LOYOLA UNIVERSITY MARYLAND

GIFT ACCEPTANCE POLICIES AND PROCEDURES

OFFICE OF ADVANCEMENT

Office of Advancement

Gift Acceptance Policies and Procedures

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owning the donated property prior to sale, the institution may decide to decline the gift. In such cases, however, the prospective donor should be encouraged to consider a gift in an alternative form.

Responsibility

General Considerations

Gift acceptance decisions are a University matter. The Board of Trustees has authorized the Vice President for Finance and Treasurer to accept gifts on behalf of the University. Although University officials soliciting gifts can and should consult with the appropriate officers of the University or outside experts, gift acceptance remains the final responsibility of the Office of the Vice President for Finance and Treasurer.

The University's goal is to inform, guide, and otherwise assist the donor in fulfilling his/her wish to benefit the institution. In the solicitation and acceptance of gifts, the University shall conduct its affairs in a way that is ethical and consistent with its status as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Service.

The Office of the Vice President for Finance and Treasurer (OVPFT or VPFT)

Under University policy, the Office of the Vice President for Finance and Treasurer of the University is responsible for the management and disposal of University property. This

Gift Acceptance Procedures

Outright Gifts

Outright gifts of U S currency checks wire transfers or payroll deduction usually pose no difficulty for gift acceptance and are credited at actual cash value

2 To ensure compliance with the donor s wishes and prompt processing outright gifts should be accompanied by a written statement of purpose including the University unit for which the gift is intended if any and any es

a. The donor should send the unendorsed certificates to

    The Office of Planned Giving
    Loyola University Maryland
    Office of Advancement
    North Charles Street
    Baltimore MD 2 2
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    The development office should prepare a transmittal letter for the donor's signature stating the designation of the gift if any

c. Under separate cover to the same address the donor should send a stock bond power of attorney obtainable from the Office of Planned Giving to the donor's home. The donor must sign the power with a guaranteed signature. The signature on the stock bond power must exactly match the name on the certificate

d. If the certificates have been endorsed they should be delivered by courier or by hand to the address above

The donor may also inform a development office of his or her willingness to make a gift of securities by electronic transfer. The development office should contact the Office of Planned Giving to coordinate the transfer process

a. The development office should prepare a letter for the donor's signature stating the designation of the gift if any which letter should be sent to the donor prior to the transfer with a return envelope

    The development office should follow up with the Director of Advancement Services to confirm that the gift has been e   c   t   2   e   c

f. A disclosure statement signed by the potential donor reflecting any and all carrying costs including but not limited to taxes, insurance, association dues, homeownership fees and transfer charges

A title insurance commitment issued by a reputable title insurance company showing marketable title in the donor free and clear of encumbrances. No gift of real estate may be accepted until all mortgages, deeds of trust, liens and other encumbrances have been discharged

h. An analysis of the marketability of the property

i. A phase I environmental assessment by a qualified engineer required for all real estate gifts regardless of type indicating that ownership will not expose the University to environmental liability

j. A report of the on-site visual inspection by a qualified campus representative or consultant. This inspection should include observation of the adjacent property and surrounding area

A review of existing leases for commercial property

l. A structural engineering report where appropriate

m. evidence of compliance with the Americans with Disabilities Act, where applicable

Unless waived by the Vice President for Advancement the donor shall be responsible for all costs related to the environmental impact study, title search, marketability study and any and all other required reports. In the event the donor fails to pay such expenses, they shall be deducted from the value of the gift

The Gift Acceptance Committee shall review this proposal and make a recommendation to the VPA. The VPA shall determine whether the gift should be accepted. If the estimated fair market value of the gift equals or exceeds _____ the consent of the President of the University also shall be required. If a gift of real property is accepted the VPA shall notify OA, University Counsel and the Controller. OA will record the appraised value of the property as a gift

