



# Gift Procedures and Related Policies

Division of University Advancement  
California State University, Fresno

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**Policies referenced in this manual:**

[Fresno State Foundation Gift Acceptance Policy](#)

[Guidelines on the Administration of Gifts, Sponsored Support, and Other Resources Acquired Through External Relationships – Office of Research and Sponsored Programs](#)

[California State University – Policy: Naming of California State University Facilities and Properties](#)

[California State University – Policy: Delegation of Authority; Naming of CSU Facilities and Properties](#)

[California State University – Policy: Naming of California State University Academic and Athletic Programs](#)

[California State University – Policy: Delegation of Authority; Naming of CSU Academic and Athletic Programs](#)

[California State University – Policy on Art Collection Management](#)

## **Preface**

The Division of University Advancement in collaboration with the California State University, Fresno Foundation aims to inspire and increase philanthropy to fuel California State University, Fresno's mission. The Fresno State Foundation is the primary agency to receive and invest gifts on behalf of the University.

This manual is a compilation of policies, procedures and guidelines currently in practice relative to gift funds processing at Fresno State. Critical to our work is the careful stewardship of the resources that others place in the University's trust, whether public or private. These resources must be treated with the utmost care and integrity. Therefore, the goal of this manual is to strengthen the effectiveness and productivity of University Advancement through documentation of the gift processing. See Appendix A for the Donor Bill of Rights and the Council for Advancement and Support of Education Statement (CASE) of Ethics.

This manual will be updated as policies and procedures change. The updated manual will be posted to <https://www.fresnostate.edu/mapp/>. Users are encouraged to refer to the online manual to ensure that they have the most current version of the document.

Suggestions to improve this manual should be forwarded to the executive director of advancement services in the Division of University Advancement.

While this document is intended to provide guidance to University Advancement personnel and others regarding acceptance of prospective gifts, donors are ultimately responsible for ensuring that any proposed gift furthers their charitable, financial and estate planning goals. Neither the University nor the Foundation provides legal, accounting, tax or other advice to prospective donors. Therefore, each prospective donor is urged to seek the advice of independent counsel in the gift planning process.

**IRS and 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. 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.
3. The organization provides a description and good faith estimate of the value of goods or services provided in return for the contribution.
4. 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 \$117 (2022 figure), whichever is less;
  - the payment is at least \$58.50 (2022 figure);
  - the only items provided bear the organizations names or logo (for example, calendars, mug or posters);
  - the cost of the items does not exceed \$11.70 (2022 figure).

*(Note: The figures in item 4 change annually.)*

### **Authority and Responsibility**

The roles and responsibilities of gift funds processing are delegated to the individuals/groups listed below.

### **Fresno State Donee Entities**

The following entities are recognized as donee entities for gift acceptance purposes. All gifts made to benefit the University must be accepted through one of the following organizations:

1. California State University, Fresno Foundation (“Foundation”)  
Gifts of cash, securities, life insurance, real estate and trust agreements to benefit California State University, Fresno are generally made to the Foundation.
2. California State University, Fresno University (“University”)  
Gifts in-kind (equipment or personal property), Use of Property and Gift of Service.
3. Other University auxiliary organizations and recognized non-profit entities.

### **Determining the Appropriate Donee**

1. In the absence of information indicating that a gift was determined for a specific donee organization, the Foundation will be considered the default.
2. Determination may be made by the Foundation to forward a gift to the Office of Research and Sponsored Programs for administration if appropriate. See Appendix E: Guidelines for Grants and Gifts.
3. If a check is made payable in the name of a school, college, program, etc. the gift will be considered made to the Foundation and restricted for its intended purposes.
4. Gifts made to any of the recognized University donee organizations are tax-deductible to the extent allowed by law.

### **University Advancement**

University Advancement (“UA”) is comprised of six offices: Advancement Operations, Advancement Services, Alumni Engagement and Annual Giving, University Brand Strategy and Marketing, University Communications and University Development. The vice president for University Advancement works in consultation with the president and in cooperation with the provost, deans, and other University officers to achieve the goals of the University. The vice president for University Advancement serves as the executive officer responsible for planning and coordinating all programs and activities designed to secure and steward private-sector financial support for the University, its colleges, schools, units, and programs. This includes programs for annual giving, major gifts (\$25,000 or more), capital campaigns, and planned giving.

The responsibility for prospecting and cultivating gifts to Fresno State rests with these University Advancement offices:

### **Advancement Services**

Advancement Services is responsible for entering, storing, maintaining and retrieving most of the data related to the University’s fundraising supporters, donations and internal operations. Specific duties for this unit include:

1. **Maintain, Secure and Archive Data:** Enter, maintain and secure biographical and personal records of constituents, donors, alumni, prospects and other supporters. Also maintains any information pertaining to businesses and organizations which provide financial or other types of support.
2. **Process Gifts:** Process gifts and produce donor receipts according to non-profit standards, manage planned gifts and non-cash gifts. Track solicitations and pledges.
3. **Create Reports:** Create and disseminate financial, organizational and constituent reports for internal and external audiences.
4. **Analyze Data:** Provide context and create a deeper understanding of data kept, including building prospect ratings and scores, predicting income and combining data from multiple sources to increase likelihood of soliciting the correct audience.
5. **Provide Research:** Research and find new prospects and identify new information pertaining to existing prospects.
6. **Collaborate with the Foundation:** Work in collaboration with the Foundation to draft pledge/gift agreements and reconcile gift information.
7. **Steward and Acknowledge:** Thank and celebrate the commitments donors make to the University.
8. **Educate Others:** Train other University employees how to use and interpret reports and stored data.

### **University Development**

The associate vice president for development oversees directors of development for academic units, as well as directors whose roles include principal gifts, planned giving, corporate and foundation relations, continuing and global education, the library, student affairs and enrollment management, and central development.

The development staff within academic units and other units are responsible for cultivating, soliciting and acknowledging major gifts (\$25,000 or more) to the University. As the primary contacts for these donors, they institutionalize the transaction as follows:

1. Work with donors and prospective donors in crafting fund agreements;
2. Record proposals and other relevant contact information associated with major gift asks;
3. Notify the necessary parties of anticipated gifts and pledges;
4. Collect and transmit the gift and all associated documentation to Advancement Services;
5. Steward donors and share the impact of their gifts.

### **University Brand Strategy and Marketing**

University Brand Strategy and Marketing develops university-level marketing and brand-aligned promotion targeting key Fresno State audiences in the region, nation and world.

### **Alumni Engagement and Annual Giving**

The goal of Alumni Engagement and Annual Giving is to broaden the base of support for the University by connecting alumni to the University, in turn increasing the number of annual donors and the dollar amount of annual gifts. Alumni Engagement and Annual Giving works in collaboration with the California State University, Fresno Alumni

Association, a recognized 501(c)(3) and university-recognized donee.

**University College, School, Departments Programs and Units**

The University's deans, program directors, and department chairs will:

1. Prioritize and articulate needs for private support;
2. Work with the associate vice president for development and the director of development to prioritize needs, set fundraising goals and approve fundraising projects;
3. Work with the director of development on gift solicitations to assure that adequate documentation is provided to Advancement Services to properly record the value and designation of the transaction;
4. Maintain information on donor intent and restrictions;
5. Ensure that expenditures are authorized by signatories in accordance with donor intent and restrictions.

**Office of the General Counsel**

The Office of the General Counsel protects the legal interests of the Trustees of the California State University and its constituent institution California State University, Fresno. In this role, it provides interpretation and guidance on gifts to the University that may contain indemnification and/or other contractual issues.

**Fresno State Foundation**

The Foundation was organized in 1931. Its purpose is to manages the financial activities relating to sponsored research grants and contracts, gifts and endowments (including related scholarship and loan accounts), and campus program trust accounts. .

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) made by donors who wish to benefit the University.

**Fresno State Foundation Board of Governors**

The Foundation's Board of Governors has the fiduciary responsibility for the management and investment of all charitable gifts for the University. Oversight of the acceptability of gifts is granted to the Foundation's Gift Acceptance Committee.

If questions arise regarding the acceptability of a gift to be held by the Foundation or the gift is \$1,000,000 or more, the Gift Acceptance Committee will convene as needed to review and recommend action to the Foundation. See Appendix B: Foundation Gift Acceptance Policy – Gift Acceptance Committee.



## **Section 1: Gifts**

A gift is a contribution received by California State University, Fresno (“University”) for either unrestricted or restricted use in support of the University for which no commitment of resources or services has been made other than possibly committing to use the gift as the donor specifies (per CASE Standards).

Once the University has accepted a gift, it becomes University property. At this point, the donor relinquishes control of the gift and has no direct decision-making power regarding the disposition of the gift. However, donor intent is paramount in determining how the gift is used. If the University cannot comply with the donor’s intent, it cannot accept the gift.

### **Section 1.1: Distinguishing Between Gift and Non-Gift Transactions**

1. Gifts can be cash or non-cash, and are generally in the form of cash, checks, credit cards, securities, real property or personal property. They can be conveyed as outright gifts or as deferred gifts. They can be tangible (as in real estate) or intangible (as in patent rights).
2. In general, cash received as a grant from a private, non-government source is considered a gift if, unlike a sponsored research grant, it is donative in nature; i.e., it is bestowed voluntarily (without expectation of any tangible compensation or return of services rendered directly to the donor). The gift may be unrestricted or may support a specific project, academic area, research program, or other University program. Generally, such gifts are received and receipted by the California State University, Fresno Foundation (“Foundation”).

### **Section 1.1.2: Qualified Sponsorship and Advertisement Transactions**

A sponsorship qualifies as a gift if the sponsor does not receive any substantial benefits in return.

Per IRS rules, sponsors can be acknowledged by mentioning or displaying the following:

1. company name, company logo, product lines and contact information (address, phone number, web address);
2. slogans and value-neutral descriptions of a sponsor’s goods or services in acknowledging their support;
3. display or distribute a sponsor’s product(s) to the general public at the sponsored activity or event.

#### **Exception:**

If the sponsorship is published in a periodical, regularly scheduled and printed on behalf of the University, that is not related to and primarily distributed in connection with a specific event, then it is considered advertising. If a newsletter has an online edition, it is considered a periodical and, therefore, the sponsorship is considered advertising.

Advertisement is not a qualified sponsorship payment (i.e. not a gift) if, in return, the organization advertises the sponsors products or services. Advertising includes:

1. messages containing qualitative or comparative language, price information or other indications of savings or value;

2. endorsements;
3. inducements to purchase, sell or use the sponsor's products, facilities or services.

**Section 1.2.3: Counting Gifts**

In general, the University and its donee entities do not count dollars as gifts that are received from the following:

1. Local government, state and federal funds
2. Contractual funds
3. Advertising revenue
4. Membership fees/dues that qualify for tangible benefits
5. Contributed services
6. Discounts on purchases
7. Earned income, including transfer payments
8. Investment earnings on gifts
9. Sale of merchandise
10. Surplus income transfers from ticket-based operations
11. Tuition payments
12. Rental of suites/skyboxes

**Section 1.2.4.: Donations from Marijuana/Cannabis Industry**

The University and its donee entities do not accept donations from businesses involved in the cultivation and sale of marijuana/cannabis per the California State University.

**Section 1.2.5: Raffles and Auctions**

The University and the Foundation do not sponsor raffles or auctions. See Appendix B: Foundation Gift Acceptance Policy – Raffles and Auctions.

## **Section 2 - Solicitation for Annual and Major Gifts**

Alumni Engagement and Annual Giving (“Annual Giving”) is the central annual giving arm of California State University, Fresno (“University”). The goal of Annual Giving is to broaden the base of support for the University by increasing the number of annual donors and the dollar amount of annual gifts. Annual Giving oversees all annual solicitations and/or monetary requests for one-time projects.

An annual gift solicitation is defined as a request for gift(s) \$24,999 and under generated through direct mail, telemarketing or electronic (email/social media) giving.

University Development oversees all major gift solicitations. Major gifts are defined at \$25,000 or more and include endowed and naming gifts.

Annual Giving and University Development may solicit anyone, based on appropriate allowances and restrictions within the alumni/donor database.

### **Annual Giving**

With approval, schools/colleges/units can distribute specific print and electronic appeals to target constituents during the fiscal year. Any entity or individual that solicits funds on behalf of the University and/or groups affiliated with the University must submit their materials to Annual Giving for review and approval prior to having the solicitation distributed. Also, all appeals must be tracked via the alumni/donor database through the Office of Advancement Services in order to prevent oversaturation of solicitation with university constituents. Solicitations and related materials must have final approval by the Office of University Brand Strategy and Marketing prior to distribution to ensure proper use of brand standards.

Annual Giving is responsible for all telemarketing efforts. Schools/college/units cannot initiate their own telemarketing projects; however, they may contact Annual Giving for information regarding targeted telemarketing options.

See Appendix G for the Annual Giving Solicitation Process.

### **Major Gift**

For major gift solicitations (\$25,000 or more), campus representatives should contact their assigned director of development or contact the associate vice president for University Development.

Adherence to this policy ensures the preservation of Fresno State’s credibility among its donors, accuracy of the alumni/donor database and optimization of University resources.

