



SUBJECT: Fundraising Policies 1. Gift acceptance policy and guidelines 2. Gift counting and crediting guidelines 3. Gift Naming Opportunities Responsible Authority: Asst. VP Advancement Services Scope: To establish guidelines to govern the acceptance, administration and disposition of philanthropic gifts by the Foundation and to provide guidance to the prospective donors and their advisors when making gifts to benefit the University	Effective Date: 10/14/2016	Policy Number: 9
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TABLE OF CONTENTS

Purpose and Mission of the FAU Foundation 5

Purpose of Gift Acceptance Policies and Guidelines 5

General Gift Acceptance Provisions..... 5

Delegation of Authority to Accept Gifts..... 5

Delegation of Authority to Return Gifts 6

Use of Legal Counsel..... 6

Conflicts of Interest..... 6

Donor Conflicts 6

Board and Staff Conflicts..... 6

Personal benefit..... 6

Purchase, sale, or leasing from a donor 7

Borrowing from a donor 7

Finder’s Fees or Commissions..... 7

Fundraising Ethics 7

SECTION 1.1 GENERAL GIFT ACCEPTANCE PROVISIONS	7
Documentation Guidelines	7
Pledges.....	8
Restrictions on Gifts	8
Restricting Policies	8
Changing Restrictions.....	9
Allocation of Certain Gifts	9
SECTION 1.2 GENERAL GIFT ACCEPTANCE GUIDELINES	9
Cash	9
Checks	9
Tangible Personal Property	9
Gifts of Works of Art.....	11
Securities	11
Publicly Traded Securities	11
Closely Held Securities	11
Acceptance Process.....	12
Valuing Securities.....	12
Gifts of Partnership Interests, Non-publicly Traded Stock and Restricted Securities	12
Real Estate/Real Property	13
Acceptance Criteria	13
Acceptance Process.....	14
Disposition Process	15
Remainder Interest in a House or Farm	16
Acceptance Criteria	16
Oil, Gas, and Mineral Interests	17
Bargain Sales.....	17
Life Insurance	17
Policies Owned by Donors.....	17
Acceptance Criteria	18
Purchasing Policies with the Intention of Making a Gift	18
Designating the Foundation/University as Beneficiary.....	18
Administration	19
Life Income Gifts	19
Charitable Gift Annuities (CGA).....	19
Acceptance Criteria	19
Acceptance Process	20
Disposition Process	20
Charitable Remainder Trusts	20
Acceptance Criteria	20
Disposition Process	20
Charitable Lead Trusts (CLT).....	21

Pooled Income Funds (PIF).....	21
Retirement Plan Beneficiary Designations	21
Bequests	21
Life Insurance Beneficiary Designations	21
Grants.....	21
Software.....	21
SECTION 1.3 MISCELLANEOUS PROVISIONS.....	22
Valuation Date for Gifts to Foundation	22
Substantiation Requirements	22
Quid Pro Quo Gifts	22
Athletics	23
Sponsorships.....	23
Income Only	23
Part Gift/Part Income	23
Donated Services.....	23
Auctions	24
Raffles	24
General Sponsorships.....	24
Ticket Sales.....	24
SECTION 1.4 GIFTS ADMINISTRATION	24
Deposit of Gift Funds	24
Non-Gift Revenue Fees	25
Gift Processing Fee.....	25
Athletics Gift Administration Recovery Fee	25
Administration/Investment Fees	25
Interest Paid on Endowed Funds	26
Establishing and Revising Funds	26
Establishing New Funds	26
Revisions to Existing Funds	26
Construction or Renovation Projects	26
Gift Proposals.....	27
Changes to Gift Acceptance Policies and Guidelines	27
INFORMATION SHEET FOR PROSPECTIVE DONORS OF REAL ESTATE.....	29
1. Appraisal	29
2. Environmental Assessment	29
3. Limits on Deduction	29
4. Sale of the Property	29
OWNER DISCLOSURE STATEMENT FOR PROPOSED GIFTS OF REAL ESTATE	31
SECTION 2: GIFT COUNTING AND CREDITING GUIDELINES	32

