasonable amount and shall in no event exceed 2.5% of the average fair market value of the implicated endowment fund(s), such fair market value to be determined annually on and for each fiscal year ended June 30.
5. Subject to the foregoing, any assessment for management fees shall be deposited in the FOUNDATION Designated Fund account for such ultimate use and distribution, as may be approved by the BOARD.
6. Nothing herein shall serve to limit the authority of the BOARD to expend funds as permitted under the law, the terms of any application gift or endowment instrument, and the governing documents and policies of the FOUNDATION.
7. The following procedures shall apply for purposes of computing and assessing the annual administrative fee:
  - a. The FOUNDATION Designated Fund will be paid a fee for management of the Pool A and C Endowment Funds to be determined within 90 days of the end of the fiscal year to which the fee applies. Endowments with respect to which donors have expressly prohibited the Foundation from assessing a management fee by virtue of the terms of the applicable endowment agreement or other instrument will be excluded from being assessed such fee.
  - b. The management fee shall be established annually by the BOARD and is to be no greater than 2.5% of the average market value of Pool A and C Endowment Funds, as determined by the fund managers for the most recent comparable ten-year period, compared to the average of Nominal Rates of Return for institutions of similar size and methods of reporting as published in the National Association of College and University Business Officers Endowment Study for the most recent ten years available. The goal is to outperform the comparable institutions; however, the BOARD may establish the management fee in years when the FOUNDATION endowment does not outperform the comparable institutions.
  - c. Payment of the fee shall be made within 120 days of the end of the fiscal year to which it applies. However, if the market value of Pool A and C Endowment Funds is less than the original endowment contributions adjusted for inflation as of the end of that fiscal year, the payment of the fee shall be accrued and deferred until such time as market value exceeds endowment contributions adjusted for inflation. For purposes of calculating this requirement, endowments with respect to which donors have prohibited the Foundation from imposing a fee by virtue of agreement or other instrument shall be excluded.
8. Notwithstanding the fact that the BOARD may be authorized to impose the management fee based upon the criteria set forth in this policy, the Board may

from time to time, in its sole discretion, elect not to impose the management fee for any given year or years.

*April 23, 1996*

*May 20, 1997 Revised*

*June 17, 2003 Revised*

*March 27, 2008 Revised*

## **APPENDIX D**

# **POLICY AND PROCEDURE ON NAMING CALIFORNIA UNIVERSITY FACILITIES AND PROPERTIES**

## **I. POLICY AND PROCEDURE FOR THE CALIFORNIA STATE UNIVERSITY SYSTEM**

### **Policy**

The Board of Trustees of The California State University retains authority for naming all CSU facilities and properties, i.e., all buildings; major portions of buildings; university or college streets or roads; stadium and baseball fields and other areas of major assembly or activity; plazas, malls, and other large areas of campus circulation; and all other highly visible facilities and properties. The Board delegates to the Chancellor the authority to name individual rooms, limited areas and individual items or features within buildings, individual landscape items or features, limited outdoor areas, and other minor properties. The Chancellor is also delegated authority to approve temporary namings for a facility or property, reflecting natural or geographic features, or reflecting a traditional theme of a university. The Chancellor may sub-delegate this authority, as he or she deems appropriate.

This policy is intended to encourage private support through opportunities to name campus facilities and properties and only under extraordinary circumstances should facilities and properties be named without a gift.

Each proposal for naming a CSU facility or property shall be considered on its own merits. No commitment for naming shall be made prior to Trustee approval of the proposed name.

A name of a CSU facility or property presented for Trustee approval must honor an individual or an organization and must meet the following criteria:

1. When a donor gift is involved:
  - A. It is desirable for the CSU to name facilities and properties in honor of significant contributors of funds to the university.
  - B. The Board will take into consideration the significance and amount of the proposed gift as either or both relate to the realization or completion of a facility or property or the enhancement of a facility or property's usefulness to the university.
  - C. Facilities and properties may be named for individuals or for organizations responsible for a "substantial gift" benefiting the California State University. The term "substantial gift" in this context is deliberately not defined by arbitrary

standards or by a specific dollar amount. Its interpretation is meant to be flexible so that each situation may be judged on its own merits and may take into account significant contributions of personal services as well as monetary or in-kind gifts. It is expected that each naming opportunity will recognize the donor according to the level of gift and size of facility.

- D. A donor gift can provide the funding for that portion of the total cost which would not have been available from any other source (such as federal or state loans or appropriations, student fees, bond issues, etc.).
2. In a rare instance, when no donor gift is involved:
- A. It should honor a person who has achieved unique distinction in higher education and other significant areas of public service, or who has served the CSU in an academic capacity and has earned a national or international reputation as a scholar, or has made extraordinary contributions to a CSU campus or the system which warrant special recognition, or who has served the CSU in an administrative capacity and who, during administrative service, made extraordinary contributions to a CSU campus or the system which warrant special recognition.
  - B. When a proposal for naming in honor of an individual involves service to the university in an academic or administrative capacity, a proposal shall not be made until the individual has been retired or deceased at least two years.
  - C. No facility or property will be named after seated, elected or appointed officials.
  - D. No more than one facility or property in the system shall be named after anyone individual.
3. In special circumstances, the Board of Trustees may waive any or all of the above criteria.

## **Procedure**

The following procedure will be observed when submitting a proposal for naming a CSU facility or property:

1. The request to name a specific facility or property shall have the approval of the President of the campus. The President shall forward the request to the Vice Chancellor for University Advancement.

Each naming request must:

- A. Be submitted at least six weeks prior to the Board of Trustees' meeting at which the item is to be presented.
- B. Demonstrate compliance with Board of Trustees' policy.

- C. Succinctly state reasons for the proposed name.
  - D. Name the constituent group(s) or individual(s) proposing the request. Name constituent group(s) or individual(s) recommending that the campus President approve the request. Confirm that the President has consulted, in a timely manner, with the executive committee of the campus Academic Senate.
  - E. Include complete biographical data about the individual or organization.
  - F. Ensure that all participants involved in this process remember that strict confidentiality is required.
  - G. Identify the "special circumstance" when requesting a waiver of policy, if any.
2. Upon receipt of the naming request, the Vice Chancellor for University Advancement will convene a review panel. The panel shall consist of:
- A. Vice Chancellor for University Advancement  
Vice Chancellor for Business Affairs  
President of a campus (appointed by the Chancellor)  
President submitting request or his/her designee  
Chair of the Statewide Academic Senate
  - B. After the panel's review, the Vice Chancellor for University Advancement presents the request to the Chancellor. If the Chancellor approves the request, the University Advancement staff will prepare an agenda item for presentation at the next Board of Trustees' meeting as follows:
    - The brief will be prepared for inclusion in the agenda for the Committee on Institutional Advancement.
    - An agenda item will be prepared for presentation at a meeting of the Committee on Institutional Advancement of the Board of Trustees.
3. Confidentiality is to be maintained on all requests submitted.