### **Section 3: Accepting, Receiving and Acknowledging Gifts**

Gift acceptance begins with determining whether the gift transaction is appropriate, supports the University's mission, and is expendable.

Once a gift has been accepted, it is the fiduciary responsibility of the donee entity to process and receipt the gift promptly, accurately and securely.

Communication is essential to processing gifts promptly and accurately. This includes pre-acceptance discussion of potential gift issues with the appropriate individuals and notification that gifts are on the way (with complete documentation). Complete documentation ensures that valuation is accurate and that donor intent and any payment options or stewardship reporting requirements are met.

Although complete documentation is required to finalize gift acceptance, the lack of documentation should not keep a gift from being deposited promptly unless there is insufficient information to determine whether the transaction is a gift.

Gift acceptance is complete when:

1. The gift has been recorded to the appropriate gift fund;
2. The funds have been deposited in the account;
3. For gift in-kind when the property has been received by the University or service/use of property has been completed.

### **3.1: Required Information**

In order to process a gift, a Gift Reporting Transmittal (“GRT”) form, a pledge card, or some documentation (i.e. a letter from the donor) that indicates how the gift should be applied must accompany the gift. The GRT includes specific information needed to process the gift which includes:

1. Donor – The legal as well as any recognition credit the donor associates with the gift.
2. Intent or Designation – A gift may be either restricted or unrestricted.
  - a. An unrestricted gift is available for use at the discretion of the president with consultation of the vice president for University Advancement. If there are no specific written restrictions expressed by the donor, the gift will be presumed to be unrestricted.
  - b. A restricted gift is designated, according to the donor’s wishes, for a particular college/school/unit or use that benefits the University.
3. Transaction Date - The “Date of Record/Process Date” is determined by the gift type, as discussed below. This is the date most commonly associated with the gift. This date is printed on the gift receipt.
4. Amount – The total gift amount including the fair market value of any tangible items received.

NOTE: Certain types of gifts require other specific documentation. These requirements are discussed in the next sections.

### **3.2: Receiving**

1. All gifts will be accepted by Advancement Services, California State University, Fresno, 5244 N Jackson Ave, KC45, Fresno, CA 93740-8023. Physical office location McLane Hall Annex, Rm 6.
2. All gifts received directly at the Foundation must be forwarded to Advancement Services within one business day.
3. All gifts received by any school/college/unit should be taken to their respective school/college/unit director of development immediately, who will then hand deliver them to Advancement Services within one business day. Original documentation (i.e. letter from the donor, envelope, ect.) and a GRT should accompany the gift.
4. Advancement Services updates/creates donor record in the alumni/donor database and issues a gift receipt within two business days of receipt of gift.
5. Advancement Services creates a digital gift batch which is uploaded to a shared folder on the auxiliary server and delivers the checks, any applicable gift information and deposit log to Foundation each business day.
6. Foundation staff upload the gift batch from the shared folder into the Foundation's accounting system.
7. Cash gifts are deposited into its own suspense account at the Foundation when the GRT has "account to be established" checked. Funds are transferred when the gift account has been established.
8. Reallocations or corrections required after a gift has been processed are handled by Advancement Services. Advancement Services updates the donor record, sends a corrected receipt to the donor and notifies Foundation staff.

9. Advancement Services provides monthly, annual and other periodic reports summarizing donor-giving activities. Reports are also available in the alumni/donor database for users to run.

### **3.3: Processing Requirements by Gift Type**

Gifts can be classified in the following fashion: 1) cash and cash equivalent, 2) non-cash assets, 3) use of property/gift of service, and 4) planned gifts. The first three categories are described below. Planned gifts are described in Section 6 Planned Gifts and Bequests. Each of these gift types has characteristics that require certain documentation or process standards.

#### **3.3.1: Cash and Cash Equivalent Gifts**

Cash gifts are outright payments of paper currency, coins, checks or credit card payments. Payroll deductions and recurring electronic transfers of funds are also gifts of cash.

All gifts of cash, check and payroll deduction will be accepted by Advancement Services.

#### **Cash and Checks**

##### Gift Acceptance and Receiving

1. Cash or checks may be delivered in person or by mail.
  - a. Gifts by mail will be opened by two staff members, one to sort and one to observe. The gifts will be counted by two staff members, and a confirmation of the total is signed by both. The total is then verified against gift entries.
  - b. Gifts received in person by Advancement Services will be counted to verify the total gift amount and total number of checks or cash. Staff from Advancement Services and the person delivering the gifts will log/sign that the gift has been accepted.
2. Checks should be made payable to the Fresno State Foundation and will be reviewed by Advancement Services to ensure the payee is the Foundation, the date is current (not in the future or more than 6 months past), the number amount and the written amount are the same, and the check is signed.
3. Advancement Services will process the gift, mail a receipt to the donor and update donor biographical data in the alumni/donor database.

While it is the donor's responsibility 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 IRS Mailbox Rule), such gifts are recorded with the date the check is processed by Advancement Services.

#### **3.3.2: Foreign Currency or Foreign Checks**

##### Gift Acceptance and Receiving

All foreign currency or checks are reviewed and accepted on a case-by-case basis.

### **3.3.3: Credit Card**

#### Gift Acceptance and Receiving

Credit card transactions of gifts and pledge payments are processed in Advancement Services.

1. VISA, MasterCard, Discover and American Express are accepted credit cards.
2. For security reasons, credit card information is not stored on university computers or servers. Gifts made online comply with this requirement. All other credit card gifts must be submitted to Advancement Services in a non-electronic fashion via a pledge/gift card/form.
3. Pledge payments from annual telemarketing are charged online by either the vendor or the donor and posted in the alumni/donor database on the first business day following the phone call which secured the pledge.
4. For a non-telemarketing gift, the amount is charged online to the donor's credit card. The credit card number is redacted from any paperwork after the transaction has been processed.
5. Online credit card gifts are confirmed electronically to Advancement Services with no credit card information included.
6. Transactions are recorded in the alumni/donor database.
7. Advancement Services issues gift receipts for credit card gifts on a weekly basis.
8. Monthly reconciliations are done with the Foundation.

For gifts via credit card, the gift date of a credit card donation is when the bank authorizes the transaction, which is usually the time the transaction is run. Advancement Services processes credit card gifts in accordance with Payment Card Industry (PCI) standards. Credit card donations made online through Fresno State's website are handled by Authorize.net, or the current vendor.

### **3.3.4: Electronic Funds Transfer**

#### Gift Acceptance and Receiving

Electronic funds transfers (EFT) are arrangements between a donor and a bank for the automatic transfer of funds to the Foundation. All EFT must be coordinated with the Foundation.

1. Wire transfer and foreign currency fees will be charged to the benefiting gift fund.

The date of gift for gifts made via EFT is the date the money is deposited to the Foundation's bank account.

### **3.3.5: Honoraria, Stipends and Payment for Services**

1. Any request by a speaker/consultant to have their fee paid to a separate entity as a donation cannot be accommodated by the Foundation, as the taxing authorities see this as avoiding taxable income to the speaker. In such cases, the payment would be made to the individual, who, in turn, may choose to make a separate donation to their charity of choice (including the Foundation).

### **3.3.6: In Honor of Gifts**

1. If the donor specifically requests to credit an honoree, this information will print on the gift receipt and the notation will be added to the gift on the alumni/donor database. Advancement Services or the appropriate director of development is

responsible to appropriately inform the honoree.

### **3.3.7: Memorial Gifts**

1. Memorial gifts provide an important means by which someone can pay tribute to another. The information provided with the gift should include the memorialized person's full name and a memorial contact and address.
2. A weekly memorial report is generated from the alumni/donor database. Advancement Services works with the assigned director of development to ensure the names of everyone who contributed in memory of the person is shared with the memorial contact. Individual donation amounts are not released but rather the total sum of all donations may be disclosed.
3. The memorial contact has 180 days from the date of the first gift received to make an allocation decision. If, after 180 days of receipt of the first gift, it cannot be determined which school/college/unit may be the recipient of the gifts, the funds will be placed into the University's General Scholarship Fund in consultation with the vice president for University Advancement.
4. The gifts will be modified and transferred from the suspense account.
5. All memorial gifts must be transferred out of the suspense account within 180 days. Some exceptions may apply upon approval of the vice president for University Advancement.
6. When the sum of gifts in memory of an individual total \$5,000 or more, the gifts may be used to establish a non-endowed scholarship fund in conjunction with the Office of Financial Aid and Scholarships and must include a memo or letter from the dean with the criteria. If the sum of gifts totals \$25,000 or more an endowed fund may be established.
  - a. If the sum of gifts received totals less than \$5,000, gifts will be deposited into a school/college/unit general scholarship fund or program as deemed appropriate by the dean or other university leadership.
7. If an obituary is published (print or online) that indicates that the donations will be used to establish a potential fund (i.e., scholarship, building, etc.), the funds must be used for that specific purpose. Therefore, it is advised that any advertisement for memorial gifts be directed as follows:

Gifts in memory of (insert name) may be made payable to the Fresno State Foundation and mailed to: California State University, Fresno

Office of Advancement Services  
5244 N Jackson Avenue M/S KC45  
Fresno, CA 93740-8023

Please note that the gift is in memory of (insert name).

8. Facilities Management has an existing fund to accommodate memorial trees and benches on campus. Contact Facilities Management for additional information. These are not considered gifts.

### **3.3.8: Anonymous Gifts**

An anonymous donor is one who wishes to remain unidentified or cannot be determined when the gift arrives. There are several levels of anonymity:

Donor is known



- a) but wishes his/her name does not print on any reports. A receipt is generated and sent to the donor.
- b) agrees to have name disclosed but does not want the gift amount disclosed. A receipt is generated and sent to the donor.
- c) but wishes to have name and gift amount suppressed on all reports. A receipt is generated and sent to the donor.

Donor is unknown or requests an extreme amount of anonymity. The gift will be entered on an entity entitled "Anonymous Donor" and no receipt will be generated, unless the donor specifically states they would like a receipt.

### **3.3.9: Corporate/Foundation Matching Gifts**

A matching gift is a gift received from a corporation or foundation that matches an eligible gift to the Foundation from an individual employed, retired or volunteering with the corporation or foundation. The gift is 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. See Appendix B: Foundation Gift Acceptance Policy – Matching Gifts.

#### **Gift Acceptance and Processing**

1. Advancement Services will adhere to matching gift policies provided by corporations/foundations.
2. Matching gifts cannot be counted as payments to a donor's pledge unless allowed by the matching company/foundation.
3. Matching gift forms and documentation, whether hard copy or electronic, are reviewed, approved and signed by the executive director of Advancement Services for eligibility matched.
4. Advancement Services processes the matching gift form and a claim is entered in the alumni/donor database. If required, the original form is mailed back to the corporation/foundation.
5. Advancement Services receives the matching gift, reviews original documentation and deposits into the appropriate account. A receipt is mailed to the corporation/foundation unless no receipt is requested.

Many claim forms and confirmations are done entirely online. In that case, the executive director of Advancement Services logs on to the corporation/foundation matching gift portal to confirm that the gift is eligible. Other claims are done internally by the corporation/foundation without a claim form. The matching gift that is received in this manner is reviewed by the executive director of Advancement Services to determine if it is eligible, where it should be deposited or if it should be returned.

### **3.3.10: Philanthropic Grants**

A philanthropic grant is an award from a corporation or foundation that does not constitute an exchange transaction and that supports the education mission of the University. All contractual awards and all awards from public agencies are handled by the Division of Research and Graduate Studies – Research and Sponsored Programs. Grants may range from purely philanthropic to completely contractual. On the continuum

between the extremes, philanthropic grants are processed and recorded by the Division of Research and Graduate Studies – Research and Sponsored Programs and also University Advancement. See Appendix E: Guidelines on the Administration of Gifts, Sponsored Support, and Other Resources Acquired Through External Relationships dated April 24, 2015.

For procedures related to philanthropic grants facilitated and recorded by Advancement, see Appendix F: Philanthropic Grant Guidelines.

### **Gift Acceptance and Processing**

1. The executive director of Advancement Services reviews the Submissions, Awards and Rejections (SAR) Report on a quarterly basis, focusing on new funds received from private sources.
2. The executive director of Advancement Services seeks further information where a commitment appears to be non-contractual (the University has not promised deliverables, other than general reporting on the funded project), he/she reviews the file in Division of Research and Graduate Studies.
3. Where the categorization remains ambiguous, the executive director of Advancement Services consults with the associate vice president for Development or the vice president for University Advancement, who makes the final decision.
4. Advancement Services posts grants approved as philanthropic to the alumni/donor database.

#### **3.3.11: Non-Cash Assets and Personal Property (Gifts in-kind)**

A non-cash asset is a gift of securities, real estate, or personal property that will be retained and used by or for the benefit of the University. Gifts in-kind must be in alignment with the University's mission.

Gifts in-kind are a form of personal property such as equipment, works of art, livestock, collections, etc. These gifts will be valued by the donor and not by the University. In some cases, personal property may not be reasonably expected to be used to satisfy or further the University's mission; and the University may dispose of the property as desired.