General Gift Categories:	32
Amount to be Counted toward Fundraising Totals	32
Cash.....	33
Pledges	33
Marketable Securities	33
Closely Held Stock	33
Real Property	33
Tangible Personal Property	33
Other Gifts in Kind	33
Bequests	33
Bequest intentions	34
Charitable Gift Annuities	34
Charitable Remainder Trusts	34
Charitable Lead Trusts	34
Life Insurance.....	34
SECTION 3: GIFT NAMING OPPORTUNITY GUIDELINES	34
ENDOWMENTS	34
Buildings.....	35
Naming a Portion of a Building	36
Funding Requirements	36
Minimum Contribution Levels:	36

Purpose and Mission of the FAU Foundation

The FAU Foundation was started in December 1960 as the University at Boca Raton Endowment Corporation and later renamed the Florida Atlantic University Foundation, Inc. (the Foundation), a non-profit 501(c)(3) organization certified by the Florida Legislature as a direct-support organization for Florida Atlantic University under Florida Statutes Section 1004.28. As a University direct-support organization (DSO), the Foundation is organized and operated exclusively to receive, hold, invest, and administer private support and to make expenditures to or for the benefit of Florida Atlantic University (the University).

The mission of the Foundation is to encourage, promote, and provide funds and other resources for the benefit of the University in furtherance of its missions and purposes and to secure the application of these funds in the best manner adapted to the needs of the University.

Purpose of Gift Acceptance Policies and Guidelines

The purpose of the gift acceptance policies is to establish guidelines to govern the acceptance, administration and disposition of philanthropic gifts by the Foundation and to provide guidance to the prospective donors and their advisors when making gifts to benefit the University.

General Gift Acceptance Provisions

The provisions of these policies shall apply to all gifts received by the Foundation in support of the University for any of its campuses, colleges, programs, departments, or units and for all fundraising activities conducted on behalf of the University where assets are to be directed to the Foundation.

The Foundation is the central receiving unit for all private contributions in support of the University. Generally, all solicited private contributions are to be directed to the Foundation. As a University direct-support organization, all gifts, whether for current use or endowment, solicited in the name of and treated as a gift to any part of the University, must be received and expended by the Foundation or in accordance with specific exceptions delineated in either written or implied agreements approved by or between the Foundation and the University. Gifts are outright or deferred contributions received from private contributors (or donors) in which neither goods nor services (other than general reports and fulfillment of donor intent) are expected, implied or forthcoming for the donors. Donors can be individuals, partnerships, corporations, Foundations, trusts, and other organizations. Such contributions can sometimes be called "grants" by foundations and corporations.

Contracts and governmental grants are typically administered through other divisions of the University but can be administered by the Foundation if the grant is philanthropic, with the exception of governmental grants. The Chief Executive Officer of the Foundation is responsible for ensuring the acceptance, recording, acknowledgement and reporting for all private gifts from alumni, friends, corporations, and Foundations to all colleges, departments, and units of the University.

Delegation of Authority to Accept Gifts

By issue of Certificate of Incorporation from the Secretary of State of the State of Florida, dated December 30, 1960 and confirmed by the laws of the State of Florida, and outlined in Florida State Statute 1004.28, the FAU Foundation, Inc. has the authority to:

1. accept, hold, invest, and administer private support and to make expenditures to or for the benefit of the University,
2. evaluate and accept gifts, bequests, and donations of personal property to the University, and
3. accept gifts of interest in real property to the University on behalf of the Board of Trustees (as authorized.)

The Foundation Board and the University President have further delegated this authority to the Chief Executive Officer of the Foundation. Pursuant to these delegations, the University must perform due diligence to ensure that all gifts accepted by the Foundation will aid in carrying out the primary functions of the

University. All gifts, bequests, devises, and donations that are accepted must be used in accordance with the intentions specified by the donor.

Delegation of Authority to Return Gifts

If, for some reason, the Foundation is unable to comply with a donor's intent, or if a gift has been misdirected to the Foundation, a return of the gift may be authorized at the University's discretion and with the Foundation's approval. However, with exceptions, gifts of real property transferred to the University accepted through the Foundation are deemed property of the State and must be returned, if permissible, through and by the University.

Use of Legal Counsel

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

1. Closely held stock transfers that are subject to restrictions or buy-sell agreements.
2. Documents naming the Foundation as trustee. (see discussion herein for those limited circumstances)
3. Gifts involving contracts, such as bargain sales, or other legal documents requiring the Foundation to assume an obligation or to take action.
4. All transactions with potential conflict of interest that may invoke IRS sanctions.
5. Other instances or circumstances in which use of counsel is deemed appropriate by the Foundation's Chief Executive Officer or the Foundation's Executive Committee.