Requests for naming of facilities and properties should be submitted to:

University Advancement  
The California State University  
401 Golden Shore, Suite 625  
Long Beach, California 90802  
(562) 951-4810

*Policy & Procedure Adopted July 8, 1999 by CSU Trustees*

## **Policy on Naming California State University Facilities and Properties Addendum**

### **Guidelines**

As outlined in the policy, "facilities and properties may be named for individuals or for organizations responsible for a 'substantial gift' benefiting the California State University. The term 'substantial gift' in this context is deliberately not defined by arbitrary standards or by a specific dollar amount. Its interpretation is meant to be flexible so that each situation may be judged on its own merits and may take into account significant contributions of personal services as well as monetary or in-kind gifts. It is expected that each naming opportunity will recognize the donor according to the level of gift and size of facility."

The following guidelines are provided to assist campuses with valuing a naming opportunity:

- While each gift may be judged on its own merits, the expectation is that the gift amount will equal a minimum of 10 percent of new capital improvement costs or the appraised value of existing property. Research by the Council for Advancement and Support of Education indicates an industry best practice of 50 percent of the construction costs of new facilities and 30 percent of the replacement cost of an existing facility.
- For new construction projects to receive priority consideration from Capital Planning, Design and Construction, the gift should be designated for capital expenditures relate to the acquisition, design, construction and/or equipment of the project.
- Payment of the gift should be realized in full within five years of the commitment.

## **II. PROCEDURES OF CALIFORNIA STATE UNIVERSITY, FRESNO**

- A. The final decision on a recommendation to the Board of Trustees of The California State University to name a specific facility or property is vested with the President of the University, and the President is the only person authorized to forward to the Board of Trustees of the California State University a request to name a specific facility or property on the California State University, Fresno campus.
- B. Faculty, administrative personnel, support staff, students, and members of the community, or groups of such persons, may submit requests to name a specific facility or property on the campus in the following manner:
1. The request must be in writing and shall be forwarded to the Vice President for University Advancement for preliminary review.
  2. The request must comply with the policy of the Board of Trustees.
  3. The request must succinctly state reasons for the proposed name.

4. The request must identify the campus constituent group(s) proposing the request.
5. The request must include complete biographical data if the naming is to honor an individual.
6. Confidentiality is to be maintained on all requests submitted.

C. REVIEW BY THE VICE PRESIDENT FOR UNIVERSITY ADVANCEMENT:

- (a) If the request does not comply with the policy and procedures, the request shall be denied and the originator of the request shall be notified and shall be furnished with an appropriate explanation.
- (b) If the request is inadequate, the Vice President for University Advancement may request further information prior to consideration.
- (c) When a request is complete, including accompanying data, the Vice President for University Advancement shall consult with the Executive Committee of the Academic Senate.
- (d) After consideration by the Vice President for University Advancement and consultation with the Academic Senate:
  - (1) If the request is denied by the Vice President for University Advancement, he shall notify the originator of the request.
  - (2) If the recommendation is in the affirmative, the request, all documentation and the written recommendation of the Vice President for University Advancement shall be forwarded to the President.

D. REVIEW BY UNIVERSITY ADVISORY BOARD:

1. The California State University, Fresno Advisory Board consists of twelve community leaders who are interested in the welfare of the University and who advise the President of the University in matters which relate to the advancement of the University in its relationship to the community.
2. The President, at his discretion, may forward all documentation to the University Advisory Board for its recommendation.

E. REVIEW AND RECOMMENDATION OF THE PRESIDENT:

1. After receipt of all documentation and recommendations, the President shall decide whether to make a request to the California State University for forwarding to the Board of Trustees.

2. It is recognized that several requests to name a specific facility or property may be forwarded to the President with affirmative recommendations. The decision of the President shall be final and binding on the University.
3. The President shall notify the originator of the request whether or not the request is being forwarded to the California State University and the Board of Trustees for consideration.

## APPENDIX E

# POLICY AND PROCEDURES FOR NAMING CALIFORNIA STATE UNIVERSITY COLLEGES, SCHOOLS, AND OTHER ACADEMIC ENTITIES

### **Policy**

This policy is intended to encourage private support through opportunities to name colleges, schools, programs, centers, and institutes. The Board of Trustees of the California State University retains authority for naming all CSU colleges, schools, programs, centers, and institutes. There are a finite number of these naming opportunities on the campuses. Opportunities to name these programs are for fund-raising purposes only.

Each proposal for naming a CSU college, school, program, center, and institute shall be considered on its own merits. No commitment for naming shall be made prior to Trustee approval of the proposed name. A name of a CSU college, school, program, center, or institute presented for Trustee approval must meet the following criteria:

1. It shall honor an individual or an organization.
  - 1.1 It is desirable for the CSU to name colleges, schools, programs, centers, and institutes in honor of significant contributors of funds to the university.
  - 1.2 The Board will take into consideration the significance and amount of the proposed current gift and future potential giving with regard to the academic prestige and recognition of the proposed college, school, program, center, or institute.
2. In special circumstances, the Board of Trustees may waive any and all of the above criteria.

### **I. Procedure**

The following procedure will be observed when submitting a proposal for naming a CSU college, school, program, center, or institute.

1. The request to name specific college, school, program, center, or institute shall have the approval of the President of the campus. The President shall forward the request to the Vice Chancellor for University Advancement.

Each naming request must:

- 1.1 Be submitted at least six weeks prior to the Board of Trustees' meeting at which the item I to be presented.
- 1.2 Demonstrate compliance with Board of Trustees' policy.
- 1.3 Succinctly state reasons for the proposed name.
- 1.4 Name the constituent group(s) or individual(s) proposing the request. Name constituent group(s) or individual(s) recommending that the campus President approve the request. Confirm that the President has consulted, in a timely

- manner, with the executive committee of the campus Academic Senate.
- 1.5 Include complete biographical data about the individual or organization.
  - 1.6 Ensure that all participants involved in this process remember that strict confidentiality is required.
  - 1.7 Identify the "special circumstances" when requesting a waiver of policy, if any.
2. Upon receipt of the naming request, the Vice Chancellor for University Advancement will convene a review panel. The panel shall consist of:
    - 2.1 Executive Vice Chancellor and Chief Academic Officer
      - Vice Chancellor for University Advancement
      - President of a campus (appointed by the Chancellor)
      - President submitting request or his/her designee
      - Chair of the Statewide Academic Senate
    - 2.2 After the panel's review, the Vice Chancellor for University Advancement presents the request to the Chancellor. If the Chancellor approves the requests, the University Advancement staff will prepare an agenda item for presentation at the next Board of Trustees' meeting as follows:
      - 2.2.1 The brief will be prepared for inclusion in the agenda for the Committee on Institutional Advancement.
      - 2.2.2 An agenda item will be prepared for presentation at a meeting of the Committee on Institutional Advancement of the Board of Trustees.
  3. Confidentiality is to be maintained on all requests submitted.

## **II. PROCEDURES FOR CALIFORNIA STATE UNIVERSITY, FRESNO:**

A. The final decision on a recommendation to the Board of Trustees of The California State University to name a specific college, school, program, center or institute is vested with the President of the University, and the President is the only person authorized to forward to the Board of Trustees of the California State University a request to name a specific college, school, program, center or institute on the California State University, Fresno campus.