The following gifts in-kind are not considered charitable contributions and will not be given credit or included in the University's fundraising totals:

- Use of real property (i.e. use of a conference room or home)
- Contributed services or volunteer labor
- Printing or design work (although the cost of materials may be credited)
- Costs of appraisal
- Shipping and transit insurance costs
- Sales or use tax
- Property given to Fresno State as a permanent loan
- Temporarily loaned equipment
- Leases of equipment at market rates (unless the lease offsets a university expense)

## **Policy**

See Appendix B: Foundation Gift Acceptance Policy - Personal Property (or Gifts-in-Kind): Retained for University Use

See [California State University Policy on Art Collection Management](#)

## **Overview**

It is the responsibility of the University representative who is approached by a prospective donor to consult with their school/college/unit director of development or the executive director of Advancement Services prior to acceptance. It is important to review the value of the gift to the University and carefully consider the following before accepting a gift in-kind:

- Will the gift be used to further the core mission of the University in the areas of teaching, research, creative endeavors, outreach programs or a combination thereof?
- Is it relevant to the work of the University?
- Will accepting the gift jeopardize the reputation of the donor or the University?
- Does the donor's intent match the mission/interests of the University?
- Will the gift cost the University money in the future, such as maintenance, repair, or preservation costs?
- Are there any risks associated with accepting the gift?
- Will the gift require a special facility in which to house it?
- Are there any special conditions the donor may impose?
- If the property cannot be used in University's school/college/unit/programs, will the donor allow it to be sold?
- If the donor places a condition on the gift that it is not to be sold, the University should not accept the gift.

If additional expenses are necessary and are not covered by the accepting area's operating budget, the person requesting the receipt of the gift should consult with his or her supervisor, department head, academic dean, or vice president in advance of gift acceptance. If there is a question about restrictions or costs attached to a gift, the vice president for University Advancement should be consulted.

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 vice president for University Advancement. For gifts of art reference [CSU Policy on Art Collection Management](#).

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 Advancement Services.

University Advancement retains the right to accept or decline a gift in-kind. There are some gifts that the University and/or 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 executive director of Advancement Services, the associate vice president for Development or the vice president for University Advancement should be contacted respectively before school/college/unit agrees to accept a gift.

### **Deep Discounts**

For gifts through deep discounts, a company should provide a bill of sale clearly indicating the retail (or educational/nonprofit discount) price, less the charitable contribution of the discounted amount, and a net cost. Advancement Services will record the discounted amount as a gift in-kind. If the same discount applies to purchases made by the University on a regular basis, it cannot be counted as a donation.

### **Gift Acceptance and Processing**

1. Gifts of personal property which qualify for a charitable deduction must be reported to Advancement Services, regardless of value.  
In keeping with the University's policy to deposit all gifts as quickly as possible, all gifts of personal property must be processed via a Gift In-Kind Acceptance Form and a Gift Reporting Transmittal Form to Advancement Services. The forms are available online at MyFresnoState under the Forms Portfolio. 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 Advancement Services.
  - a. **Gift in-kind to the University** requires signatures by the dean of the school/college or other appropriate University official receiving the gift, director of development (if applicable), the executive director of Advancement Services, and the vice president for University Advancement. Gifts valued under \$1,000 do not require a signature by the vice president for University Advancement. Send the Gift In-Kind and Gift Reporting Transmittal Forms and all original back-up documentation to Advancement Services for processing in the alumni/donor database.
  - b. **Gift-in-kind to the Ag Foundation, Ag Operations and Association** requires signatures by the dean of the school/college or other appropriate University official receiving the gift, director of development, the associate vice president for Auxiliary Operations and Enterprise Development, the executive director of Advancement Services, and the vice president for University Advancement. Send the Gift In-Kind Form and all original back-up documentation to Auxiliary Services. Auxiliary Services will forward completed forms to Advancement Services for processing in the alumni/donor database.
2. Recognize that the government holds the donor responsible for the valuation of gifts. The University and the Foundation are prohibited by law from suggesting a value on materials donated to it. It is the sole responsibility of the donor to provide an assessed valuation and transportation of the gift in-kind to the University, and to be knowledgeable about IRS regulations concerning in-kind gifts. Donors should consult with their tax advisor **prior** to donating the personal property to determine the tax implications of the gift. The IRS guidelines in use at the time of transfer will be strictly adhered to, and may be obtained from the donor's professional tax

advisor(s). Fresno State nor any of its representatives are able to provide tax advice to the donor.

3. Gifts with fair-market values exceeding \$5,000 will be recorded at values placed on them by qualified independent appraisals from individuals. Donors may also provide an itemized inventory list, valid invoice or published item value.
4. Gifts of \$4,999 and under may be recorded at the value declared by the donor or placed on them by an independent appraisal. In addition, the executive director of Advancement Services may verify the value of the gift via a search of the World Wide Web for a comparable item and its value. In no case should this value be submitted to the donor.
5. Personal property, especially corporate gift in-kinds are recorded at the educational discount value, i.e., the value the University would have paid had it purchased the item outright from a vendor.
6. Personal property shall not be accepted if its ownership is likely to expose the University to litigation or liability. Personal property shall be accepted only if a source of funds for maintenance of the property (if any) has been identified and if the property is free of indebtedness. Exceptions may be made if, prior to acceptance of the gift, the vice president for University Advancement expressly decides that acceptance of the property will be in the University's best interest.
7. Acknowledgements for all gifts in-kind shall describe the property transferred, but shall not state a monetary value.
8. 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.
9. University Advancement may choose to value the gift (for internal purposes) lower than the appraised amount.
10. For any gift in-kind valued at \$5,000 or more to the University, Advancement Services will forward a copy of all gift documentation to University Procurement and Support Services.
11. The gift in-kind must be accepted by the University before December 31 to qualify as a gift in that calendar tax year.
12. Should the Foundation or University decide to sell, transfer, exchange or dispose of a gift valued at over \$500 (and that cumulatively exceeds \$5,000) within a three-year period from the date of receipt, the University or Foundation is required to complete and submit a corresponding Form 8282 to the IRS stating the date of disposition and value received. A department that becomes aware of such a disposition should notify the Foundation. 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. Foundation staff 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.

### **3.3.12: Personal Property: Accepted with Intent to Sell Intangible Property**

See Appendix B: Foundation Gift Acceptance Policy - Personal Property Accept with Intent to Sell

#### **IRS Form 8283**

It is the sole responsibility of the donor to provide an assessed valuation and transportation of the gift in-kind to the University, and to be knowledgeable about Internal Revenue Service regulations concerning gift in-kind. The IRS guidelines in use at the time of transfer will be strictly adhered to. A university representative should never provide an IRS Form 8283 form to a donor. IRS Form 8283 is not required for gift acceptance.

**Estimated value is greater than \$5,000:** If a donor wishes a tax deduction for the contributed item, the IRS regulations require the donor provide a written independent appraisal by a qualified appraiser and to complete IRS Form 8283 (available at [www.irs.gov](http://www.irs.gov)). The written appraisal must be obtained by the donor **prior** to making the non-cash donation. It is the donor's responsibility to supply the completed and signed IRS Form 8283 to the University. Fresno State and the Foundation should not pay for the appraisal.

1. The donor must complete the taxpayer name field on Form 8283 before sending to Advancement Services for signature by the designated university representative.
2. The University, as the 21one, is the only authorized legal entity to sign this form if requested by the donor. Advancement Services coordinates the signing process. The University's signature by the chief financial officer acknowledges receipt of the non-cash item and does not attest to the value (the associate vice president for Auxiliary operations and Enterprise Development signs the form for the Association and Agricultural Foundation). If the donor has already completed Section B – Part I, signed in Part II and has the appraiser's signature in Part III, the amount filled in by the donor in Section B – Part I must equal the fair market value of the gift that was provided to the University. If the amount the appraiser completed on IRS Form 8283 is not the same as was previously submitted by the donor, Advancement Services will adjust the amount in the alumni/donor database to match the appraisal value. Advancement Services should notify University Procurement and Support Services of the change in value.
3. Upon signing Form 8283, a notation is made on the alumni/donor database gift record.
4. Advancement Services returns the signed tax form to the donor for gifts on behalf of

the University.

The University is obligated to report via IRS Form 8282 any sale of an asset within three years of its date of gift if a Form 8283 has been signed by the University.

### **3.3.13: Securities**

Securities may be publicly traded common stock or bonds or privately held instruments. For acceptable private stock or other less marketable assets see Appendix B: Foundation Gift Acceptance Policy - Securities.

1. The Foundation is responsible for facilitating gifts of securities for the University. Directors of development who anticipate a gift to be made with securities should contact the Office of Planned Giving and Foundation staff for assistance.
2. It is the policy of the Foundation to sell all gifts of securities as soon as possible.

#### Transferring Securities

The Foundation prefers to receive securities via a direct transfer between brokerage accounts. This transfer is paperless and is the most efficient method available. Please contact the Office of Planned and Foundation Giving for further instructions and assistance.

#### Determining the Date of Gift

For gifts of securities, the date of gift is defined as follows:

1. Transfer between brokerage accounts - Date securities are received in a Foundation controlled account.

#### Assigning a Gift Value

1. 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.

#### Gift Receipt

1. If the securities donated are readily priced (listed on a nationally recognized exchange), the receipt will indicate the high, low and average for the date of gift as a convenience to the donor.
2. Because valuation for tax purposes is the responsibility of the donor, the receipt provided for a gift of securities does not need to show a dollar value to be in compliance with IRS regulations. Minimum receipt requirements are the name of issue, number of shares donated and the date of gift. It is the donor's responsibility to determine the gift value and prepare IRS Form 8283 if necessary.

### **3.3.14: Real Property**

Real property includes improved or unimproved land, personal residences, farmland, commercial property, and rental property.

#### Gift Acceptance and Receiving

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

The school/college unit receiving information concerning a gift of real property should

contact Foundation staff.

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

University Development informs the donor of acceptance or rejection of the property.

If the gift is accepted, Foundation staff forwards all documentation to Advancement Services.

- a. Advancement Services records the gift on the donor's record.
- b. Sends an acknowledgement to the donor.

### **3.3.15: Interests in Business Entities**

See Appendix B: Foundation Gift Acceptance Policy – Interests in Business Entities.

### **3.3.16: Use of Property/Gift of Service**

Gifts providing services or the right to use property are not considered charitable donations by the IRS, but are an important source of private support for the University. Therefore, individuals and organizations providing this type of support will be recognized as donors and such gifts will be included in appropriate gift reports. Because such gifts are not recognized by IRS as charitable donations, no receipts will be issued and acknowledgements will not specify a specific dollar value.

1. Use of Property Definition: A gift is considered to be use of property when the donor gives the University the right to use his/her property on a temporary basis in exchange for nothing in return. This can include use of software, golf courses, airplanes, hotels, vehicles, etc. in which the University does not retain a permanent ownership of said property.
2. Gift of Service Definition: A gift is considered to be gift of service when the donor provides their time or services in exchange for nothing in return. This can include construction, labor, public speaking, orthopedic, accounting, and software consulting services.



### **Acceptance and Receiving**

Use of Property/Gift of Service gifts are accepted by the University provided the University has a documented use for the gift and it fits within the mission of the University. Gifts are recorded on the alumni/donor database for recognition and reporting credit, but are not receipted. Gifts are recorded at fair market value regardless of the value the donor may place on the gift. The value will be determined by what the University would have paid had it purchased the use of property or service outright. Methods of substantiation may include invoices, appraisals, comparable sales, etc. The executive director of Advancement Services will review the value. In cases where there is a discrepancy or question regarding the value, the vice president for University Advancement will make the final determination of the value for recording purposes.

Use of Property/Gift of Service are recorded at the time the donor commits to making the property available or service to the University regardless of whether the usage has begun or ended. Likewise, it is not necessary to annualize the value of the usage unless the recipient unit desires annual recording and the nature of the gift lends itself to annualization, such as the case of an annual vehicle lease agreement.

Example 1: A rancher agrees to permit the Jordan College of Agricultural Sciences and Technology the use of 10 acres of his/her property for use as a test plot. The rancher does not receive a receipt, but will receive recognition/soft credit equal to the value of the fair market rent for the 10 acres.

Example 2: A car dealer permits an athletic coach to drive a new vehicle for a year at no cost. The car dealer is not issued a receipt but will receive recognition/soft credit equal to the value of leasing the specific vehicle for one year. The value is based upon the dealer's existing lease program terms.

Example 3: An accountant agrees to donate 20 hours of time to the Craig School of Business. The accountant is not issued a receipt, but will receive recognition/soft credit equal to the value of 20 accounting hours times the accountant's established hourly rate.

### **3.4: Receipting**

1. Generally, printed receipts are sent to donors within two business days of the date a cash gift is received, unless specified by the donor.
2. A receipt is not sent when a pledge is made but is sent each time a pledge payment is received.
3. If a donor makes a noncash gift of tangible personal property, a thank you letter is sent that includes a description of the property but excludes a gift value. The valuation of non-cash tangible personal property is the responsibility of the donor, and the University is not allowed to provide the donor with any documentation that could be interpreted as concurrence on a value stated by the donor.
4. A receipt is not generated for gifts of service or use of property since neither is considered a charitable gift according to the IRS. Gifts of service and use of property are entered in the alumni/donor database for gift recognition credit purposes only.
5. An annual receipt is sent to all donors who give via payroll deduction through the

University or the Foundation.