The purpose of legal counsel is to provide protection to both the University and the Foundation. Legal counsel will be engaged when appropriate and advice will be used to assist in the acceptance of gifts or to aid in review of contractual agreements that the Foundation may enter into.

No Foundation Board member shall serve as counsel either in a paid or unpaid capacity. Counsel should serve as an independent observer and advisor. The use of counsel, when appropriate, is part of the fiduciary role exercised by the Foundation Board whose primary duty is to protect the Foundation's assets, to provide proper guidance in the management of those assets, and the judiciously expend those assets in support of Florida Atlantic University.

Conflicts of Interest

Donor Conflicts

The importance of independent advice for the donor cannot be overstated and must be communicated to each donor. The Foundation will strongly urge and advise all prospective donors to seek the assistance of personal and financial advisors in matters relating to their gifts, including any resulting tax or estate consequences. The Foundation will comply with the National Committee on Planned Giving (NCPG)'s [Model Standards of Practice for the Charitable Gift Planner](#).

Board and Staff Conflicts

All University personnel must be circumspect in all dealings with donors in order to avoid even the appearance of any act of self-dealing. Any transaction in which a University employee has a "material financial interest" with a donor is an act of self-dealing. In reviewing self-dealing transactions, the Foundation Board shall consider a financial interest material to an employee if it is sufficient to create even an appearance of a conflict.

The Foundation Board will examine all acts of self-dealing including, but not limited to, the following:

Personal benefit

Those individuals who normally engage in the solicitation of gifts or grants on behalf of the University shall not personally benefit by way of commission, contract fees, salary, or any

other form of benefits from any donor in the performance of their duties on behalf of the University or the Foundation. (Individuals include faculty, administrators, staff, or their family members.)

Purchase, sale, or leasing from a donor

The relationship nurtured between University personnel and an individual donor is sacrosanct; consequently, purchase, sale, exchange, or leasing property from an individual donor by a member of the faculty, administration, or staff will be subject to review for potential conflict.

Borrowing from a donor

Faculty, administrators or staff of the University or Foundation are prohibited from borrowing funds or entering into any form of credit extension with an individual donor.

Finder's Fees or Commissions

The Foundation will pay no fees or commissions to any person in consideration of directing a gift to the University or the Foundation.

Fundraising Ethics

All philanthropic activities conducted on behalf of the University will follow the ethical standards and guidelines promulgated by the Council for Advancement and Support of Education (CASE) and the Association of Fundraising Professionals (AFP), including the CASE Donor Bill of Rights and the Foundation's own Code of Conduct. The interests of the prospective donor shall be a primary consideration with respect to any gift to the University or the Foundation.

SECTION 1.1 GENERAL GIFT ACCEPTANCE PROVISIONS

If a gift requires a receipt per IRS rules or a receipt is requested by the Donor, it is the responsibility of the unit receiving the gift, if other than the Foundation, to ensure that the gift is processed in a timely and accurate manner. All gifts meeting this criterion and received directly by the colleges, departments or supporting units of the University must be submitted to the Foundation with 48 hours. The Foundation's policy is to process all gifts received within 48 hours. The FAU Foundation Accounting Office is located at 777 Glades Rd, Room 295 in the Administration Building on the Boca Raton campus. See map of [FAU Campus Buildings](#) .

Documentation Guidelines

Written gift agreements are recommended for the following types of philanthropic gifts and must be signed by the Chief Executive Officer of the Foundation and if necessary the appropriate University academic officer(s), the University President, the donor(s), and by Foundation legal counsel, should outline in writing the program to be supported and the schedule of contributions, if applicable;

1. gifts to establish a new endowments or to materially enhance established endowments
2. non-estate gifts of \$50,000 or more to non-endowed funds
3. gifts seeking State Matching Funds
4. gift requiring naming opportunities of \$50,000 or more
5. planned gifts, including estate distributions, trust agreements, gift annuities, life insurance, and real estate
6. gifts of property other than cash; non-cash in-kind gifts
7. gifts of securities

Letters from the donor specifying the use of funds and corporate/foundation proposals that have written acceptance from the donor may be substituted for the Foundation gift agreement form. Additional documentation may be required to reflect the intent of the donor, no matter the gift amount.