B. Faculty, administrative personnel, support staff, students, and members of the community, or groups of such persons, may submit requests to name a specific facility or property on the campus in the following manner:

1. The request must be in writing and shall be forwarded to the Provost and Vice President for Academic Affairs for preliminary review. The Provost will review all gift considerations with the Vice President for University Advancement.
2. The request must comply with the policy of the Board of Trustees (see Section I above).
3. The request must succinctly state reasons for the proposed name.
4. The request must identify the campus constituent group(s) proposing the request.
5. The request must include complete biographical data if the naming is to honor an individual.
6. Confidentiality is to be maintained on all requests submitted.

### **III. REVIEW BY THE PROVOST AND VICE PRESIDENT FOR ACADEMIC AFFAIRS:**

1. Upon receipt of a written request, the Provost and Vice President for Academic Affairs shall review the request and accompanying data.

- (a) If the request does not comply with the policy and procedures, the request shall be denied and the originator of the request shall be notified and shall be furnished with an appropriate explanation.
- (b) If the request is inadequate, the Provost and Vice President for Academic Affairs may request further information prior to consideration.
- (c) When a request is complete, including accompanying data, the Provost and Vice President for Academic Affairs shall consult with the Executive Committee of the Academic Senate.
- (d) After consideration by the Provost and Vice President for Academic Affairs and consultation with the Academic Senate:
  - (1) If the requested is denied by the Provost and Vice President for Academic Affairs, he shall notify the originator of the request.
  - (2) If the recommendation is in the affirmative, the request, all documentation, and the written recommendation of the Provost and Vice President for Academic Affairs forwarded to the President of the University.

### **IV. REVIEW BY UNIVERSITY ADVISORY BOARD:**

1. The California State University, Fresno Advisory Board consists of twelve community leaders who are interested in the welfare of the University and who advise the President of the University in matters which relate to the advancement of the University in its relationship to the community.

2. The President, at his discretion, may forward all documentation to the University Advisory Board for its recommendation.

### **V. REVIEW AND RECOMMENDATION OF THE PRESIDENT:**

1. After receipt of all documentation and recommendations, the President shall decide whether to make a request to The California State University for forwarding to the Board of Trustees.

2. It is recognized that several requests to name a specific college, school, program, center or institute may be forwarded to the President with affirmative recommendations. The decision of the President shall be final and binding on the University.

3. The President shall notify the originator of the request whether or not the request is being forwarded to The California State University and the Board of Trustees for consideration.

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## APPENDIX F

### GIFTS OF COMPUTER SOFTWARE

Gifts of software are valued and reported in a manner that is standardized and consistent with the most recent edition of the CASE Management & Reporting Standards guidelines.

From *CASE Management and Reporting Standards*, Third Edition, 2004:

**Software, hardware, and maintenance agreements:** Irrevocable gifts of software or hardware with an established retail value are treated like other gifts-in-kind and counted at the educational discount value (if one exists) or the fair market value, as long as the agreement qualifies as a charitable donation under the laws of the appropriate tax authority.

In so-called “mega-gifts,” companies seek to use an institution as a test site for newly developed software or hardware with no established retail price, although the company may have its own estimate of the software’s value. Institutions entering into such agreements need to ascertain whether they are gifts or exchange transactions according to the IRS and CCRA and these standards. (See “Beta-testing software” below.)

Large software donations can be highly complex. The following outline suggests various methods for assessing the countable value of certain components of those contributions:

- a) *Value to the institution:* Only software gifts that serve the academic or research purpose of the institution should be counted.
- b) *Gift value:* As with other gifts-in-kind, the donor should provide the institution with a written confirmation of the dollar value of the gift at the educational discount price. If no educational discount is available, it must be so stated in the letter from the donor and the established retail value shall be used. If there is no established retail price for the software, no amount can be counted or reported until such a value is determined, such as by a qualified independent appraisal or when the software product is available for purchase on the open market.
- c) *Maintenance/licensing agreements:* Maintenance agreements are considered contributed services and are not to be counted unless the agreement between the campus and the donor includes free upgrades that have a higher established retail value. In that case, the difference between the original retail value (less educational discount) and new retail value (less educational discount) is countable as an additional gift.
- d) *Fees:* Any fee charged to the institution for the license is to be deducted from the total recorded gift value.
- e) *Revocation of gift:* To be considered a gift, the donor must irrevocably transfer ownership of the property to the institution. There must be no implicit or explicit statement of exchange, purchase of services, or provision of exclusive information.
- f) *Counting licenses:* The value of each donated license of software can be counted if it meets the criteria stated above. If a company offers a gift of software that covers numerous installations, only the stated amount should be used as the value, whether it

- is a site license, a floating license, or a node-locked license. If the company offers a purchase price that covers numerous installations (a site license), that amount shall be used as the value if sufficient seats were donated. For example, if your institution needs eight seats, and the most economical way to get them would have been to purchase a 10-seat site license, then a gift of those eight seats should be valued at the 10-seat license price.
- g) *Perpetual license*: A gift of software can be counted only in the year that the gift is originally given. In the case of perpetual licenses or renewable licenses, if the software has no upgrade or substantive change, it cannot be counted in subsequent years.
  - h) *Software upgrades*: If a gift of software is reported in one year and a company donates free upgrades to the software in subsequent years with a higher established value, the difference in value can be counted.
  - i) *Software bundles*: In the case where gifts of software are only available in bundles, the institution may count the value of the bundle at the established value if the institution will use one or more software programs in the bundle.
  - j) *Multi-year gifts*: Gifts will be counted only in the year the gift is received. No individual gift will be counted on a multi-year basis.
  - k) *Beta-testing software*: In the instance where a software company is using a campus as a test sit for newly developed software, the campus must ascertain whether the software is a gift or an exchange transaction according to the IRS and CCRA and these standards. To be considered a gift, an agreement between the institution and the software company must irrevocably transfer the property to the institution. If the agreement stipulates that the institution must return the property if it stops using or evaluating it, or that the software is nontransferable, the transaction is not a gift. If the agreement requires the institution to purchase a maintenance agreement, it is an exchange transaction and not a gift. If the software has no established retail value, it cannot be counted as a gift until that retail value is established.