6. An electronic confirmation of receipt is sent for online gifts. Once the gift is processed in the alumni/donor database, a printed receipt may be mailed.

### **3.5: Gift Acknowledgments**

Gifts of all levels will be receipted (if applicable) and donors will be recognized appropriately.

1. Gifts in-kind are acknowledged by letter, describing the gift but without any reference to a value.
2. For Memorial and In Honor Gifts, donors are receipted and additionally, the family or person in whose name the gifts are given will receive a letter/card from Advancement Services or a director of development noting the names of the donors, without dollar amounts or contact information unless allowed by donors.
3. In addition, for gifts of \$10,000 or more, a letter is sent from the vice president for University Advancement.
4. Gifts of \$100,000 or more receive a personal note from the university president.
5. All gifts to the President's Circle for Excellence receive an acknowledgement letter from the university president.
6. Directors of development, Foundation Board of Governors and other volunteers may also provide acknowledgements to donors.

#### Procedure for gift commitments values at \$10,000 or more

- Advancement Services pulls a list of donors from the alumni/donor database weekly.
- Advancement Services processes letters from the alumni/donor database, reviews and mails accordingly.
- For gifts of \$100,000 or more, Advancement Services prepares information for the university president to prepare a personal acknowledgment. The acknowledgment is mailed by the Office of the President. Advancement Services posts an electronic copy to the alumni/donor database.

## **Section 4: Determining the Donor**

Accurate and complete gift processing requires that both the legal (“hard” credit) donors as well as recognition (“soft” credit) donors be associated with each transaction.

### **4.1: Determining the Legal (“hard” credit) Donor**

Establishing the “legal” donor for a gift is a requirement of the Internal Revenue Service. The legal donor will receive the receipt generated by the gift transaction. Methods for determining the legal donor are:

1. The person or organization whose name appears on the face of a check or credit card shall be considered the legal donor of a gift.
2. For gifts of securities and real property, the person or organization in whose name that property was registered shall be considered the legal donor.
3. For checks drawn on joint checking accounts the signer of the check will be considered the legal donor.
4. For securities and real property owned jointly, the first name listed will be considered the legal donor unless accompanying documentation states otherwise.
5. Cashier's checks are provided as a matter of convenience by banks to their customers. Since the bank is acting as an agent of the actual payor, the person or organization on whose behalf the cashier's check is drawn will be considered the legal donor.

### **4.2: Acknowledging Recognition (“soft”) Credit Donors**

1. The definition of the legal donor should not preclude from providing recognition credit to persons other than the legal donor who were instrumental in facilitating or providing for a gift.
2. Recognition credit allows the University to acknowledge the efforts of these important people without compromising the University's legal obligation to record the gift correctly.
3. Recognition credit donor types are:
  - Spouse/Partner – gift made by one spouse/partner the other spouse/partner is also recognized;
  - Sponsored/on behalf of – gifts paid by one entity on behalf of another entity;
  - Memorial – decedents that are being recognized as the result of this gift;
  - Honor – living individuals that are being recognized as the result of this gift.
4. Whereas legal donors will receive the receipt associated with a transaction, recognition credit donors will be recognized in other ways.

### **4.3: Examples**

The following are several common examples:

#### **Example 1**

Scenario: A donor maintains a "DAF" with the Central Valley Community Foundation. All gifts received from this fund are drawn on Central Valley Community Foundation checks. Should the individual donor or the Central Valley Community Foundation be shown as the legal donor of the gift?

Answer: The Central Valley Community Foundation is the legal donor. The individual donor may (and should) be given recognition credit for the gift, but should not be recorded as the legal donor.

#### **Example 2**

Scenario: A donor who does not have a checking account gives cash to a friend. The friend writes a check to the University, and asks us to credit the gift to the person from whom the cash was received. Which of these people should be shown as the legal donor?

Answer: The person who wrote the check was the legal owner of the money at the time the gift was made; hence, the check writer, and not the person who provided the cash, is recorded as the legal donor. The person who provided the cash may (and should) be given recognition credit.

#### **Example 3**

Scenario: Several people pool their money, giving that money to a person who writes a check to the University. Are the people who contributed money legal donors, or is the writer of the check the legal donor?

Answer: The gift will be recorded in the name of the person who wrote the check, and not in the name of each person who provided money for the gift.

#### **Example 4**

Scenario: A donor and his wife send in a gift and advise that they want the gift to be from both parties. Who is the donor and who gets credit?

Answer: The legal donors are the husband and wife; they both will receive legal credit for 50 percent of the gift unless they indicate a different allocation. The husband and wife will also receive recognition credit for the spouse's portion, but the couple will never receive more than the total amount of the gift.

## **Section 5: Naming**

Naming may honor individuals by recognizing exceptional contributions shaping California State University, Fresno, commemorate the University's history and traditions, honor long-term and significant financial contributions to the University, or honor financial contributions to support the facility or program named.

The university president retains final authority for recommending naming opportunities to the California State University Board of Trustees (CSU Trustees) whether or not in response to specific gifts and for naming of endowments not requiring CSU approval (scholarships, endowed faculty positions, graduate fellowships, etc.).

The vice president for University Advancement or designee assists in determining values of campus naming opportunities, prepares naming proposals, and ensures the approval procedures are followed.

### **Policy**

[California State University – Policy: Naming of California State University Facilities and Properties](#)

[California State University – Policy: Delegation of Authority; Naming of CSU Facilities and Properties](#)

[California State University – Policy: Naming of California State University Academic and Athletic Programs](#)

[California State University – Policy: Delegation of Authority; Naming of CSU Academic and Athletic Programs](#)

### **Procedure**

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.

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 CSU policy.
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.

Review by the vice president for University Advancement:

1. If the request does not comply with policy and procedures, the request shall be denied and the originator of the request shall be notified and be furnished with an appropriate explanation.
2. If the request is inadequate, the vice president for University Advancement may request further information prior to consideration.
3. When a request is complete, including accompanying data, the vice president for University Advancement shall consult with the Executive Committee of the Academic Senate.
  - a. If the request is denied by the vice president for University Advancement, he/she shall notify the originator of the request.
  - b. 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.

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.

### **5.1: Gifts Prompting a Naming Opportunity**

Each gift that prompts a naming opportunity should be accompanied by a written gift agreement signed by the donor or the donor's designee and appropriate university officials.

See Appendix C for California State University Naming Policy Guidelines and Procedures.

## **5.2: Facility Naming**

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. See Appendix C for naming amount minimums.

## **5.2 Endowments**

Named endowments may be created when the donor has made the commitment (by gift and/or pledge) for at least the minimum endowment amount (see Appendix C for minimum 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.

New endowments must be fully funded within five years of creation. Exceptions may be granted only by the vice president for University Advancement, executive director of the Foundation or the university president.

### Procedure

- Pledge/gift agreement drafted by director of development and reviewed by Advancement Services, Foundation and the Financial Aid and Scholarship Office (only for endowments pertaining to scholarships).
- Pledge/gift/endowment agreement is signed by the donor.
- The Advancement Services forwards an account request form for endowed and scholarship accounts and the fully executed agreement to Foundation, Financial Aid and Scholarships (if endowment supports scholarships) and the director of development
- Advancement Services processes the gift in the alumni/donor database.

The Foundation allocates endowment income annually on June 30 which is the end of the fiscal year. New endowments created during the fiscal year receive a weighted share of annual income allocation in the year of creation. Hence, they receive less than 12 months of income in the year they are created.

## **5.3 Scholarships (Non-Endowed)**

Named non-endowed scholarships may be created when the donor has made the commitment (by gift and/or pledge) for at least the minimum amount of \$5,000.

## **Section 6: Planned Gifts and Bequests**

A planned gift is 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 then bequeaths the remaining funds to the University.

University Advancement actively pursues planned gifts through all fundraising opportunities. In addition to providing for long-term support of the University, planned gifts to the Foundation may favorably affect a donor's income taxes as well as estate taxes.

The interest of the donor is paramount. The donor will be encouraged to seek independent legal and tax advice throughout all discussions of planned gifts. Employees of the University and the Foundation are prohibited from offering tax or legal advice.

It is understood that final responsibility for negotiation of all planned gifts shall rest jointly with the Office of Planned Giving in consultation with the associate vice president for Development, the vice president for University Advancement and officials from the Foundation. All agreements, trust arrangements, and ownership of assets shall bear the name of the California State University, Fresno Foundation.

The planned giving website at: <https://fresnostate.giftlegacy.com/> contains necessary bequest language, explanations of various planned giving vehicles and deduction calculation options for more complicated gift vehicles.

The Heritage Society recognizes those individuals who have invested in the University's future through planned gifts.

### **6.1: Bequest Intentions**

Through language in the donor's executed last will and testament, effective transfer of assets may be a simple process. The will may specify a certain dollar amount, specific property, a percentage of the estate, or it may contain provisions for a testamentary trust in which the University may benefit after named beneficiaries receive income for their lives. As with all gifts, while working with the donor, care should be exercised to ensure the language is clear so that donor intent is understood and acceptable.

#### **Gift Acceptance and Receiving**

1. In order to accept and verify a bequest intention (revocable commitment), a [Heritage Society Notification of a Bequest](#) form must be received and must include one of the following: a Letter of Intent, a copy of the will or the section of the will naming the California State University, Fresno Foundation or California State University, Fresno as a beneficiary, a Gift Agreement, or other signed notification of the existence of a revocable commitment.
2. Best efforts should be made to ensure that the donor includes a valuation of their revocable commitment in the required documentation as well as a designation of the revocable commitment, if applicable.



### Procedure

1. A completed Heritage Society Notification of a Bequest Form with supporting documentation is provided to Advancement Services for review and processing in the alumni/donor database. The Foundation does not record revocable commitments.
2. If the donor is age 65 and above, the revocable commitment can be counted, reported and credited. If the amount of the revocable commitment is known, the gift will be counted, reported and credited at face value. If the amount of the revocable commitment is unknown, it will be counted, reported and credited at \$1.
3. If the donor is under age 65, the revocable commitment will be counted, reported and credited at \$1, even if the amount is known. Upon turning 65 years old, the \$1 amount will be changed to the face value of the revocable commitment, if known. Revocable commitments are not counted or reported on the Foundation's financial statements until they are realized.
4. If the donor is a couple they must both meet age 65 in order for the revocable commitment can be counted, reported and credited
5. Overpayments against revocable commitments are recorded as new gifts.

### Receipting

Bequests are not receipted since the donor reserves the right to revoke the stated beneficiaries at any time during their life.

#### **6.1.2: Estate Distribution**

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 in consultation with the associate vice president for Development, the vice president for University Advancement and Foundation or university legal counsel contacts the executor to obtain a mutually acceptable designation or to decline the gift.

Undesignated bequests are credited as unrestricted bequests and are used at the discretion of the University. The director of Planned Giving notifies the executive director of Advancement Services who in turn provides all pertinent information to the vice president for University Advancement for review with the university president for designation.

### Reporting/Counting/Crediting

1. All estate documents are to be sent to the Office of Planned Giving.
2. The Office of Planned Giving sends estate documents and bequest proceeds to the executive director of Advancement Services when it receives new bequest documentation for recording in the alumni/donor database. For gifts to the Foundation copies are sent to Foundation. For gifts to the University, copies are sent to university legal counsel.
3. The Office of Planned Giving prepares a gift reporting transmittal form if needed. The check and gift reporting transmittal form are forwarded to Advancement Services.
4. Advancement Services updates the estate record, issues a gift receipt (except when a receipt is provided by the estate), and prepares deposit to Foundation.

5. Advancement Services in conjunction with the Office of Planned Giving applies appropriate acknowledgement and recognition.

### **6.2: Revocable Living Trust**

Similar to a bequest and often used as a substitute for a will, a revocable living trust allows a donor to state his/her intentions in writing knowing that changes are possible during the donor's lifetime. A revocable trust becomes irrevocable upon the occurrence of a future event, such as the death of the donor.

#### Gift Acceptance and Receiving

1. In order to accept and verify a revocable living trust commitment, required documentation must be received and must include one of the following: a Letter of Intent, a copy of the trust or the section of the trust naming the California State University, Fresno Foundation or California State University, Fresno as a beneficiary, a fund agreement, or other signed notification of the existence of a revocable trust commitment.
2. Best efforts should be made to ensure that the donor includes a valuation of their revocable commitment in the required documentation as well as a designation of the revocable commitment, if applicable.

#### Procedure

1. A completed Heritage Society Notification of a Bequest Form with supporting documentation is provided to Advancement Services for review and processing in the alumni/donor database. The Foundation does not record revocable commitments.
2. If the donor is age 65 and above, the revocable commitment can be counted, reported and credited. If the amount of the revocable commitment is known, the gift will be counted, reported and credited at face value. If the amount of the revocable commitment is unknown, it will be counted, reported and credited at \$1.
3. If the donor is under age 65, the revocable commitment will be counted, reported and credited at \$1, even if the amount is known. Upon turning 50 years old, the \$1 amount will be changed to the face value of the revocable commitment, if known. Revocable commitments are not counted or reported on the Foundation's financial statements until they are realized.
4. Overpayments against revocable commitments are recorded as new gifts.

#### Receipting

Revocable trusts are not receipted since the donor reserves the right to revoke the stated beneficiaries at any time during their life.