All donors must direct the Foundation to apply for any matching funds from federal, state or private sources that might be available as a result of their gifts. Any and all gifts, for this purpose, valued in excess of \$100,000 require the approval or acknowledgement of the Chief Executive Officer.

Pledges

Written documentation should be obtained for all pledges, other than oral phon-a-thon pledges or if a donor calls in a pledge, and signed by the donor, when applicable. It is recommended that a signed pledge or gift agreement include the following:

1. A mention that the donor, if possible, pay at least 20% of the pledge at time pledge is made;
2. The terms of the payment schedule;
3. That the pledge not exceed a term longer than 5 years;
4. If a State Match is to be sought; **Major Gifts State Match is currently suspended.**
5. An indication if the donor intends to pay the pledge from a Donor Advised Fund (the IRS does not allow payments of personal pledges from Donor Advised Funds).

Restrictions on Gifts

The Foundation will accept unrestricted gifts, and gifts for specific programs and purposes, provided that such gifts are not inconsistent with the Foundation and University's stated mission, purposes, and priorities. The Foundation will not accept gifts that are too restrictive in purpose. Gifts that are too restrictive are those that violate the terms of the corporate charter, gifts that are too difficult to administer, or gifts that are for purposes outside the mission of the Foundation and the University. For gifts that the Chief Executive Officer considers highly restrictive, the final decisions on acceptance or refusal shall be made by the Foundation Board of Directions or assigned committee.

Donors may direct their contributions for specific purposes that meet the requirements of the Foundation and the University. The language used in creating such a gift should leave sufficient leeway to apply the gift to some other purpose should the designated purpose cease to exist or no longer be feasible.

Restricting Policies

All gifts solicited and accepted on behalf of the University must further the mission and strategic initiatives of the University, as articulated by the President and the Florida Atlantic University Board of Trustees. Each college or unit's fundraising goals are developed in conjunction with the approval of the Development Officer, Dean, Vice President and the President and represent the strategic initiatives and goals of the University.

The University is fundamentally committed to bringing and maintaining diversity in the university community. Fundraising efforts made on behalf of the University reflect this commitment to diversity, and provide opportunities for donors through support of programs and scholarships that will foster an inclusive environment for scholarship recipients and program, enriching the university community with individuals with a variety of geographical, cultural, ethnic, economic and social backgrounds. Provisions that illegally restrict gifts on the basis of race, national origin, color, religion or nationality are prohibited. Provisions that discriminate based on age, marital status, disability, or gender are discouraged. Preferences for relatives or descendants of the donor in the awarding of scholarships or in the use of donated funds are not permitted.

Gifts from any donor for a fellowship, assistantship or scholarship made on the condition or with the understanding that the award will be made to a student of the donor's choice will not be accepted. Money received subject to such restrictions may be credited to a depository account within the University Office of Student Financial Aid, but will not be recorded as a gift to the Foundation. Gifts from any donor made on the condition or with the understanding that a particular faculty member will be hired or retained will not be accepted. The donor of a gift may serve on an advisory committee but may not independently participate in the selection or evaluation of students or faculty members who would benefit from the gift.

The terms of any gift should be as general and flexible as possible to permit the most productive use of the funds. Gifts that restrict or impede the work or scholarly activity of a faculty member, fellowship holder or student will not be accepted. No fellowship or scholarship gift will be accepted if the terms of the gift in any way include a commitment for the future employment of the student recipient.

Changing Restrictions

The use of donated funds for a purpose other than that stipulated by the donor is prohibited. If another use is deemed necessary, including impossibility or usefulness, consent for using the funds in a different manner may be sought from the donor or may be altered in accordance with the terms of the gift agreement. Similarly, for a donor to change the originally stated use of donated funds, the change must first be agreed to by appropriate Foundation and if necessary University officials.

Allocation of Certain Gifts

The Chief Executive Officer in consultation with the Foundation Board and University President will decide the use and allocation of unrestricted gifts to the Foundation. Correspondingly, the use or allocation of funds donated on an unrestricted basis for a particular college or unit shall be determined by the appropriate Vice President, Dean or Director.

Fund Administrators (those University faculty or staff members designated by Vice Presidents, Deans or Directors to oversee the disbursement of funds), with the written approval of the appropriate Vice President, Dean or Director, will designate the use and allocation of restricted gift income consistent with the specified intent of the donor. The Foundation has oversight responsibility at all times to ensure funds are spent consistently with the stated intent of the donor.