*Adopted by California State University, 2004*

## APPENDIX G

### GIFT RECONCILIATION PROCEDURES

1. Reconciliations will be prepared on a monthly basis.
2. Advancement will provide to the Foundation the Advance report for each month. The Advance report parameters should include all Foundation gifts received during the month.
3. The Foundation will generate a monthly gift report based upon its financial records.
4. A procedures check-off list will be completed by both the Foundation and Advancement on a monthly basis. The list includes the following items:
  - Foundation
    - All transfers and journal entries given to Advancement by 5<sup>th</sup> workday
    - Matching gifts for the month have been recorded
    - Advance report provided by Advancement by the 10<sup>th</sup> workday
    - Provide all monthly endowment information to Advancement on a timely basis by 5<sup>th</sup> workday
    - Obtain signatures of approval from Foundation's Director of Financial Services and its Executive Director at completion of reconciliation process
  - Advancement
    - Foundation has provided transfer information and journal entries
    - Matching gifts for the month have been recorded
    - Advance report provided to Foundation
    - Review of credit card transactions to determine that all documentation has been provided to the Foundation in the same month that Advancement has recorded the gift
5. Foundation staff will review the Advance and Foundation reports and note those transactions not appearing on both reports. An analysis of the differences is then required based upon the following:
  - a. Management has established 2.5% as an acceptable, tolerable monthly percentage difference. If the net difference is less than this percentage, the various differences may not have to be researched and resolved. If the difference is greater than the tolerable percentage, then the various differences should be researched and resolved.
  - b. Differences due to timing (based upon the criteria in a. above) will be accumulated and analyzed each month. Timing differences will likely occur monthly.

- c. Any other differences (based upon the criteria in a. above) will be researched and resolved.
  - d. Reconciliations will be reviewed semi-annually to determine any trends and/or recurring problems.
6. The Foundation will provide a copy of each month's reconciliation to the Director of Data and Information Services who will be responsible for all corrections to the Advance system.
  7. Both the Foundation's Director of Financial Services and the University's Director of Advancement Operations will review and approve each month's reconciliation.

# **APPENDIX H**

## **PLEDGE REPORTING AND RECONCILIATION GUIDELINES**

### **Definition**

A pledge is defined as a promise to make a gift or philanthropic grant, the amount of the gifts or philanthropic grant to be paid subsequently by the donor, usually in installments.

### **Collection and Write-Off Procedures**

Each month pledge reminders will be mailed to donors according to agreed upon payment schedules. Lapsed pledges are those whose payments are overdue by more than 90 days. The Data & Information Services Department will produce and distribute reports of lapsed pledges to Directors of Development and/or others, as appropriate. Directors of Development must review the reports and indicate action to be taken on each lapsed pledge. Any pledge not noted for additional follow-up will be considered for write off. The Director of Advancement Operations will review the lapsed pledges semi-annually (at December 31 and June 30) and make recommendations to the Associate Vice President for Development and the Vice President for University Advancement for pledges to be written off.

### **Reporting Pledges on the California State University Philanthropic Productivity Report**

The following pledge guidelines are provided as minimum standards for reporting pledges on the California State University Productivity Report. The guidelines below are consistent with the Council for Advancement and Support of Education (CASE) campaign reporting standards and may also be used as a guide for the option of reporting pledges on the Voluntary Support of Education (VSE) Survey.

- Report only pledges that were committed or awarded during the reporting period (fiscal year).<sup>1</sup>
- Report only pledges with documentation by the funding source or their legal representative. The documentation must be dated within the reporting period. On the rare occasion when special circumstances may warrant making an exception, the Advancement officer should write to the individual making an oral pledge to document the commitment, place a copy of the correspondence in the donor's file, and gain specific written approval from the Vice President for University Advancement.
- Report only unconditional pledges not based on a future event. Pledges that are subject to matching fund requirements are considered conditional pledges and may not be reported until the condition is met.
- Report pledges at face value.
- Report only the first five years for pledges with payment schedules exceeding five years. At the completion of the first five years, additional five-year increments can be counted.

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<sup>1</sup> It is not the intent of this report to capture phonathon pledges. Fresno State does not include pledges less than \$5,000, to minimize the data collection effort.

- Payments on pledges received in the reporting period when they were originally committed are reported in annual gift totals on the Voluntary Support of Education Survey.
- Payments on pledges committed in prior reporting periods are reported in annual gift totals on the Voluntary Support of Education Survey but are subtracted from the current year activity on the California State University Philanthropic Productivity Report.

### **Reporting Pledges on Financial Statements**

Reporting of pledges on Foundation financial statements varies significantly from the way they are reflected in the reports discussed above for the philanthropic productivity report. These reporting differences arise primarily because University Advancement reports based on the CASE standards and the Foundation reports based on the Financial Accounting Standards Board (FASB) standards. FASB defines the standards applicable to the CSU in FASB 116, Accounting for Contributions Received and Contributions Made. The basic rules are described below. Additional information is available at <http://www.fasb.org/st/summary/stsum116.shtml> or from your auditor.

#### Unconditional pledges:

- Pledges expected to be received within the fiscal year are recognized as revenues at the time of the pledge at their face value.
- Pledges expected to be received after the fiscal year-end are recognized as revenue at the time of pledge at their discounted value.
  - The discount rate used is the market rate (ref.: Accounting Principles Board APB No.21)
  - Amortization of the discount would be recorded as interest income in subsequent years for pledges of cash donation.

#### Conditional pledges:

- Are recorded as described above only after all of the conditions have been met.

Thus under FASB 116, a pledge of five annual payments of \$200,000 using a market rate of 3%, results in reporting a pledge in the initial year of \$915,941, as contrasted with \$1,000,000 shown on Philanthropic Productivity Report.

### **Reconciliation of Pledges**

The Foundation will reconcile its general ledger pledges to University Advancement's Advance promises report monthly. The Foundation will prepare a written reconciliation worksheet for review and approval by the Foundation Director of Financial Services and the Vice President for University Advancement. Pledges not supported by signed donor agreements will be noted on the reconciliation worksheet. Differences between CASE and FASB standards will result in reconciling items.

## APPENDIX I

# CALIFORNIA STATE UNIVERSITY, FRESNO AND CALIFORNIA STATE UNIVERSITY, FRESNO FOUNDATION GUIDELINES ON CAMPAIGN COUNTING

In most respects, these guidelines follow the counting rules propounded by the Council for Advancement and Support of Education (CASE) in the publication *CASE Management and Reporting Standards*, Third Edition. CASE recognizes that “there is currently wide variation in what types of gifts institutions are including in their campaigns and how they are accounting for and reporting them” ([www.case.org/AboutCASE](http://www.case.org/AboutCASE) April 2008). Like those of many other institutions, the California State University, Fresno guidelines differ in a few details. As James Lanier commented after his review team visited the campus in April 2008, “[C]ampaign gift counting is not accounting – accuracy, clarity and consistency are the goals.” For the sake of clarity, here are some introductory notes.

Subsequent to the publication cited above, in 2007-2008 the CASE Commission on Philanthropy agreed upon a number of adjustments to the counting standards. Fresno State guidelines are in compliance with those adjustments, such as the inclusion of revocable gifts “at face value if they are pledged during the campaign, documented, and reported separately from outright gifts and irrevocable deferred gifts.” In keeping with this principle, our Campaign Progress Report shows bequest and other revocable commitments in a separate column. This practice is also affirmed by the Association of Fundraising Professionals (AFP) in their endorsement of the National Committee on Planned Giving (NCPG) Guidelines for Reporting and Counting Charitable Gifts. The key point is “that campaigns, of whatever duration, should be structured and fundraising activity reported at face value, in three categories: outright gifts, irrevocable gift commitments and revocable gift commitments.”