### **6.3: Charitable Gift Annuity**

A Charitable Gift Annuity (CGA) is a contractual gift agreement where an individual donates assets to a charity in exchange for a tax benefit and an annuity paid over the lifetime of the donor, and, if elected at the time of the donation by the donor, the lifetime of another. When the donor(s) die, the annuity payments are stopped, and the Foundation retains the remaining funds.

CGAs are managed by the California State University Foundation's Systemwide Charitable Gift Annuity Program.

For a full description on Foundation's policies and procedures pertaining to CGAs, please see Appendix B.

#### Gift Acceptance and Receiving

1. Minimum age: 55 (when payments commence)
2. Minimum amount: \$10,000; Maximum amount: varies

#### Procedure

1. The Office of Planned Giving forwards all documentation to Advancement Services.
2. Advancement Services will record the CGA as an irrevocable planned gift on the alumni/donor database based upon the face value of the gift.

#### Actuarial Report/Acknowledgement

A receipt will be generated for the actuarial gift value amount of the CGA. The donor will receive a copy of the calculation that provides information necessary to properly file and claim their charitable deduction via the Office of Planned Giving.

### **6.4: Charitable Remainder Trusts (CRT)**

#### Charitable Remainder Unitrust:

A charitable remainder unitrust ("unitrust") is 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 20, after which the assets revert to the 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.

#### Charitable Remainder Annuity Trust

A charitable remainder annuity trust is 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 20. 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.

#### Gift Acceptance and Receiving

1. In order to accept and verify a charitable remainder trust commitment, required documentation must be received and must include one of the following: a Letter of Intent, a copy of the trust or the section of the trust naming the California State University, Fresno Foundation as a beneficiary, a Fund Agreement, or other signed notification of the existence of a charitable remainder trust commitment.
2. Best efforts should be made to ensure that the donor includes a valuation of their revocable commitment in the required documentation as well as a designation of the

revocable commitment, if applicable. Valuation can be proven by trust department portfolio statements.

#### Procedure

1. A signed and completed Gift Reporting Transmittal Form (with required documentation as support) is required to have the revocable commitment reported/counted/credited in the alumni/donor database. The Gift Reporting Transmittal Form must be signed by the director of Planned Giving and the vice president of University Advancement.
2. The form with supporting documentation is provided to Advancement Services for input into the alumni/donor database. The Foundation does not record revocable commitments.
3. The minimum age requirement for reporting/counting/crediting a charitable remainder trust commitment in alumni/donor database at face value is 55 years of age.
4. For donors under age 55 years old, or for donors age 55+ where the value of the charitable remainder trust commitment is unknown, the revocable commitment will be reported/counted/credited as \$1 in the alumni/donor database.
5. If there is no provision in the CRT to change the charitable remainder beneficiary, or there is a provision which prohibits changing the charitable remainder beneficiaries, the CRT can be treated as an irrevocable instrument and reported, counted and credited at face value regardless of the age of the donor.
6. Payments against charitable remainder trust commitments are treated much like pledge payments. Overpayments against charitable remainder trust commitments are recorded as overpayments to the existing revocable pledge.

#### Receipting

Revocable Charitable Remainder Trusts (CRTs) are not receipted.

#### **6.5: Life Insurance**

Life insurance for gift purposes is a policy for which documentation is received and must name the Foundation as irrevocable beneficiary or beneficiary and owner.

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

See Appendix B: Foundation Gift Acceptance Policy - Deferred Gifts

#### Gift Acceptance and Receiving

1. The Office of Planned Giving in consultation with the Foundation will serve as the central point for information and assistance with regard to gifts of life insurance.
2. Gifts of life insurance are to be reviewed for acceptance on a case-by-case basis after considering the following factors:

- Whether premium payments will be necessary to perpetuate the policy's coverage (the Foundation's preference is to accept only paid-up policies);
- Frequency of any premium payments that will be due (annual premium payments are preferred);
- Current net cash surrender value of the policy. A net cash surrender value of \$10,000 is recommended as a minimum if premium payments will be necessary to perpetuate the policy;
- Whether the policy has any outstanding loans against it;
- Donor's willingness to allow the Foundation to surrender the policy upon acceptance;
- Potential that acceptance of the gift could lead to other, preferably major, gifts from the same donor; and
- Other relevant factors.

#### Procedure

1. Due to its revocable/contingent nature, when a donor names the Foundation as a beneficiary but retains ownership of the policy, the revocable commitment is to be treated in the same manner as a bequest and reporting/counting/crediting the revocable commitment based on the donor's age followed.
2. The donor must make the Foundation both the owner and irrevocable beneficiary of the policy. In such cases, Advancement Services will record the gift as an irrevocable planned gift using the cash surrender value of the policy.
3. The amount of the gift is dependent upon the type of insurance policy.

#### Receipting

A receipt will be issued to the donor, if the Foundation is the stated owner and beneficiary, each time the insurance premium is paid. No receipt will be issued if the Foundation is not the owner and beneficiary.

#### **6.6: Fractional Undivided Interest**

A fractional undivided interest is an agreement whereby a percentage of ownership in personal property is deeded irrevocable to the University or the Foundation.

See Appendix B: Foundation Gift Acceptance Policy – Personal Property (or Gifts-in-Kind): Retained for University Use

#### Gift Acceptance and Receiving

1. Gifts of real property follow the policies and procedures as stated for real property.
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.

## **Section 7: Pledges**

A pledge is defined as a personal commitment to make a gift or philanthropic grant which will be paid subsequently by the donor, usually in installments.

To be recorded as a documented pledge in University Advancement's records, all pledges in any amount and for duration beyond one fiscal year should be signed by the donor. An email signature is acceptable. Phonathon pledges are booked, regardless of amount, without donor signature.

A pledge can be made only by the entity exercising legal control over the assets to be given. Therefore, an individual cannot make a pledge that includes anticipated matching contributions from an employer or some other source. An enforceable pledge includes only those funds that will be given by the legal entity.

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. 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, that there are no contingencies or conditions, the donor consent to the imposition of the administrative assessment, and the donor's signature.

Pledges are assets that must be carefully monitored from a fiduciary and donor relations perspective. These procedures are designed to ensure that pledges are given proper care and honored in a timely manner to the mutual benefit of the University, the Foundation and the donor, including pledges that become past due.

### **7.1: Pledges**

#### **Procedure**

1. To record a pledge on the alumni/donor database, it must be a written commitment signed by the donor(s) with a defined payment plan. The commitment should be prepared by the director of development, the director of Annual Giving or the executive director of Advancement Services and include the following:
  - Donor(s)
  - If this is a joint or non-joint pledge with spouse
  - Amount of pledge
  - Pledge period
  - Donor dedication
  - Preferred method of payment: check (payable to Fresno State Foundation) or credit card
  - Date of first payment

- Payment Schedules - Each pledge must have a payment schedule before being recorded. Payment plans can be for a single payment or multiple payments. The payment schedule should detail when the pledge amount will be due and payable.
- Any special instructions (sustaining)
- The donor's signature
- Note: An employer's matching gift cannot be included in the donor's pledge.

All completed pledge documentation should be submitted to Advancement Services in a timely manner for recording into the alumni/donor database.

For a sample pledge commitment form see Appendix D.

2. An email from the donor may be accepted if it contains all information required as stated above.
3. If the donor is unwilling to document the pledge may be documented via an email from a director of development to the donor. The documentation should state the donor is unwilling to sign a pledge.

**Items 4 through 8 is for pledges valued at \$5,000 or more.**

4. The executive director of Advancement Services may review pledge agreements valued at \$5,000 or more and forwards the agreement to Foundation staff for review when required by current Foundation policy.
5. After appropriate approvals have been received, the pledge agreement is forwarded to the donor for signature.
6. After the donor signs the pledge agreement, it is forwarded to Advancement Services for Foundation/University signatures if required.
7. Fully signed documents are distributed as follows by Advancement Services:
  - a. Donor(s)
  - b. Foundation
  - c. College/Unit Office director of development and/or leadership partner
  - d. Financial Aid and Scholarships (when the pledge supports a scholarship)
8. Advancement Services records the pledge in the alumni/donor database.

**Recording**

1. The pledge agreement must be signed by all parties to be entered into the alumni/donor database. 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 be reviewed by the vice president for University Advancement to determine if the pledge may be entered into the alumni/donor database.
2. If the donor is establishing an endowment with a pledge, the signed gift agreement will be used to enter the pledge.
3. The duration of a pledge is typically no more than five years. Pledges longer than this require approval by the president and vice president for University Advancement. Pledges for more than five years are recorded and counted in increments of five years.
4. When a gift has been received and recorded as an outright gift, and then subsequently determined to be a pledge payment, a modification must be made in

the alumni/donor database.

5. The executive director of Advancement Services prepares a summary of pledges valued at \$5,000 or more on a monthly basis and provides to Foundation staff for reconciliation to the Foundation's records.

### **7.2: Pledges via Phonathon (Annual Fund)**

Annual Giving phonathon pledges are generated from the phoning outreach program. Callers confirm each pledge verbally, followed by a confirmation that is sent to the donor.

#### **Recording**

Phonathan pledges are loaded into the alumni/donor database the next business day following calling. If the caller indicates that they wish to pay their pledge via credit card, the card is also charged and applied as a pledge payment.

#### **Reminders**

- Pledge reminders are sent out at regular intervals after the pledge is made.
- Each year after the final reminders have been sent and sufficient time has passed to allow donors to make payment, previous fiscal year pledges are forgiven.

### **7.3: Pledges via Payroll Deduction**

University and Foundation/Auxiliary employees may make annual pledges and fulfill those pledges through the gift payroll deduction program. There is a minimum of \$4.17 per pay period that can be pledged. Employees must complete and sign a statement authorizing the deduction of a fixed amount from each paycheck to be directed to one or more gift funds. Payroll deductions can be initiated, changed or deleted via the Office of Annual Giving.

#### **Cancellation of Pledge via Payroll Deduction**

- A donor may cancel his/her payroll deduction pledge at any time by notifying the Office of Annual Giving and completing the proper documentation.
- Faculty and staff members who leave the University's employment will have their payroll deduction pledges canceled automatically.

#### **Receipting**

Gift receipts are not generated for each monthly payroll deduction. Advancement Services generates and sends to the donor a calendar year receipt for the portion of the pledge that is paid during the calendar year.



#### **7.4: Pledges for Endowed Funds and Pledges of \$50,000 or More**

##### Procedure

1. The director of development drafts the pledge agreement using standard templates available.
2. The pledge agreement is sent to the executive director of Advancement Services for review.
3. The executive director of Advancement Services forwards the pledge agreement for review to Foundation Staff (when required by current Foundation policy) and a representative from the Office of Financial Aid and Scholarship (when the pledge supports a scholarship).
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 Services to route for signature by the executive director of the Foundation and the president of the University (Secretary of the Foundation Board of Governors).
6. Advancement Services forwards a copy of fully signed documents to Donor(s), Foundation, school/college/unit, and the Office of Financial Aid and Scholarships (when the pledge supports a scholarship).
7. Advancement Services posts the pledge to the alumni/donor database and acknowledges the pledge accordingly.

#### **7.5: Pledge Reminders**

Advancement Services produces and mails reminder letters for pledges with an established payment schedule.

##### Procedure

1. Based upon the payment plan, the donor is provided with a reminder one month before the payment is due and the month the payment is due (if not paid). Additionally, should the pledge remain unfulfilled, an additional reminder will be sent, subject to direction by the assigned director of development or the associate vice president for University Development.
2. There are some pledges for which a reminder should not be sent as directed by a director of development or the donor. These pledges should be coded as “no pledge reminder.”
3. Donor’s requiring special handling for pledge reminders are flagged as such in the alumni/donor database.

#### **7.6: Unfulfilled Pledge Payments**

Any director of development, with donors marked as “do not contact” and who have pledges, must follow the same past due pledge procedure as indicated in this manual. Directors of development may choose to handle their own donors past due pledge reminders. All unassigned pledges or areas without a director of development will be managed by Advancement Services.

Acceptable Past due Collection Plan (applicable to all three phases defined below)

- The donor makes a pledge payment which brings the pledge current.
- The donor decides to adjust the terms of the pledge or to cancel it.

- If the terms of the pledge are changed or canceled, a note from the donor or correspondence from the director of development indicating the intent of the donor should be sent to Advancement Services before it may be changed in the alumni/donor database. Cancelled/written-off pledges must be approved by the vice president for University of Advancement.

Advancement Services or the assigned director of development is responsible for taking the following action at the intervals designated below:

Procedure

- a. Advancement Services will notify the director of development when the pledge is 31-60, 61-90 and 91-120 days past due. An email or a phone call will be sent by Advancement Services or the assigned director of development to the donor.
- b. A pledge payment reminder letter will be mailed by Advancement Services (if agreed upon by the director of development) stating that the pledge is past due at 31-60, 61-90 and 91-120 days past due.
- c. Advancement Services or the director of development must write a contact report detailing the contact with the donor addressing the plan for payment.
- d. If necessary, a new collection plan (amount and/or payment schedule) will be created and emailed to Advancement Services.
- e. Advancement Services will review any pledges that are more than 120 days past due and after consultation and approval by the director of development and dean will recommend to the vice president for University Advancement if a write off is appropriate or find an alternative agreement with the donor. Upon vice president for University Advancement approval Advancement Services will notify the donor that the pledge is being written off.
- f. Advancement Services will write off the pledge in the alumni/donor database.