Corporate matching gifts will be credited to the donating corporation's gift record. Such matching gifts will, however, be deposited into the fund for which the individual employee-donor's gift was made, unless the corporate donor specifies otherwise. The employee-donor's gift record receives "soft credit" for the corporate match. The Foundation is solely authorized to certify, execute and deliver necessary and appropriate affidavits and forms in connection with corporate matching gifts.

Unrestricted corporate gifts or grants made or computed on the basis of the number of Florida Atlantic University trained personnel employed in the corporation or under any similar formula will be allocated to unrestricted Foundation funds unless information is furnished by the corporation indicating a clear intent that the gift should be credited to a particular area or used in a particular way.

SECTION 1.2 GENERAL GIFT ACCEPTANCE GUIDELINES

The following outlines the appropriate procedures and criteria associated with each gift type and will serve as the primary guideline for the acceptance and disposition of any gift accepted by the Foundation.

Cash

Cash must be deposited with the University's cashier office before being accepted by the Foundation. It is preferred that cash be converted into check form or in the means of an electronic bank transfer.

Checks

Checks shall be made payable to the FAU Foundation or FAUF and shall be delivered to the FAU Foundation Office, 777 Glades Road, Administration Building, ADM 295, Boca Raton, Florida, 33431.

Tangible Personal Property

The Foundation will consider gifts of tangible personal property, including works of art, manuscripts, literary works, boats, motor vehicles, and computer hardware, only after a thorough review indicates that the property meets the following criteria:

1. Such a gift is consistent with the mission of the University, or may be liquidated and the proceeds used by the Foundation or the University.
2. The property is marketable and due diligence must be performed to ensure fair market value and benefit to the Foundation or the University.
3. Acceptance of such a gift will not involve significant additional expense in its present or future use, display, maintenance or administration.
4. No financial or other burdensome obligation or expense is or will be directly or indirectly incurred by the Foundation or the University as a result thereof.
5. The gift has no undue restrictions on the use, display, or sale of the property.
6. The gifts have no carrying costs for the property.
7. If the gift is to be held in perpetuity, the donor will be asked to provide an endowment to support the continued maintenance and restoration of the item.

A written summary of the gift proposal should be prepared and submitted to the Foundation through the Chief Executive Officer of the Foundation. At a minimum, the summary shall include the following information:

1. description of asset;
2. the purpose of the gift (e.g., to fund an endowed chair, a deferred gift, an unrestricted gift) and the department(s), program(s), or endowment(s) to benefit from the gift;
3. an estimate or appraisal of the gift's fair market value and marketability;
4. any potential college use (as opposed to sale) and, if so, written review by the department to benefit from the asset; and
5. any special arrangements requested by the donor concerning disposition (e.g., price considerations, time duration prior to disposition, potential buyers, etc.).

On the recommendation of the Chief Executive Officer, the Foundation assigned committee, or designee, will review the material presented and make a determination as of whether to accept or reject the proposed gift (or, if necessary, to postpone a decision pending the receipt of additional information). After the final determination of the Foundation is complete, the representative Development Officer must communicate the decision of the Board, or designee, to the donor in writing.

If a proposed gift of tangible personal property is approved by the Foundation, or designee, the Chief Executive Officer of the Foundation will acknowledge receipt of the gift on behalf of the Foundation. The Foundation will not appraise or assign a value to the gift property. If the donor is seeking a charitable tax deduction, it is the donor's responsibility to establish a value for the gift and to provide, at the donor's expense, a qualified appraisal required by the IRS (in the case of gifts of tangible personal property valued in excess of \$5,000).

The gift will be completed by the execution and delivery of a deed of gift or other appropriate conveyance, and the delivery of the property, as applicable. The costs associated with the conveyance and delivery of the gift should be paid by the donor. In addition, the filing of Form 8283 by the donor is required by the IRS for gifts of tangible personal property valued at more than \$500. For gifts of \$5,000 or more, Form 8283 should be sent to the Foundation to be signed by a proper officer as required by the IRS.

Upon approval of a proposed gift of tangible personal property by the Foundation, or designee, it will assign the responsibility for disposing of the gift, unless the gift is intended to be put to a specific purpose. Any guidelines the Foundation, or designee, wishes to impose on disposition, including minimum sales price and approval or rejection of any special arrangements with the donor, will be put in writing.