University Counsel shall review any documents, deeds, studies or reports related to the proposed gift. In connection with the transfer of real property to the University, the donor shall be required to make the following warranties and representations in writing

a. He or she is the rightful owner of the property

No violations of state, local or federal law exist on the property

c   No covenants, restrictions or conditions exist within the title

d   There are no unrecorded rights of way, easements or encumbrances attached to the property

e   There are no contractual or other donative commitments to other individuals, corporations or groups attached to the property

f   The property is neither the subject of nor threatened with litigation

The development office shall inform the donor of the decision of the V.., and any required modifications to the proposed gift

Loyola shall not provide the donor with a value of the gift for IRS reporting purposes. The donor shall be responsible for obtaining a qualified appraisal of the property to attach to the donor's income tax return. When the University receives a or... 2 f or... the donor, the Director of Advancement Services is responsible for executing the form

Gifts of Tangible Personal Property

Tangible personal property includes, but is not limited to, such items as

- Books
- Jewelry
- Automobiles
- Films, videotapes, DVD's and digital media
- Boats
- ...earms
- Computer equipment
- Biomaterials
- Animals
- Furniture
- Works of Art and Antiques
- Manuscripts and Archival Materials

2 A gift of tangible personal property should be accepted only when a review indicates that the property is readily marketable or can be used by the University in a manner related to its exempt purposes. For example, if a proposed gift is of scholarly interest or of other educational use to the University, it may be accepted and retained as part of the University's collection. Gifts of little educational value or those lacking historical value or scientific significance should be discouraged. If a gift of tangible personal property is accepted but the property is not of interest or use to the University, the property will promptly be sold. It is the responsibility of the development office to

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An estimate of storage costs and any other expenses related to accepting the proposed gift. No perishable property or property that would require special facilities or security to keep properly safeguarded shall be accepted without the prior review and approval of the V _ _ _.

c A brief statement of its educational value

d The endorsement of the determining University official

e An assessment of the possibility of any adverse publicity for the University if the gift is accepted

f Any special arrangements or stipulations requested by the donor

   A qualified appraisal supplied by the donor if the value of the gift is estimated to be over _____ If the estimated value is less than _____ a knowledgeable University official can provide an estimate

The Gift Acceptance Committee will make a recommendation to the V _ _ _ regarding the gift. The V _ _ _ will decide whether the University will accept the gift and inform the Director of Planned Giving of his/her decision.

2 The Director of Planned Giving will notify OA, the University Counsel, and the Controller of the gift. Advancement Services will record the appraised value of the gift.

   Loyola shall not provide the donor with a value of the gift for IRS reporting purposes. The donor shall be responsible for obtaining a qualified appraisal of the property to attach to the donor's income tax return. When the University receives a form 8283 from the donor, the Director of Advancement Services is responsible for executing the form. If the property is sold within two years of the date gifted, the Director of Advancement Services, upon receipt of the sale info

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Gifts of Other Assets

Other assets include

- Promissory notes
- Intellectual property, i.e. patents, royalties, trademarks and copyrights
- Professional practices (medical or legal)
- Partnership interests
- Stock in closely held or private corporations

The difficulty inherent in establishing the acceptability of this class of assets places additional importance on a thorough review of such gift proposals by the Gift Acceptance Committee. In particular, the VP will review the marketability of the gift, the potential

shall first be reviewed and approved as to form and substance by the Vice President for Advancement or his/her designee, and if appropriate, the University Counsel.

Types of planned gifts are described below.

1. Bequest in Will

A bequest is a gift made to the University in a donor's will or revocable trust. Bequests may provide for a gift of a specific dollar amount, specific securities or accounts, particular pieces of real or tangible personal property, or a percentage of the residue of the estate, or the balance of the decedent's probate estate after payment of all debts, taxes, expenses, and specific bequests.

Bequests may be given as unrestricted or restricted gifts. Unrestricted bequests may be used for the general purposes of the University and can be applied to current needs. At the decedent's direction, bequests may be used to establish an endowed unrestricted endowment fund. The spendable amount of an unrestricted endowment fund may be used for the University's general purposes or the appropriate official or governing body may designate the purpose and use of such a fund. A restricted bequest supports a certain purpose or program designated by the donor. The restriction should be contained in the Will or Revocable Trust. A bequest also may be made to an existing fund earmarked for a specific need of the University so long as the terms and conditions of the existing fund so permit.