**7.7: Pledge Write Offs**

Pledges recorded by the Foundation are considered collectible assets and the forgiveness of such requires the following procedures:

1. A request to forgive the pledge shall be submitted to the executive director of Advancement Services for review and approval by the vice president for University Advancement and the associate vice president of Development.
2. Semi-annually (after December 31 and June 30) the executive director of Advancement Services will send a memo to Foundation staff of all pledges written-off.
3. If applicable, the vice president for University Advancement determines necessary steps to remove nameplates, room naming, bricks, etc., associated with the unfulfilled pledge.
4. Annual Giving phonathon pledged not collected within 12 months will be automatically written-off.

**7.8: Reporting Pledges**

1. For purposes of the Fundraising Totals by School/College/Unit Monthly Report, pledges are treated as gifts but shown as a separate line item.
2. For purposes of the CASE (VSE) Report, pledges are not reported as gifts, but are shown in a separate category.

3. 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.

#### **7.9: Reconciliation of Pledges**

The Foundation will reconcile its general ledger pledges to Advancement Services' Promises to Give monthly report. The Foundation will prepare a written reconciliation worksheet for review and approval by Foundation staff and the executive director of Advancement Services. 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.

Significant pledges that have been written-off are reported to the CSU Chancellor's Office in the CSU Annual Philanthropic Report.

## **Section 8: Gifts with Quid Pro Quo**

A quid pro quo donation means that the donor receives something of value in return for the donation. Therefore, a portion of the donation represents a purchase of goods or services, and that portion is not a gift. A gift is made without consideration. The item which is being purchased is referred to as a premium.

By federal law and IRS regulations, the donor must reduce the amount of charitable contribution by the fair market value (FMV) of the premium received. The University is required to notify the donor of the FMV of the premium in most cases. This notification should appear on the solicitation vehicle.

Per the IRS, FMV is the price that goods or services would sell for on the open market. It is the price that would be agreed on between a willing buyer and a willing seller, with neither being required to act and both having reasonable knowledge of the relevant facts. If the donor puts a restriction on the use of property, the FMV must reflect that restriction.

### **8.1: Token “De Minimus” Items**

The IRS allows small items and token benefits of insubstantial value (e.g. decals, mugs, key chains) to be disregarded so that the full amount of a contribution is deductible.

The IRS defines these “de minimus” items and the values. For 2022:

- the values do not exceed 2% of the amount given or \$117, whichever is less;
- the payment is at least \$58.50;
- only items provided bear the organizations names or logo (for example, calendars, mug or posters);
- the cost of the items does not exceed \$11.70.

*(Note: These figures change annually.)*

### **De Minimus” Examples**

Example 1: A donor contributes \$100 to attend a fundraising dinner. The dinner has a fair market value of \$45. Since the fair market value of the benefit does not exceed \$117 but does exceed 2% of the gift ( $\$100 \times 2\% = \$2$ ), the benefit is considered substantial and must be declared on the receipt. The receipt must subtract fair market value of benefits (\$45) to arrive at net gift amount of \$55.

Example 2: A donor makes a \$100 gift and receives return address labels with the Fresno State logo. The cost of the labels to Fresno State is \$8.50. Since the return address labels have a cost less than \$11.20 and the gift is at least \$56 the benefit is considered insubstantial and the donation will be receipted at full amount of \$100.

Example 3: A donor makes a \$250 gift and receives a sweatshirt in return for their contribution. The sweatshirt has a fair market value of \$20 and a cost of \$12 to Fresno State. Since the cost of the item exceeds \$11.20, it cannot be considered a token item. Since the fair market value of the benefit (\$20) is more than 2% of the gift ( $2\% \text{ of } \$250 = \$5$ ), the benefit is considered substantial and must be declared on the receipt. The

receipt must subtract fair market value (not cost) of benefits to arrive at net gift amount of \$230.

Example 4: A donor makes a \$10,000 gift and receives a golf bag with a fair market value of \$150 in return. Since the fair market value of the benefit exceeds \$117, the benefit is considered substantial and must be declared on the receipt, regardless of fact the benefit is less than 2% of gift). The receipt must subtract fair market value of benefits to arrive at net gift amount of \$9,850.

Example 5: A donor makes a \$5,000 gift and receives a Fresno State leather jacket in return for their contribution. The jacket has a fair market value of \$75 and is not considered to be a "token item." Since the fair market value of the benefit does not exceed \$117 and does not exceed 2% of the gift ( $\$5,000 \times 2\% = \$100$ ), and the gift is at least \$56 the benefit is considered to be insubstantial, and the donation will be receipted at full amount of \$5,000.

Example 6: A department is having a golf tournament as a fundraising event. The golf course donates the green fees and cart, and a lunch is provided to sponsors and golfers. The fair market value of the green fees and cart is \$80, and the lunch provided has a fair market value of \$15 for a total of \$95 in benefits. Each golfer is donating \$250 per person to play in the tournament. Since the fair market value of the benefits (\$95) does not exceed \$117 but is greater than 2% of the gift ( $\$250 \times 2\% = \$5$ ), the benefits are considered substantial and must be declared on the receipt. The receipt must subtract fair market value of benefits to arrive at a net gift amount of \$155.

## **Section 9: Donor Advised Funds**

A Donor Advised Fund (DAF) is similar to a charitable investment account, for the sole purpose of supporting charitable organizations. When a contribution is made to a DAF the donor is generally eligible to take an immediate tax deduction. DAFs are typically held at community foundations or at an investment company. Individuals who establish a DAF may recommend charitable projects or organizations they want their DAF to support. This allows a donor to fund their DAF with a single gift and then support many nonprofits by recommending disbursements from their DAF.

### **9.1: Gifts Received from a Donor Advising on their DAF**

When working with a donor, and he/she advises that they will be making a gift through a DAF, the following must be disclosed:

1. The IRS has determined that the donor must relinquish control of the gift at the time it is given to the DAF. If in fact, the donor retains control to the extent that allows him/her to pledge these funds, he/she may lose the initial charitable contribution deduction and potentially be charged a penalty. The donor should consult with their tax advisor regarding a charitable deduction.
2. If the gift being solicited has a quid pro quo element, disclose this to the donor so that he/she is aware. A DAF is prohibited from receiving any goods or services in exchange for a gift.
3. The CSU has determined that a gift from a DAF may in some circumstances be used to make payments on the donor's pledge (Check with Advancement Services for further details.)

### **9.2: Receipting of Gifts from a DAF**

1. All gifts from a DAF will be receipted to the legal donor (i.e. the community foundation or the investment company).
2. If Advancement Services is informed of the person that is advising on the fund, he/she will be given recognition credit.

### **9.3: Recommendation of a Gift to a Community Foundation**

When gifts are unable to be accepted by the University or the Foundation, a recommendation may be made to make a donation to a community foundation. If the gift given is exclusive to Fresno State, it can be counted in the annual philanthropic report per California State University guidelines. Counting on the campus philanthropy report is intended to credit the University for philanthropic activity that it delivered. The University cannot count any fund discovered in a DAF or other trust. The gift must originate with the University.

The following must be submitted for counting purposes:

- Documentation that the fund is exclusively for the benefit of California State University, Fresno, the amount of the contribution and the date contributed.

**Section 10: 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 Reporting Standards and Management Guidelines.

## **Section 11: Modifying, Reversing and Refunding Gifts**

Since gifts are entered in the alumni/donor database according to donor intent, gifts will only be modified or reversed if an error has occurred or additional information is received that clarifies the donor intent.

Please see Appendix B: Foundation Gift Acceptance Policy - Gift Refunds

### **11.1: Request to Modify a Gift**

1. Any request to change any aspect of the gift should be directed to the executive director of Advancement Services.
2. Once the request is received, the original documentation will be reviewed to verify that the gift may be modified as requested.
3. The gift will not be modified unless a) substantial information that supports the original donor intent is provided, and b) the gift has not been spent.

### **11.2: Suspense**

A suspense account is set-up and tracked when Advancement Services receives a gift for a Foundation account that does not exist. This occurs because a donor makes the gift before a trust account application has been completed. Completion of the appropriate documentation results in a new account being set-up by the Foundation.

#### Procedure

The gift is deposited and credited to a suspense account until the documentation is complete and the account is set-up. In the alumni/donor database each gift is tracked with its own suspense sub-account based on the gift allocation.

Each month Advancement Services prepares a report of outstanding gifts in suspense. The executive director of Advancement Services or their designee reviews the list and inquires with the respective director of development and/or dean on the status of the trust account. Trust account information is also shared by the Foundation to Advancement Services. When an account has been established at the Foundation, the account is created in the alumni/donor database and the gift is modified to the new account. Advancement Services and the Foundation reconcile the Suspense account monthly.

See section 3.3.7 for gifts in suspense relating to Memorial Gifts.

### **11.3: Gift Reversals**

The bank will return funds if the donor's account is closed, there were insufficient funds in the donor's account or if the donor has stopped payment on the check. In these few cases, the gift will be reversed on the alumni/donor database.



## **Section 12: Donor Recognition**

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

### **12.1: The Pinnacle Society – Lifetime Giving 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 fiscal year 2004-2005, the gift level to qualify for membership was raised to \$500,000. Existing members at that level and at \$1 million were given 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-\$999,999  
Founding Members: Original \$100,000 or more

### **12.2: The Heritage Society – Planned Giving**

Membership in the Heritage Society is open to individuals who provide verification informing the University or the Foundation that they have made a provision in their will or other planned giving instrument.

### **12.3: Annual Giving**

Recognition is accorded to individuals for their total gifts to the University during a fiscal year.

Centennial Society: \$10,000 and above  
Cardinal and Blue Patrons: \$5,000-\$9,999  
Benefactors: \$2,500-\$4,999  
Fellows: \$1,000-\$2,499  
Builders: \$500-\$999  
Partners: \$100-\$499

## **Section 13: Reporting Private Support**

### **Policy**

Tracking and reporting private support is vital to fundraising management. Tracking fundraising efforts assists in determining cost-effectiveness of cultivation and solicitation efforts and management of the account.

A variety of fundraising reports have been developed to address both internal and external needs. Report criteria is established for each report which dictates what transactions are included in totals or counts. Report requirements and criteria are determined by the Chancellor's Office and the University. Reporting is also provided to the Council for the Advancement and Support of Education (CASE), a global non-profit association dedicated to educational advancement.

### **13.1: Defining Private Support for Reporting Purposes**

For purposes of donor recognition, gift club affiliation and "activity" reporting (e.g., Report on Gift Commitments), the term "gift commitments" is used. Gift commitments reflects a broader definition of fundraising transactions, and includes new gifts, new pledges, and revocable deferred commitments (bequests) as well as private grants, contracts, and exchange transactions. In addition, private support is not limited to contributions as defined by IRS and also includes gifts of service and use of property.

### **13.2: Tracking Private Support Efforts**

1. For mass solicitations or fundraising appeals, the employee responsible for it must procure an appeal code from Advancement Services in order to subsequently track the effectiveness of the solicitation.
2. Tracking is accomplished by means of reports and through the use of appeal codes in the alumni/donor database.

### **13.3: Reporting Private Support**

1. Monthly, year-to-date and annual reports of development activity are generated by Advancement Services for the vice president for University Advancement to use and distribute at his/her discretion.
2. Advancement Services prepares the University's annual Philanthropic Report for the Chancellor's Office.
3. The CASE Report of Voluntary Support of Education, a standard, fiscal year report used nationally by educational institutions, is generated by Advancement Services for the Office of the Chancellor and the vice president for University Advancement to use and distribute at his/her discretion.
4. Special reports for the many and varied individual fundraising efforts are made and distributed as desired in consultation with Advancement Services.

## **Section 14: System Use and Information Confidentiality**

### **Policy**

University Advancement, comprised of the Offices of Advancement Operations Advancement Services, Alumni Engagement and Annual Giving, University Brand Strategy and Marketing, University Communications and University 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 is maintained by University Advancement and includes alumni/donor information, gift/pledge records and biographic data for a large set of donors, faculty, staff, volunteers and friends, from time to time employees may handle information about people they know. Employees are required to refrain from discussing such information with non-State or non-Auxiliary personnel.

Information and data maintained by University Advancement 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**

Each employee who has access to the alumni/donor database must sign a confidentiality form.

Requests for data should be forwarded to Advancement Services via [advhelp@csufresno.edu](mailto:advhelp@csufresno.edu).

Requests under the Public Records Act must be forwarded to the Office of the Vice President for Administration and Chief Financial Officer.

### **Section 15: Campaign Counting**

These Campaign Counting Guidelines apply to all counting and reporting for campaigns at California State University, Fresno. Additional policies and procedures related to the acceptance, valuation, administration, financial accounting, and documentation of gifts made in support of the University supplement these guidelines.

Campaign counting standards recommended by the Council for Advancement and Support of Education (CASE) in the publication *CASE Management and Reporting Standards*, Fourth Edition, as well as California State University Planned Gift Counting Standards create the baseline for this document.

One of the key goals of campaigns at 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 about philanthropic giving.