Unless otherwise specified as a condition of the gift, the Foundation, in assuring that the donor's intent for the gift is honored, is empowered to retain the gift of property, turn it over to the University, or liquidate it for the benefit of the University. Upon approval of a proposed gift, an account will be used for charging expenses associated with the gift pending disposition.

The Chair of the Foundation must be consulted and, if necessary in the judgment of the Chair, the entire Foundation polled or convened, before a gift of tangible personal property may be sold for less than appraised value, estimated fair market value, or guidelines imposed by the Foundation in approving the gift, as the case may be. If a current appraisal of the property would assist in disposing of the property, permission may be requested from the Foundation Board or its' Chair to have the appraisal performed.

Upon sale of the property, a final report on the property, including a financial summary of net proceeds to the extent known, shall be distributed to the Chief Executive Officer and the designated representative of the University department to benefit from the gift.

If a Form 8283 was signed by the Foundation, the Foundation is responsible for filing [Form 8282](#) for gifts of tangible personal property valued at more than \$5,000 sold by the Foundation within three (3) years of the date of gift. The Foundation must file this form within 125 days of the date of sale or disposition of the asset. For boats and vehicles, the Foundation will complete Form 1098-C Contributions of Motor Vehicles, Boats, and Airplanes.

Gifts of Works of Art

Gifts of works of art may be accepted by the Foundation. In addition to the noted policies on acceptance of gifts of tangible personal property, the Foundation, in accepting works of art, will adhere to the following two-tier approach; note that proof of ownership is a condition of acceptance for any artwork because of increasing problems of repatriation lawsuits for certain ethnic and cultural categories.

The principal criteria for acceptance, besides quality, are condition, ownership, authenticity, and relatedness to the purpose and collections of the University. In addition, it must meet the following conditions:

1. Generally, it must be unencumbered by any restrictions as to use, attribution, exhibition and disposal. The Foundation will, however, honor the donor's wishes regarding gift recognition.
2. Works of art should also be accompanied by a bill of sale or other proof of ownership and a complete provenance (the artwork's history of ownership), where available.

See IRS Publication 561, Determining the Value of Donated Property for more information:
<http://www.irs.gov/pub/irs-pdf/p561.pdf>

Securities

Gifts of securities usually involve donations of publicly traded common stock or bonds. Gifts of private stock or other less marketable assets require special consultation with the Chief Executive Officer of the Foundation or assigned designee prior to their transfer to the University.

The Foundation can accept both publicly traded securities and closely held securities.

Publicly Traded Securities

Marketable securities may be transferred to an account maintained at one or more brokerage firms or delivered physically with the transferor's signature or stock power attached. As a general rule, all marketable securities shall be sold upon receipt unless otherwise directed by the Investment Committee. In some cases, marketable securities may be restricted by applicable securities laws; in such instance the final determination on the acceptance of the restricted securities shall be made by the Investment Committee.

Closely Held Securities

Closely held securities, which include not only debt and equity positions in non-publicly traded companies but also interests in LLP's and LLC's or other ownership forms, can be accepted

subject to the approval of the Investment Committee. However, gifts must be reviewed prior to acceptance to determine that:

1. there are no restrictions on the security that would prevent the Foundation from ultimately converting those assets to cash;
2. the security is marketable; and,
3. the security will not generate any undesirable tax consequences for the Foundation.

If potential problems arise on initial review of the security, further review and recommendation by an outside professional or counsel may be sought before making a final decision on acceptance of the gift. The final determination on the acceptance of closely held securities shall be made by the Investment Committee and legal counsel when necessary. Every effort will be made to sell non-marketable securities as quickly as possible.

A qualified appraisal is not required for publicly-traded securities whose market quotations are readily available. A partially completed appraisal summary and the maintenance of certain records are required for **non-publicly traded stock** for which the claimed deduction is greater than \$5,000 and less than or equal to \$10,000, and for certain publicly-traded securities for which market quotations are not readily available.