A primary difference from CASE guidelines in Fresno State counting involves commitments by Indian tribal entities. Such pledges and gifts are included in the counting, per the practice of the California State University system. To assure transparency, the amounts of such monies are detailed in the executive summary notes accompanying each year-end Campaign Progress Report.<sup>1</sup>

Another item, which some may consider a departure, involves cash flow from pledges made prior to the campaign period. Such payments, where the initial pledge was not reported in a

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<sup>1</sup> It was suggested to us by John Taylor of the review team that such counting may fit the CASE standards after all. That is, the commitments in question are from tribal enterprises, as opposed to tribal governments. Per Taylor, gifts from such businesses may be included in corporate giving and considered standard. However, the updated standards still specifically consider tribal enterprises as “conduits for [tribal] governments” and thus, this CSU counting practice still differs from CASE.

previous comprehensive or capital campaign, will be included in outright gift totals. These amounts (which decrease year by year as pledge collection is successfully accomplished and relevant pledges are retired) are an important element in the picture of private support at Fresno State. One of the key goals of the Campaign for Fresno State is to raise the level of private support and create a culture of philanthropy, both on campus and among the university's various constituencies. Being able to report on the full effect of private giving—in pledge fulfillment as well as new commitments—is part of the strategy to educate our audiences. At universities with well-established development programs, the focus is on new monies. At Fresno State, nearly all of it is “new.”

Another change, which may or may not affect the current Campaign, is the adjustment from seven to eight years as the suggested maximum for campaign duration.

## **I. General**

- A. Gifts received and commitments made during the period July 1, 2005 to December 31, 2011 (tent.) will be credited to the Fresno State Comprehensive Campaign (Campaign). Cash received from pre-July 1, 2005 pledges will be included with outright gifts if the prior pledge was not reported in a previous capital campaign.
- B. Subject to certain limitations, fund-raising results reported during the Campaign will include:
  - 1. Outright gifts (cash, securities, property, gifts-in-kind, etc.)
  - 2. Pledges
  - 3. Charitable lead trusts
  - 4. Deferred gifts:
    - a. Pooled income funds
    - b. Gift annuities
    - c. Life estates
    - d. Charitable remainder trusts
    - e. Life insurance
    - f. Testamentary pledges (bequests)

## **II. Outright Gifts**

- A. Outright gifts will be counted at full fair market value.
- B. Philanthropic grants administered by the Office of Research and Sponsored Programs (ORSP) will be countable in the Campaign. Procedures for the handling of grants are detailed in the document titled “Guidelines on the Administration of Gifts, Sponsored Support, and Other Resources Acquired Through External Relationships.”
  - 1. To be countable, a grant must be from a private source.
  - 2. To be countable, a grant must be donative in nature.

- C. The fair market value of non-cash outright gifts shall be determined by reference to independent sources (appraisers, stock exchanges, etc.), where feasible.

### **III. Campaign Pledges**

- A. Campaign pledge documentation must include (at a minimum):

- 1. Donor's name and address
- 2. Dollar amount pledged
- 3. Gift designation(s) (may be unrestricted)
- 4. Pledge payment schedule
- 5. Donor's signature

- B. In a circumstance whereby it is impracticable to acquire a signed pledge agreement, but the donor has stated his or her intentions for A2-4 above, a verbal pledge can be verified via written correspondence to or from the donor stating the details of the verbal agreement. Recording of such a pledge must be approved by both the President and the Vice President for Advancement and verified by the Campaign Treasurer.

- C. Campaign pledges will be counted as follows:

- 1. At full face value if payable within five years of creation
- 2. For pledges with payment schedules exceeding five years, only the first five years will be reported initially. At the completion of those payments, an additional five years can be counted.

- D. Donors will be encouraged to provide in their wills for payment of any unpaid portions of campaign pledges.

- E. Unfulfilled pledges that were booked in the campaign period will be subtracted from the totals when it is determined that they will not be fulfilled.

- 1. The pledge cancellation process is detailed in the Fresno State Policy and Procedure Manual.
- 2. Annual fund pledges will be included when current. Unpaid phonathon pledges are cancelled by the end of the first quarter of each new fiscal year.

### **IV. Charitable Lead Trusts**

- A. Gifts of income interests from charitable lead trusts must be documented and include the following:

- 1. Copy of trust agreement
- 2. Value of assets placed in trust

- B. Gifts of income interests from charitable lead trusts will be counted as follows:
  - 1. At full face value if payable within five years of creation
  - 2. At discounted present value if payable over more than five years from creation

## **V. Deferred Gifts**

- A. Gifts of remainder interests from pooled income funds, gift annuities, life estates, and charitable remainder trusts must be documented and include the following:
  - 1. Copy of governing document
  - 2. Value of assets placed in gift arrangement
  - 3. Pertinent actuarial information (birthdate[s], etc.)
- B. Gifts of remainder interests from the above-described arrangements may be either internally or externally administered and/or trusteeed.
- C. Externally managed deferred commitments will be factored into these guidelines as follows:
  - 1. Irrevocable commitments for which we have documentation will be counted in the same way as pledges.
  - 2. Documented revocable commitments will be counted with bequests.
- D. If the remainder interest of a charitable remainder trust is revocable, it can be counted only if the donor is at least 65 years of age during the campaign period. If that is the case, the gift will be counted as a bequest.
- E. If the deferred gift is for a fixed term of years, the term must be 20 years or less.

## **VI. Life Insurance**

- A. In order to be counted, life insurance policies must have the California State University, Fresno Foundation (Foundation) assigned as the irrevocable owner and beneficiary.
- B. Gifts of life insurance must be documented and include the following:
  - 1. Copy or original of life insurance policy
  - 2. Net cash surrender value of policy at time of gift
  - 3. Pertinent ongoing terms (premium amounts, due dates, etc.)
- C. Life insurance is counted:

1. At a policy's net cash surrender value at the time the Foundation is assigned as the irrevocable owner and beneficiary.<sup>1</sup>
2. As premiums are paid by donors on policies for which the Foundation has been named as the irrevocable owner and beneficiary.
  - a. For existing policies, counting may include both cash surrender value and subsequent premium payments.
  - b. For new policies, only premium payments are relevant.
3. At a policy's full face value when the policy is fully paid up and the donor is 65 or older (booked as an irrevocable deferred gift).
4. At a policy's full (proceeds) value in those cases where the Foundation receives the proceeds of a life insurance policy during the Campaign in which it was named beneficiary but not owner.

## **VII. Testamentary Pledges (Bequests)**

- A. To be counted with a dollar value, testamentary pledges (bequests) must be documented and include the following:
  1. Donor's name and address
  2. Donor's birthdate
  3. Estimate of dollar amount pledged (bequeathed)
  4. Gift designation(s) (may be unrestricted)
  5. Copy of pertinent will provision (optional)
- B. Donors must be at least age 65 or turn age 65 during the campaign period (July 1, 2005 – December 31, 2011 [tent.]).
- C. Testamentary pledges (bequests) will be counted if the donor is or will be age 65 or more during the campaign period.