#### **General**

- A. Gifts received and commitments made will be credited to the current campaign authorized by the University President.
- B. Subject to certain limitations, fundraising 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 (minimum gift of \$5,000)
    - b. Gift annuities
    - c. Life estates
    - d. Charitable remainder trusts
    - e. Life insurance
    - f. Testamentary pledges (bequests)
  5. Gifts and grants from Indian tribes
  6. Any of the above received by campus approved nonprofit community benefit corporations (i.e. the Fresno State Alumni Association, Ag One Foundation).
- C. When there is a gift to the Fresno State Foundation (pledge or cash) that requires acceptance by the Gift Acceptance Committee (\$1,000,000 or more) in accordance with the GAC policy, the amount of the gift will not be counted as part of the Campaign until the GAC takes action to formally accept the gift.

#### **II. Outright Gifts**

- A. Outright gifts will be counted at full fair market value.
- B. Philanthropic grants administered by the Division of Research and Graduate Studies – Sponsored Programs 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.” (California State University, Fresno Policy No. F-02)
  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.
- D. Each gift or pledge will only be counted to one campaign. In other words, a pledge made, but not fulfilled, during one campaign should not have the balance counted in a new campaign. The original pledge was made for one, and only one, campaign. Do not count payments received on pledges made prior to the current campaign, including those made between campaigns. (per CASE)

### **III. Pledges**

- A. 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 University Advancement and verified by the Executive Director of the Foundation.
- C. Campaign pledges will be counted as follows: Per CASE Guidelines for Campaign management, a 10-year payment period will be honored. If a donor makes multiple pledges during the campaign, count all scheduled pledge payments that will be received during the campaign or within five years of the end date.
- D. 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 (Fresno State Foundation Gift Acceptance Policy).
  2. Annual fund pledges will be included when current.

### **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. The Office of Planned Giving will calculate present value using Cresendo Software.

### **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.)
  4. Social Security Number
  5. Copy of valid government issued ID
  6. Tax forms W-4P & DE-4P for annuitants who reside in California
- 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 55 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 Foundation or campus nonprofit community benefit corporation assigned as the irrevocable owner and beneficiary.
- B. Gifts of life insurance must be documented and include the following:
1. Copy 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 or campus nonprofit community benefit corporation is assigned as the irrevocable owner and beneficiary.
  2. As premiums are paid by donors on policies for which the Foundation or campus nonprofit community benefit organization has been named as the irrevocable owner and beneficiary.
  3. At a policy's full (proceeds) value in those cases where the Foundation or campus nonprofit community benefit organization 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)
  6. Donor's signature

- B. Per CASE and CSU Counting Standards donors must be at least age 65 or turn age 65 during the campaign period. Prior to July 1, 2022 age was 50.

**VIII. Exclusions from Campaign Totals**

- A. The following will not be counted in gift totals:
  - 1. Local government, state and federal funds
  - 2. Contractual funds
  - 3. Advertising revenue
  - 4. Membership fees/dues that qualify for tangible benefits
  - 5. Contributed services
  - 6. Discounts on purchases
  - 7. Earned income, including transfer payments
  - 8. Investment earnings on gifts
  - 9. Sale of merchandise
  - 10. Surplus income transfers from ticket-based operations
  - 11. Tuition payments
  - 12. Rental of suites/skyboxes
  - 13. Donations from business involved in the cultivation and sale of marijuana

**IX. Other Provisions**

- A. Campaign totals will be reported in a format that distinguishes between cash, gifts in-kind, outstanding pledges and bequests.
- B. The criteria under which pre-campaign (reach-back) gifts and commitments can be included in the campaign are:
  - 1. Gifts and pledges up to two years prior to the campaign's start date.
  - 2. If it is determined that gifts and pledges will be counted then the campaign start date must adjust to align with the fiscal or the calendar year of the first reach back gift counted.
- C. Conditional pledges will be accepted and counted at face value if:
  - 1. There is reasonable expectation that the conditions under which the pledge is made will be met during the campaign period, and
  - 2. There is appropriate documentation, most likely in the form of a gift agreement. The document should include dollar amounts and a payment schedule. (Page 20, CASE Reporting Standards, 4<sup>th</sup> Edition)
  - 3. The President and Vice President for University Advancement and up to three representatives by the accepting non-profit (Fresno State Foundation, Bulldog Foundation, Fresno State Alumni Association, Ag One Foundation, etc.) are to review any conditional pledges of \$100,000 or more before they are formally accepted and recorded.
- D. In situations where these guidelines are inadequate, the President and Vice President for University Advancement verified by the Executive Director of the Foundation will resolve questions regarding acceptance, valuation and crediting.
- E. The President and Vice President for University Advancement verified by the Executive Director of the Foundation will have the authority to amend these guidelines if the need arises.

## **APPENDIX A**

### **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:

- 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.
- 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.
- To have access to the organization's most recent financial statements.
- To be assured their gifts will be used for the purposes for which they were given.
- To receive appropriate acknowledgment and recognition.
- To be assured that information about their donations is handled with respect and with confidentiality to the extent provided by law.
- To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.
- To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.
- To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.
- 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 the Foundation Board of Governors, October 30, 2007*



## **Council for the Advancement and Support of Education Statement of Ethics**

### **CASE Statement of Ethics**

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

- We conduct ourselves in a manner which is consistent with the best interests of the institution we represent.
- Our words and actions embody respect for truth, fairness, free inquiry, and the opinions of others.
- We respect, celebrate, and include all individuals regardless of race, gender, sexual orientation, ethnicity, nationality, physical ability or age.
- We uphold the professional reputation of colleague advancement professionals and give credit for ideas, words, or images originated by others.
- We communicate clearly and fairly with others, remaining mindful of the importance of representing our institution's mission and interests.
- We safeguard privacy rights and confidential information.
- We do not grant or accept gifts or services for personal or individual professional gain, nor do we solicit or accept gifts or services for our institutions in which a higher public interest would be violated.
- We avoid actual or apparent conflicts of interest and, if in doubt, seek guidance regarding how to proceed.
- We report transgressions and/or unethical activities to the appropriate authority in order that the institution take the necessary action.
- We bring abusive and/or harassing conduct to the attention of institutional leadership in order that individuals who have been subject to such abuse are protected.
- We follow the letter and spirit of pertinent laws and regulations, understanding that those strictures might be different in other countries and cultures. affecting institutional advancement.
- We align the policies and procedures of our department with those of other departments, in order that the institution can have a holistic and integrated approach to ethical conduct.
- We observe these standards and others that apply to our profession and actively encourage colleagues to join us in supporting the highest standards of conduct.

*The CASE Board of Trustees adopted this Statement of Ethics to guide and reinforce our professional conduct. The Board adopted the final text on 12 March 2020. This statement is meant to align with the CASE Principles of Practice for the professional areas as well as the CASE Zero Tolerance Pledge.*

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

# Gift Acceptance Policy

This policy is applicable to the following auxiliary corporations:

- Agricultural Foundation
- Association
- Associated Students, Inc.
- Athletic Corporation
- Foundation
- Programs for Children

## Revision Record

Date	Type	Approval Authority
12/8/11	Revision	Approved by Board of Governors
12/5/13	Revision	Approved by Board of Governors
8/12/15	Revision	Minor Administrative Revision
6/7/18	Revision	Approved by Board of Governors

## Document Control

<b>Document Control Number:</b> Policy 2007	<b>Next Review Date:</b> February 2021
<b>Responsible Position(s):</b>	
 Deborah S. Adishian-Astone Executive Director	 Keith Kompsi Director, Foundation Financial Services

## PURPOSE

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.
- 2) The Foundation should not accept a gift that generates a disproportionate cost or inappropriate obligation in relation to the benefit received.

## DEFINITIONS

**Gift:** A contribution received 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) for either unrestricted or restricted use in furthering the mission of the University. Some grants may have special reporting requirements. In the rare cases when a difference of interpretation arises, the Provost and Vice President for Academic Affairs shall determine the proper processing and administration of the grant.

**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:** A commitment 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.

## STATEMENT OF POLICY

### Gift Review and Acceptance

The Foundation Board of Governors has delegated responsibility to the Executive Director of the Foundation (ExecDir) to review and accept gifts, in consultation with Staff Counsel. However, gifts determined by the ExecDir to pose significant risk to the institution will be reviewed and considered for approval by the Gift Acceptance Committee (“GAC”) 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:

- Gifts of real property or an interest in real property
- Gifts of personal property with a fair market value exceeding \$100,000. Examples of such gifts would include:
  - Artwork or other objects
  - Vehicles or equipment
  - Mineral, water, or timber rights
  - Oil wells
  - Overseas investments
  - Manuscripts/Literary works
  - Computer hardware/software
  - Intellectual Property/Patents
- Gifts of real or tangible personal property subject to donor restrictions regarding disposal of the property
- Non-publicly traded securities
- Stock Options
- Notification of the intent to gift real property through a bequest or trust distribution
- Interest in business entities (excluding publically traded stock)
- Alternative investments
- Other gifts of unusual items or gifts of questionable value
- Cash gifts (or pledges) totalling One Million Dollars (\$1,000,000) or more

### Gift Acceptance Committee

The Gift Acceptance Committee shall consist of the Executive Committee of the Foundation Board of Governors. The Vice President for University Advancement and the ExecDir will serve as staff to the committee.

Before a proposed gift is submitted to the GAC for consideration, the ExecDir shall perform the due diligence task of reviewing the background of the donor and the source of the gift funds. In any case in which a donor wishes to anonymously contribute or pledge to contribute One Million (\$1,000,000) or more, the due diligence task of reviewing the background of the donor and the source of the gift funds shall instead be performed by the University President. If the University President approves acceptance of the gift, the matter shall then be presented to the Gift Acceptance Committee for final review and consideration.

The Vice President for University Advancement, or his/her designee, will assemble documentation of the proposed gift for the committee's review. The documentation shall include the amount of the gift, the purpose for the gift, terms and conditions of the gift and any other relevant information about the proposed transaction. In addition, the documentation may include introductory information about the donor's philanthropic history and capacity to give.

### **Gift Agreements**

Written agreements setting forth the terms and conditions of the gift are required to be signed by both the Foundation and the donor for acceptance of all endowed gifts regardless of amount, and for all non-endowed gifts of \$50,000 or more, unless the gift was received from a bequest or trust distribution or unless the execution of a written agreement is not feasible as stipulated in writing by either the University or the donor.

In situations where despite the exercise of diligence, it is not possible or practicable to have a signed gift agreement (donor specifically indicates that he/she/it does not want to sign a gift agreement, or dies prior to executing the written agreement, etc.) the University Advancement representative who was working with the donor on the gift shall send a written memorandum to the Director of Foundation Financial Services indicating the circumstances under which a signed gift agreement could not be accomplished.

### **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 can take the form of currency, check, EFT (electronic funds transfer), wire transfer, or credit card transaction.

#### **Securities**

Gifts of securities are internally 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.

### **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. In general, the Foundation shall not accept real estate gifts if the donor places permanent restrictions limiting the choices of the Foundation to own, manage, or dispose of property, or if the real property has debt or encumbrances associated with it. Gifts of timeshares, while discouraged, will go before the GAC unless the ExecDir decides that such proposed gift should not be considered for acceptance.

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. An appraisal report attesting to the market value of the proposed real property gift, prepared at or near the time of the proposed donation and paid for by the donor, is required. Such appraisal report shall be prepared by a qualified, independent appraiser, and a full and complete copy of such appraisal report shall be provided to the Foundation. The Foundation shall select the appraiser if the donor will receive any item of value or right in exchange for the gift (e.g., seats at sporting events, naming rights, etc.) or if it is anticipated that maintenance costs, insurance costs and taxes to be incurred by the Foundation prior to liquidation may be substantial. Additional due diligence tasks are specified in attached Exhibit A.

If the donor wants to donate real property (or an interest in real property) to the Foundation, the acceptance will require approval by the GAC in accordance with Foundation policies and procedures.

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.

**Personal Property: Accepted with Intent to Sell**

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

Gifts with fair market values exceeding \$5,000 will be recorded at the values placed on them by qualified independent appraisers as required by the IRS for valuing non-cash charitable contributions. If the donor does not provide an appraisal, but there is a valid alternative means of substantiating the value of the gift, the GAC will determine the value that the Foundation records internally. 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. 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 personal 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.

**Personal Property (or Gifts-in-Kind): Retained for University Use**

Gifts of personal property that a vice president, dean, or director certifies would be used by the institution shall not be accepted by the Foundation, but shall instead be directed to the University for the University to consider for acceptance unless unusual circumstances dictate otherwise. 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.

Gifts with fair market values exceeding \$5,000 will be recorded at the values placed on them by qualified independent appraisers as required by the IRS for valuing non-cash charitable contributions. If the donor does not provide an appraisal, but there is a valid alternative means of substantiating the value of the gift, the GAC will determine the value that the Foundation records internally. 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. 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 personal 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 will review all gifts-in-kind to the Foundation valued at \$100,000 or more or that may have the following circumstances:

- 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 Foundation neither records nor receipts gifts of services.

### **Deferred Gifts**

The Foundation may accept 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 deferred gift instruments. The Foundation will not act as trustee of any trust (whether charitable or revocable) without the advance approval of the GAC.