The University may be named as a contingent beneficiary under a Will, and in that event will receive a bequest only in the event certain events occur or fail to occur. For example, the decedent could provide that in the event he/she is not survived by any descendants, the University shall receive the balance of the estate.

Donors may also establish by will a charitable remainder trust or charitable lead trust (see below).

Gifts may be made to the University through the execution of a new Will or Revocable Trust or by a Codicil or Amendment, respectively, thereto.

2. Charitable Remainder Trusts

A charitable remainder trust is established by an irrevocable gift to a trustee made during the donor's lifetime or following the donor's death. The primary feature of a charitable remainder trust is that it provides for periodic payments of a fixed percentage, not less than 5% of the value of the trust assets to the donor and/or another person specified by the donor for life or a specified term of years not to exceed 20, after which the trust assets pass to the University. The most common forms of charitable remainder trusts are Charitable Remainder Annuity Trusts (CRATs) and Charitable Remainder Unitrusts (CRUTs). The significant difference between a CRAT and a CRUT is that the annual payment from a CRAT remains at a fixed percentage of donor's [ ] on

payout from a CRUT is calculated by applying the fixed percentage to the value of trust valued annually

A charitable remainder trust may be funded with cash

A charitable lead trust may be funded with cash, appreciated securities or a combination of both. The University will <u>not</u> serve as the Trustee of a charitable lead trust.

Charitable lead trusts shall not be accepted without the prior review and approval of the trust agreement by the Vice President fo Advancement and, if appropriate, University Counsel. Given the complex tax and legal issues related to the establishment of a charitable lead trust, the donor should be advised to obtain independent professional advice prior to creating such a trust.

To receive credit for a gift to a charitable lead trust benefitin Loyola, the trust must be funded with at least

5. *Life Insurance Policies*

Development officers who learn of proposed gifts of life insurance policies should inform the Vice President of OA and the Director of Planned Givin

2   o a gift of life insurance to be accepted by the University, the following criteria must e met

a   Loyola University Maryland must be designated irevocable owner n eneficiary of the policy

The policy is not a term policy in whole or in part

c   The policy should insure only the life of the donor, the donors spouse o another person ou bly the same age as the donor and should e paid up policies

d   f the policy is paid up at the date of gift, the University should record the gift as follows   i if the donor is less than __ years of age the policy will e counted at the interpolated terminal eserve as a cu ent outi ht gift and ii if the donor is __ years of age o older the policy will e counted at the death benefit value

 aid up whole life policies of any amount may e donated

f the policy is <u>not</u> paid up at the date of the gift, the following equie ents apply

a   The policy must e whole life o univers al

 o donor s age __ and older the policy must have face value of at least and with e ul a p emium payments e paid up in five years o less o donors under the age of __ the policy must have a face value of at least   2   and with e ul a p emium payments e paid up in five years o less

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Other assets

Planned Gift Minimums

    Charitable Remainder Trusts   2

    Pooled Income Funds   Initial Gift
                                      Additional Gifts

    Gift Annuities

    Charitable Lead Trusts

Naming Opportunities

Opportunities for naming new or renovated facilities shall be determined and approved by OA and the V. The University shall reserve the right to refuse any naming request or to remove the donor's name from a previously named facility if the naming would reflect negatively on the University's public image or otherwise conflict with the ethical, educational, and other goals underpinnings of the University mison

The members of the Gift Acceptance Committee may submit to the Committee such revisions and refinements to these policies as they deem necessary. Any proposed changes will be reviewed by the entire Gift Acceptance Committee and must be approved by a majority vote of the members.

The Vice President for Advancement shall be responsible for disseminating and reviewing this policy periodically within OA.

The Director of Planned Giving will be responsible for disseminating and reviewing this policy periodically with appropriate University officials outside OA.

It is recommended that such reviews occur no less than every two years.