## **VIII. Exclusions from Campaign totals**

- A. Local government, state and federal funds
- B. Contractual funds
- C. Advertising revenue
- D. Membership fees/dues that qualify for tangible benefits
- E. Contributed services
- F. Discounts on purchases
- G. Earned income, including transfer payments
- H. Investment earnings on gifts
- I. Sale of merchandise
- J. Surplus income transfers from ticket-based operations
- K. Tuition payments
- L. Events Center luxury suites

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<sup>1</sup> The tax-deductible value may differ from the countable amount and must be determined by the donor's qualified appraiser.

## **IX. Other Provisions**

- A. Campaign totals will be reported in a format that distinguishes between cash, gifts-in-kind, outstanding pledges, bequests.
  - 1. A summary of gifts and grants received by entities other than the Fresno State Foundation but countable in the campaign will be included in the executive summary notes accompanying each year-end Campaign Progress Report.
  - 2. Gifts and grants from Indian tribes (technically government entities) will be included in totals and detailed in executive summary notes with each year-end Campaign Progress Report.
  
- B. Campaign totals will be analyzed in regard to:
  - 1. Progress against goals
  - 2. Cash flow projections
  
- C. Commitments made by donors requesting anonymity will be counted as detailed above.
  - 1. Degrees of anonymity will be structured according to donors' preferences.
  - 2. Reports that include donor names will identify each anonymous donor as "Anonymous."
  
- D. In situations where these guidelines are inadequate, the Executive Committee of the Foundation Board of Governors will resolve questions regarding acceptance, valuation and crediting.
  
- E. The Executive Committee will have the authority to amend these guidelines if the need arises.

*Approved – Board of Governors – December 9, 2004*

*Amended – Executive Committee, Board of Governors – March 10, 2006*

*Amended – Board of Governors – September 23, 2008*

## APPENDIX J

### PHILANTHROPIC GRANT GUIDELINES

This procedure applies to grants that are facilitated and processed through Advancement.

#### University Philanthropic Grant Proposal Submission & Recording

1. Faculty/Staff Lead prepares philanthropic grant proposal. Typically includes the purpose of the gift and proposed gift amount. Consultation with Development staff may help to identify potential grantors.
2. For proposals greater than \$10,000, the Faculty/Staff Lead prepares Gift Proposal Approval (GPA) form with Development Officer to secure University approval prior to proposal submission. The Provost's signature is required if:
  - The proposal supports a new University program
  - The proposal exceeds \$100,000, or
  - The proposal covers multiple schools/colleges

Final approved GPA form will be routed to the office of the Corporate/Foundation Relations Director for filing.

3. Faculty/Staff Lead submits proposal to the grantor; may benefit from Development liaison, cover letter from University leader or other strategy.
4. Faculty/Staff Lead receives award documents or rejection notice from grantor and notifies Development officer who has been involved.
5. Faculty/Staff Lead turns over award documents and/or check to respective Development office for preparation of GRT form, if needed. GRT is submitted to Gift and Records Processing for recording of the gift in the Advance system.
6. University Development distributes gift receipt and appropriate letter of acknowledgement to the grantor. Processing procedures will be repeated in the case of multi-year gifts.
7. Gift and Records Processing turns over the award documents, check, GRT form and copy of the signed Gift Proposal Approval form to Foundation Financial Services (FFS) for processing and filing.

#### Stewardship of the Philanthropic Grant & Foundation Processing

1. FFS sets up philanthropic grant account in its computer system, if a new account is required, and records the gift.
2. Faculty/Staff Lead prepares FFS trust account application, if necessary. Faculty/Staff Lead submits payment request documents to FFS, as appropriate.
3. As part of the stewardship of the philanthropic grant, the Faculty/Staff Lead files any communications or reports required by the grantor. (Development staff assists with reminders in advance of due dates.)
4. Development staff works with the Faculty/Staff Lead to cultivate future funding of philanthropic grants.
5. FFS sends monthly reports to Faculty/Staff Lead regarding fiscal status of their philanthropic grant.

## APPENDIX K

### COUNTING PHILANTHROPIC GRANTS

This process applies to philanthropic grants that are facilitated and processed through the Office of Research and Sponsored Programs.

In order to include all philanthropic grants in Comprehensive Campaign counting, steps are taken to identify private “gift grants” received through the Office of Research and Sponsored Programs (ORSP). Grants received through University Development are automatically included. (Please note that guidelines are in place for routing the administration of grants. This document concerns only the issue of eligibility for campaign counting.)

The following steps allow the Campaign Treasurer to highlight in campaign progress reports the philanthropic grants garnered and administered by ORSP:

1. The Director of Corporate and Foundation Relations (CFR) regularly reviews ORSP’s report of Submissions, Awards and Rejections (SAR), focusing on new funds received from private sources only. The CFR office prepares a list of grants that may potentially be considered philanthropic.
2. This list is forwarded to the Campaign Treasurer (Director of Advancement Operations), whose role is to seek further information and make recommendations. Where a commitment appears to be non-contractual, he/she reviews the file in ORSP.
  - a. “Non-contractual” means that the University has not promised deliverables, other than general reporting on the funded project.
  - b. References for this judgment include the document “Guidelines on the Administration of Gifts, Sponsored Support, and Other Resources Acquired Through External Relationships” dated 1/14/05 [See Appendix L.] (<http://www.fresnostatenews.com/ORSPguides/>) and *CASE Management and Reporting Standards*, Appendix B, “NACUBO Guide to Distinguishing Between Contracts (Exchange Transactions) and Contributions.”
3. The Campaign Treasurer discusses the resultant findings with the Associate Vice President for Development, who conveys the information to the Provost and Vice President for Academic Affairs. Where the categorization remains ambiguous, the AVP consults with the Provost, who makes the final decision.
4. The Campaign Treasurer adds grants approved as philanthropic to the Comprehensive Campaign Progress report.

*Approved November 2006*

## APPENDIX L

### GIFTS-IN-KIND RELATED USE

Gifts of Tangible Personal Property -Effective September 1, 2006 the rules for gifts of tangible personal property (artworks, jewelry, gems, and other collectibles; motor vehicles, watercraft, and aircraft; livestock, harvested crops, cut timber, and other agricultural products; as well as items of business inventory or equipment) have been substantially altered. These gifts may still be deducted by the donor at fair market value if the charity uses them in furtherance of its tax-exempt purpose. However, if the charity disposes of the property within the year of the gift, the donor's deduction is limited to the donor's cost basis, unless the charity certifies that it did use the property for its tax-exempt purposes or that its intended use became impossible or infeasible to implement. If disposed of after year one, but prior to the end of year three following the gift, the donor must include as ordinary income the difference between the donor's cost basis and the deduction claimed, unless the charity provides the certification noted above. The charity must now file a Form 8282 for any property sold within three years of receipt, whereas before the form was only required for property sold within two years. Finally, donors face a penalty of \$10,000 if they identify property as having a related use if they know that it is not intended to be used for that purpose (for example, if they know the charity intends to sell the piece).