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.

### **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 Payments**

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

### **Special Circumstances**

#### **Matching Gifts**

The University will verify compliance with each organization’s matching gift policies. If University staff has reason to believe that a donor is not in compliance with a matching entity’s policies, staff will contact the matching entity for clarification. The University will not knowingly submit claims for, or accept non-qualifying gifts.

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, skyboxes, luxury suites, etc.). Applications for matching gifts to athletics for philanthropic or capital purposes will be considered when qualified.

### **Gifts for the Benefit of Specific Individuals**

The University and the Foundation do not accept gifts made for the personal benefit of a named individual.

### **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.

### **Raffles and Auctions**

The Foundation does not sponsor raffles or auctions.

### **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.

### **Gift Refunds**

There may be circumstances when it is in the best interest of the Foundation to refund a gift to a donor. The VPUA and ExecDir shall review these requests and work with the donor to complete the refund. 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 gift refunds 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 refund 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**

Advancement Services is responsible for issuing all gift receipts on behalf of the Foundation. (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**

Tax laws governing charitable gifts are complex; the University/Foundation encourages donors to seek professional advice on tax issues, and does not provide such advice to donors.

### **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. In any such case, the Foundation shall not accept non-publicly traded securities if the donor has provided the University or Foundation confidential information about the company that could affect the resale price of the securities.

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, 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.

## Exhibit "A"

### DUE DILIGENCE TASKS FOR CONSIDERATION OF PROPOSED REAL PROPERTY GIFTS

Depending on the specifics of the proposed real property gift, staff shall pursue some or all of the following due diligence tasks prior to consideration of the proposed gift by the GAC:

- ADA assessment report to identify any improvements to facilities that the law would require;
- Review of the preliminary title report and exception documents;
- Obtain a recent MAI appraisal of the current market value of the property;
- Have a Phase I environmental analysis prepared by a licensed environmental consultant;
- Review the title document;
- Completion by the donor of a real property questionnaire regarding use and history of the property and any improvements, water supply for the property, condition of property, as well as any contracts, leases, easements, or other legal documents affecting the property, etc.;
- Site visit/tour/inspection;
- Engage a consultant to prepare a hazardous materials survey of any existing improvements (i.e. lead, asbestos, etc.)
- Obtain a structural pest control inspection report, a roof certification, and other certifications, as applicable, as to structures on the real property.
- Develop an estimated annual budget for operations, maintenance, taxes, and other expenses associated with the property for the expected duration of the donor's combined lifetimes.
- Secure a natural hazard disclosure report to indicate presence in a flood zone, earthquake zone, etc.

## APPENDIX C

### California State University Naming Policy Guidelines and Procedures

#### Reputation

Naming recognition acknowledges the donor(s) generous philanthropy and good citizenship. The public affiliation with the donor(s) name enhances the reputation of the university and inspires others to make philanthropic investments for the benefit of the university's educational mission.

Should circumstances change in a manner that such affiliation would cause harm to the reputation of the university, a university president or the chancellor may request that the Board of Trustees exercise its authority to rescind naming recognition. The donor(s) may revoke the university's right to use the name at any time.

Gift agreements associated with proposed naming recognition will include a good citizenship or morals clause.

#### Relationship

Donors making consequential gifts to the university are deeply invested in the success of our students and university mission. Their leadership and experience are valued; however, donors must not be permitted to have undue influence on decisions made by the university. The CSU is committed to transparency in relationships with donors to express gratitude while maintaining a clear understanding about the decision-making authority of university leadership. Examples of areas where donor influence must be controlled are admissions decisions, faculty appointments, coach selections, curriculum development, program policies, investment policies and strategies, architect selections, search committee participation or candidate selection, and board of trustee decision-making or priority setting.

#### Valuation

##### **Facilities:**

As outlined in the policy, "facilities and properties may be named 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 consider 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<sup>1</sup>. It is not required that the gift specifically fund the facility construction or renovation.

- For new construction projects to receive priority consideration from Capital Planning, Design and Construction, the gift must be designated for capital expenditures related 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 start of construction and pledge should be binding. Some construction projects will not begin until full payment has been received.
- The value should be appropriate to the size, visibility and exclusivity of the facility or property.
- Precedence of similar recognition at facilities or properties within the California State University or at peer institution should also inform the valuation process.
- Commercial naming rights should consider available market research.

#### **Academic, Athletic and Other Programs:**

- While each gift may be judged on its own merits, the expectation is that the gift amount will significantly expand opportunity, build reputation, or transform the program in meaningful ways. Such gifts are typically endowments as these recognition opportunities are in perpetuity.
- One valuation method is to consider the program's operational budget and seek an endowment distribution that would enhance the budget by 10 percent or more.

#### **Payment**

- Gifts funding new construction should be paid within five years of the start of construction.
- Any consideration of deferred giving must be irrevocable. The net present value should be considered as to whether it will meet the intended purpose and needs.
- Failure to complete payment on a commitment is cause for rescinding the naming recognition.

#### **Consultation**

- The dean, director, or unit head should be consulted regarding any academic or athletic naming for programs under their direction.
- The campus Academic Senate shall be consulted on proposed campus naming recognitions. The Statewide Academic Senate shall be consulted on proposed multi-campus naming recognitions. This may be achieved with review by an Executive Committee or other subgroup. A correspondence expressing the Academic Senate's opinion shall accompany the request for consideration.

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<sup>1</sup> "[The Naming Game](#)," [Currents](#), Council for Advancement and Support of Education, March 2011, by Zoë Kashner.

- The Associated Students shall be consulted on proposed naming recognitions involving student unions, student recreation centers or other student fee funded facilities. This may be achieved with review by an Executive Committee or other subgroup. A correspondence expressing the Associated Student's opinion shall accompany the request for consideration.
- A naming committee shall review and recommend the request before presentation to the Board of Trustees. For Facility requests, the committee shall include the Executive Vice Chancellor and Chief Financial Officer, the Vice Chancellor for University Relations and Advancement, a campus president and the chair (or designee) of the Statewide Academic Senate. For Academic, Athletic and Other Programs, the committee shall include the Executive Vice Chancellor for Academic and Student Affairs, the Vice Chancellor for University Relations and Advancement, a campus president and the chair (or designee) of the Statewide Academic Senate.

### **Procedure**

- Prior to signature by the donor, the gift agreement should be reviewed by campus counsel. All efforts should be made to use the California State University template. The agreement should include a clear expression of the gift intent, an irrevocable gift commitment, a good citizenship clause, and acknowledgement that naming recognition is contingent upon approval by the Board of Trustees. Facility naming opportunities should include a clause limiting the naming to a period of years or the useful life of the facility.
- The campus should conduct a public records review on the donor and any other individuals or entities named in the proposed recognition to identify any behavior that is inconsistent with the reputation and values of the California State University.
- A letter of request should be forwarded by the president or the chancellor at least six weeks prior to a Board of Trustees meeting. The letter should include the gift amount, method of payment (cash, pledge, irrevocable deferred) and use of funds. Attachments should include a draft Board of Trustees item, a donor biography, and draft resolution language.
- The donor may be extended the opportunity to say a few brief words at the Board of Trustees meeting following approval of the naming. Photos will be taken and forwarded to the campus.
- The Chancellor's office Division of University Relations and Advancement maintains an archive of naming recognition approved by the Board of Trustees.

### **President's Delegated Authority:**

The campus should have written policies and procedures related to the use of the authority delegated to presidents to name minor facilities and programs. An inventory of campus approved naming recognition and the president's approval shall be archived.

## Naming Minimums

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.

Exclusions to these minimums and ranges is at the approval of campus leadership.

Termed naming opportunities may also be available on a case by case basis.

Termed naming opportunities may also be available on a non-endowed basis.

<b>Academic Leadership (existing positions)</b>	
<b>Dean</b> - chief academic/administrative officer of the college/school who reports directly to the Provost.	\$2.5 - 5 Million
<b>Endowed Chair</b>	\$1 - 4 Million
<b>Faculty Fellowship</b> - a special assignment to award/retain a deserving faculty member.	\$250,000 - 1 Million

<b>Student Support</b>	
<b>Graduate Fellowship</b> - a special award to recruit and recognize student talent.	\$100,000
<b>College/School Honors Scholarship</b> - school/college-based scholarship.	\$150,000
<b>President's Honors Scholarship*</b> - four-year scholarship award offered at Freshmen level.	\$400,000
<b>Scholarship</b>	\$25,000

\* - Dependent on tuition costs

<b>Ranges are determined based on budget (existing)</b>	
<b>College/School</b>	\$10 - 30 Million
<b>Department</b>	\$3 - 5 Million
<b>Institute - University</b>	\$2.5 - 3.5 Million
<b>Institute - School, College, Division</b>	\$1.5 - 2.5 Million
<b>Center - University wide</b>	\$2.5 - 3.5 Million
<b>Center - School, College, Division</b>	\$1.5 - 2.5 Million
<b>Program</b> - specialty within a unit	\$1 - 2 Million
<b>Lecture Series</b>	\$250,000 - \$1 Million
<b>Endowment Minimum</b>	\$25,000



<b>Ranges are determined based on budget</b>	
<b>Building: New</b>	50% of construction costs
<b>Building: Existing</b>	30% of replacement costs
<b>Laboratory</b>	Minimum \$100,000
<b>Auditorium</b>	Minimum \$500,000
<b>Gallery</b>	Minimum \$200,000
<b>Smart Classroom</b>	Minimum \$100,000
<b>Conference Room</b>	Minimum \$100,000
<b>Farm Enterprise Lab</b>	Minimum \$100,000
<b>Foyer</b>	Minimum \$100,000
<b>Office</b>	Minimum \$50,000
<b>Garden</b>	Minimum \$100,000

**Appendix D**



Discovery. Diversity. Distinction.

**Pledge Commitment**

Yes, I want to support Fresno State! Here's my/our gift in the amount of \$ \_\_\_\_\_ designated to benefit:

- Specific campus program(s): \_\_\_\_\_
- Campus-wide support to meet the greater needs of the University.
- Please contact me regarding the use of this gift.

**Pledge terms:**

- Paid in full.
- Multi-year pledge, \$ \_\_\_\_\_/year for \_\_\_\_\_ years. Payments will begin on \_\_\_\_\_ and will be made:
  - Monthly  Quarterly  Semi-Annually  Yearly, or  until I tell you to stop

**Method of payment:**

- Check payable to Fresno State Foundation enclosed
- Credit Card #: \_\_\_\_\_ Expires: \_\_\_\_\_
- Other: \_\_\_\_\_ (Note: Gifts of securities, real estate or gifts-in-kind may need special arrangements.)

**Donor Signature(s):** \_\_\_\_\_ **Date:** \_\_\_\_\_

Donor Name: \_\_\_\_\_

Joint Donor Name: \_\_\_\_\_

Home Address: \_\_\_\_\_

Home Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone: ( ) \_\_\_\_\_  Home  Work  Cell

Phone: ( ) \_\_\_\_\_  Home  Work  Cell

Email: \_\_\_\_\_

Email: \_\_\_\_\_

Employer: \_\_\_\_\_ Title: \_\_\_\_\_

Employer: \_\_\_\_\_ Title: \_\_\_\_\_

Business Address: \_\_\_\_\_

Business Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

**Thank you for your commitment to Fresno State! For more information please contact:**

Office of Advancement Services • 5244 N Jackson Ave, KC45 • Fresno, CA 93740-8023 • Phone: 559.278.4036

California State University, Fresno Foundation is a **501(c)(3)** tax-exempt charitable organization that manages private funds for the benefit of California State University, Fresno (federal tax identification number **94-6003272**). Gifts to the Fresno State Foundation are tax deductible as charitable contributions under Internal Revenue Service Code Section 170.

## **APPENDIX E**

### **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 F**

### **Philanthropic Grant Guidelines**

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

#### **University Philanthropic Grant Proposal Submission & Recording**

1. The faculty/staff lead prepares philanthropic grant proposal. Typically includes the purpose of the gift and proposed gift amount. Consultation with directors of development may help to identify potential grantors.
2. For proposals greater than \$10,000, the faculty/staff lead prepares Gift Proposal Approval (GPA) form with director of development 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
3. The faculty/staff lead submits proposal to the grantor; may benefit from the development liaison, cover letter from University leader or other strategy.
4. The faculty/staff lead receives award documents or rejection notice from grantor and notifies director of development who has been involved.
5. The faculty/staff lead turns over award documents and/or check to respective director of development for preparation of Gift Reporting Transmittal (GRT) Form, if needed. GRT is submitted to Gift and Records Processing for recording of the gift in the alumni/donor database.
6. Advancement Services 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 GPA form to Foundation Financial Services for processing and filing.

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

1. Foundation Financial Services sets up philanthropic grant account in its computer system, if a new account is required, and records the gift.
2. Faculty/staff lead prepares Foundation Financial Services trust account application, if necessary. Faculty/staff lead submits payment request documents to Foundation Financial Services, 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. (Director of development assists with reminders in advance of due dates.)
4. Director of development works with the faculty/staff lead to cultivate future funding of philanthropic grants.
5. Foundation Financial Services sends monthly reports to faculty/staff lead regarding fiscal status of their philanthropic grant.