*Explanation of amendments put forth in H.R. 4, Pension Protection Act of 2006, signed August 17, 2006.*

# **APPENDIX M**

## **GUIDELINES FOR GIFTS AND GRANTS**

### **California State University, Fresno** **Guidelines on the Administration of Gifts, Sponsored Support, and Other Resources** **Acquired Through External Relationships**

#### **Purpose and Background**

The University engages in diverse activities related to its mission by securing private support, sponsorship of projects by external entities, and other resource opportunities involving external relationships. Resources acquired through such relationships may be donative in nature or may constitute exchange transactions. This document provides broad guidance on the principles to be applied in categorizing and administering external resources effectively and consistently. Guidance on the specific policies for the administration of grants and contracts or sponsored programs can be found in academic policy manual 501 (APM 501).

#### **Functional Areas Involved**

At least three major functional areas of the University are typically involved with private support and external relationships: Advancement, Extended Education, and the Office of Research and Sponsored Programs. Each area has somewhat different interests or missions, approaches to securing support, and perspectives in administering external resources.

##### **1. Gifts through the Advancement Function**

The Advancement Division is charged with seeking and securing private support for the University through gifts. A gift is a voluntary, irrevocable transfer of property (whether cash, securities, tangible property, real estate or intellectual property) by a donor to a nonprofit organization, for example, a university. The term “gift” is synonymous with “donation” or “charitable contribution.” The contributed property must be delivered to and accepted by the recipient. The transfer must not have been made for “consideration”; that is, nothing of beneficial value returns to the donor, other than the joy of giving and any tax advantage gained. A gift does not involve contractual requirements, written or oral. Most gifts are designated for a particular purpose or area of the recipient organization, and if accepted, these designations become restrictions on how the gift may be used. A gift generally results from a solicitation or proposal in which the charitable organization describes how the gift funds would be applied.

a. Gifts from organizations - Major gifts from foundations or corporations usually involve written proposals, and corporate and private foundation gifts are commonly called “grants.” This terminology may cause confusion in that the term “grant proposal” is also used in other functional areas (e.g., sponsored programs). However, gift grants and sponsored program grants have important distinguishing features, as detailed elsewhere in this document.

b. Planned gifts - Planned or deferred gifts nearly always require a written agreement that creates terms and conditions for both the donor and the recipient institution. The contractual aspects of such a gift should not be confused with the contractual nature of other external relationships involving support for, or resources acquired by, the University.

Philanthropic funding, as described above, will be solicited, accepted, and overseen by University Advancement, and in the case of gifts from organizations, coordinated by the Director of Corporate and Foundation Relations. Fresno State Foundation gift accounts are established when funds received from outside sources are designated for flexible though targeted use (or unrestricted use) and are free of the constraints or obligations of sponsored projects. Gifts will usually not require extensive financial or technical reporting by the University or Foundation. However, University personnel are obligated to assure responsible stewardship by appropriate use of the funds and communication with donors.

## 2. Extended Education Funding

Extended education programs (both credit and non-credit), workshops, seminars, short courses and conferencing activities are broad functional areas administered by the University's Office of Continuing and Global Education. These activities are self-supporting, and funding is usually achieved through a user, licensing or registration fee, but may also be provided through a contract with a sponsoring agency. Written agreements or like instruments confirm the relationship with either the student or the client-entity.

## 3. Sponsored Project Support

Non-philanthropic grants, contracts, cooperative agreements and payment-for-service arrangements represent another significant source of external support for University programs. Such resources may fund research and other projects that represent exchange transactions or that have highly restrictive conditions requiring oversight by the Office of Research and Sponsored Programs. Administration of such funds is handled jointly by Office of Research and Sponsored Programs (pre-award activities) and the Foundation's Financial Services department (post-award activities). Such activities, which are initiated by faculty or other University personnel, normally require a formal proposal that is reviewed and approved by the University prior to submission to the sponsor and that follows the policies outlined in APM 501. Typically the sponsor will have a written agreement between the Foundation and the sponsor. Sponsors may be governmental agencies (federal, state, local), private foundations and other nonprofits, or commercial entities. Grants from federal, state and local governmental agencies or entities cannot be considered donative in nature and thus are always administered by the Office of Research and Sponsored Programs.

Grants, contracts and cooperative agreements are sometimes administered by the University without Foundation involvement, for example when a sponsor makes such an arrangement a condition of the award. Projects of this type should still originate in the Office of Research and Sponsored Programs, which will channel the proposal to the appropriate University office for processing.

a. Hybrid projects - On occasion, a sponsor/donor may wish to enter into an agreement with the University that contains elements of more than one type of funding. For example, a corporation may choose to support a research activity by providing an endowed professorship, as well as a research contract. In such cases, the different types of funding should be distinguished and administered separately by the appropriate functional areas. In the example given, the endowed professorship would be administered as a gift by University Advancement, and the research contract would be administered as a sponsored project by the Office of Research and Sponsored Programs.

b. Funding for contract and procurement services - Aside from the administrative units described above, only the University's Office of Procurement and Support Services may enter into official agreements with and receive resources (cash or in-kind) from external entities. **Departments and individual University faculty and staff are not authorized to do so.**

### **Principles and Characteristics of Externally Acquired Resources**

The following principles and characteristics should be used to distinguish among the types of University support, project sponsorships and other acquired resources stemming from external relationships, so that the resources can be channeled to and administered by the appropriate organizational unit.

#### 1. User, Licensing or Registration Fees

User, licensing or registration fees are those charged to a person or organization in exchange for participation in a specialized educational activity offered by California State University, Fresno. Similarly, fees are charged for the use of University facilities and services for such educational activities, including courses, workshops and conferences sponsored by non-university agents. Funding of this type is typically handled by the University's Conference Services department or Continuing and Global Education.

#### 2. Grants

Grants are generally characterized by a formal written agreement between a public agency, commercial entity or private foundation (grantor) and a recipient organization (grantee) establishing a relationship that transfers to the grantee funds, property or services to accomplish a public purpose, without substantial involvement of the grantor during performance of the contemplated grant activity but with the expectation of results or benefits of some kind for the sponsor. A grant involves an obligation between the parties, in contrast to a gift, which does not. Grant, contract and sponsored programs are administered under APM 501.

A grant is preceded by a formal proposal to the grantor. A negotiation process follows, and the grant award is usually made when a written instrument has been executed. For smaller amounts, the agreement may simply be an award letter from the grantor to the grantee referencing the proposal, any negotiated features at variance with the proposal, and the award amount and disbursement terms. For larger amounts, the proposal will include a detailed work plan, and the

sponsor will have the expectation that the work will be completed as outlined. The sponsor will usually require reports of results, in varying detail, and restrictions will often be placed on categories and amounts of expenditures.

### 3. Contract/Cooperative Agreement

A contract or cooperative agreement defines a relationship between a public agency, corporation or individual (sponsor) and a recipient organization (contracting entity) and provides detailed performance and reporting requirements. If the principal purpose of the relationship is the transfer of funds, property or services from the sponsor to the recipient to accomplish a public purpose, and substantial involvement of the sponsor is contemplated under the terms of the instrument, the sponsored agreement is termed a cooperative agreement.

Resources acquired through contracts and cooperative agreements are sought, accepted, administered and overseen principally by the Office of Research and Sponsored Programs, and occasionally through the University's Contract and Procurement Services Office.

### 4. Payment-for-Service Arrangement

Payment-for-service arrangements (a variation of a contract or cooperative agreement) provide a mechanism to facilitate special contractual relationships between the University/Foundation and external individuals or entities. They are used when standardized services (testing, analysis, etc.) are provided to multiple sponsors ("clients"). A memorandum of understanding is developed between the service provider (faculty) and the University, by means of which the University approves the services to be provided and addresses other aspects of the contractual relationship. The memorandum of understanding is developed with the assistance of the Office of Research and Sponsored Programs, similar to the development of a more traditional grant/contract proposal, and is approved by appropriate University management. It is reviewed annually. Modifications in the services offered must receive prior approval. Once approved, the MOU allows the director of the activity (faculty) to interact directly with the clients in a simplified and efficient manner.

## **Criteria for Distinguishing Grants and Sponsored Projects from Gifts**

### 1. Non-philanthropic Grants, Contracts and Cooperative Agreements

Non-philanthropic grants, contracts and cooperative agreements are established when funds are awarded to the University or the Foundation by external sources in support of research, instructionally related activities, training or service, under an agreement that normally includes one or more of the following:

- The award instrument is an agreement that binds the University or the Foundation to a set of terms and conditions and requires endorsement.
- The agreement obligates the investigator to a line of scholarly or scientific inquiry that typically follows a plan specified by the funder, provides for pre-defined testing or evaluation, or seeks to meet stated performance goals.

- The agreement includes a line item budget that identifies expenses by activity, function or project period.
- The agreement requires fiscal accountability as evidenced by the submission of financial reports to the sponsor, an audit provision, or the return of unexpended funds at the conclusion of the project.
- The agreement creates an obligation to report project results or dispose of tangible or intangible properties resulting from the project. Examples of tangible properties include equipment, records, technical reports, theses or dissertations. Intangible properties include rights in data, copyrights or inventions (intellectual property).
- The agreement seeks considerations such as indemnification or imposes other terms that require legal accountability.

According to CSU and Fresno State policy, sponsored projects, whether administered by the University or the Foundation, must recover full indirect costs, whether identified in the award or not, unless the funding agency has a written policy that precludes such recovery and the University has accepted the award with this restriction, or unless all or part of the indirect costs are approved for waiver by the appropriate University officials (APM 501). The applied indirect cost rate will be consistent with University policy. The University's indirect cost rate is negotiated periodically with the federal government based on documented costs, and is uniformly applied to all sponsors except as described above. The university's policies for administration of sponsored programs are outlined in APM 501.

## 2. Philanthropic Grants and Other Gifts

“Gift grants” have the following characteristics:

- The award supports an unrestricted purpose or activities such as endowments (e.g., endowed chairs, professorships), capital projects (e.g., construction or renovation, equipment), unrestricted programmatic support, or general student support (e.g., scholarships).
- The award requires only minimal reporting to the donor, which might typically take the form of a description of how funds were used to support the research or program.
- The award involves no quid pro quo or exchange transaction.
- The award of equipment or any other form of property has no restrictions attached to its use.

Philanthropic grants from foundations or corporations are sought, accepted and stewarded by University Advancement through the Office of Corporate and Foundation Relations. Proposals are approved in advance via the Gift Proposal Approval Form. The Director of Corporate and Foundation Relations will regularly issue a summary report about strategies being planned with major funders, proposals pending and awards received (similar to the SAR report provided by the Office of Research and Sponsored Programs).

### **Inter-function Coordination and Resolution**

In order to coordinate grant-seeking from foundations and corporations, each academic unit will form a strategy team consisting of the dean and/or associate dean, the development director, and a representative from the Office of Research and Sponsored Programs. The team is charged with

developing a solicitation strategy for philanthropic and non-philanthropic grants. Applications for grants with donative intent should be consistent with the goals of the comprehensive campaign or other priorities of the academic unit, and any solicitations should be coordinated through the Advance prospect management system. The Office of Corporate and Foundation Relations will monitor proposals to ensure that grant makers in foundations and corporations do not receive multiple uncoordinated proposals from various units on the campus.

While these guidelines help distinguish among different types of external resources, and help direct particular external relationships to the appropriate administrative unit, uncertainty may still arise in classifying an activity. In the rare cases when a difference of interpretation arises, if the academic unit's strategy team cannot identify the appropriate administrative process for the activity, the Provost and Vice President for Academic Affairs shall consult with appropriate offices and determine the proper administration of the award.

*Approved by California State University, Fresno, January 14, 2005*

# Appendix N

## Confidentiality Statement

CALIFORNIA STATE UNIVERSITY, FRESNO

### Appropriate Use Statement

#### Statement of Appropriate Use ...

All Employees of, or Volunteers for California State University, Fresno must sign a Statement of Appropriate Use before being given access to the Advance Database.

I understand that all personal and organization information maintained by the University is subject to strict state and federal statutes regarding privacy and confidentiality.

As an employee of, or as volunteer for California State University, Fresno, I understand that all information regarding individuals and organizations used or maintained in the course of Advancement activities is confidential and is not to be used or taken outside the workplace.

This applies to all information maintained by the University Advancement division, which may be in the form of printed materials, electronic data, oral statements, or other formats.

This information may include, but is not limited to, names, phone numbers, addresses, giving history, employer records, and other information I may access in the course of my job.

I also understand that I am responsible for proper usage of this information, and that I agree to report any observed misuse to the appropriate supervisor immediately.

This also includes any computer security passwords I am given in the course of my employment, and I clearly understand that my passwords are to remain confidential and not to be revealed or shared with other individuals.

I also understand that unauthorized or inappropriate use of the Internet, World Wide Web, and any other resources made available during my employment with the University can also result in immediate termination or disciplinary action.

Misuse of this information, including the transfer of information, in any format, to unauthorized individuals will result in immediate termination or other disciplinary action.

**Signature:**

**Print Name:**

**Date:**

**Advancement Services Staff Approving Signature:**

**Date:**

**Title of Signor:**

**Please Fill out the Following Information**

Name:

Title:

Office or department:

Address:

Phone home/work:

Requested login id:

*Suggestion: Use the same login as your email account.*

Requested password:

*Suggestion: Change your Advance password to be the same as your e-mail password when you first log into Advance.*

Email Address:

Check access requested:

- Default inquiry
- Biographical maintenance
- Prospect management maintenance
- Gift and pledge maintenance
- Membership

System administration

Acknowledgements

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**Office use only:**

Checklist:

Added to Advance?

Added to Advance Users email group?

Password access form printed?

Tips and Tricks printed?

Added to CSU Alumni and Friends Listserv?

User group:

Prospect group:

Bottom of Form