Acceptance Process

1. When departments are informed that a donor is interested in making a gift of stock, they should obtain information from the donor and contact the Foundation Office. Alternatively, the department Development Officer may give the Director of Finance the donor's telephone number for appropriate follow-up as it pertains to the transaction.
2. When the Foundation is notified that a stock transaction is, or has been processed in the Foundation account, they will not be sold until the shares have been verified as a gift. It is possible for stocks to be erroneously transferred into our account, in which case the Foundation would be responsible for returning the shares. If the Foundation sold them, it would have to purchase them back, potentially at a loss if the stock has gone up since the sale.
3. Transfer instructions will differ, depending upon whether the stock is in certificate form or held in street name with a broker. Further, the transfer instructions may differ from broker to broker; and over time the information relative to a particular brokerage house may change.
4. Upon receipt of the information, the Director of Finance will either provide the appropriate transfer instructions to the Development Officer, who will communicate it to the donor and/or broker, or contact the donor and/or broker directly with instructions for the transfer.
5. The Director of Finance will alert the Development Officer that the stock has been received and sold and complete or retain from financial institution a transmittal confirmation of the stock sale specifics.

Valuing Securities

Publicly traded securities are recorded and reported at the mean between the high and low trade values of the shares on the date the stock was sold and transferred to the Foundation. The Foundation has a policy to sell all shares of stock upon receipt, thus recording the sale of the stock and receipt of the stock at the same time.

Gifts of Partnership Interests, Non-publicly Traded Stock and Restricted Securities

An offer of a gift of an interest in a limited or general partnership, or of stock in a corporation that is not publicly-traded, or of restricted or controlled stock of a publicly-traded corporation, may be accepted on behalf of the University by the Foundation provided that the appropriate due diligence has been performed. Such matters as the Foundation's and University's possible liability as a partner or owner, the assets of the entity, the liquidity of the assets, the entity's past and current financial condition (based on such things as audited financial statements and filed tax returns), the partnership

or shareholders' Agreement, the nature of the restrictions and any other information the team deems reasonably necessary.

The Foundation will not solicit restricted gifts and will not commit to any donor that it will purchase any particular investment with their donation or the state match donation. The Investment Committee will convene as needed to determine whether the Foundation should accept a restricted investment gift and whether that gift will be accepted into the investment pool.

Approval by the Foundation, or its Executive Committee, must be obtained prior to any transfer to the Foundation or the University of a partnership interest, stock that is not publicly-traded, or restricted or controlled stock.

Real Estate/Real Property

All gifts of Real Estate/Real Property are subject to review by the Real Estate committee and require the approval of the Foundation or its Executive Committee. Gifts of real property may be accepted on behalf of the University in accordance with Foundation policies. Most real property is actively marketed and the proceeds are used for the charitable purposes specified by the donor. A real estate policy has been adopted by the Foundation relating to the acceptance, management and liquidation of real property. The Board, whether outright, in trust, by bequest, as a secured interest, or otherwise, will accept by or on behalf of Foundation no interest in real property, without first complying with all due diligence requirements as set. Each real property acquisition requires a site visit by a designated University or Foundation employee or a qualified consultant, an environmental assessment, and may require an appraisal, survey or title work. The Foundation rarely accepts mortgaged property and never accepts mortgaged property into a charitable remainder trust. The Foundation will consider gifts of real property, both improved and unimproved, including gifts subject to a retained life estate, only after a thorough review of the criteria for acceptance set forth below under the direction and supervision of the Chief Executive Officer.

Acceptance Criteria

1. Usefulness:

An important determination should be that the property be useful for the purposes of the Foundation or to carry out the educational mission of the University. All transactions involving real property shall be consistent with the Foundation's and the University's charitable and educational mission and tax-exempt status, and they shall be commercially reasonable. The Foundation shall not make unsecured or non-interest bearing loans, pay unreasonable compensation for property, or sell property for an inadequate price.

2. Market Value and Marketability:

The Foundation must receive a reasonably current appraisal of the fair market value of the property and the legal interest in the property the University would receive if the proposed gift is approved. Development Officers will inform the donor that, if the gift is completed, the IRS will require an appraisal made within sixty (60) days prior to the date of gift or prior to the due date of the donor's tax return reporting the gift. In cases which the donor is unable to provide an appraisal, the Foundation may obtain any independent appraisal to substantiate the property's value.

Development Officers must understand and communicate to donors that it is the Foundation's policy to dispose of all gifts of real estate (other than property which the University wishes to retain for a related use) as expeditiously as possible. Thus, regardless of the value placed on the property by the donor's appraisal, the Foundation will attempt to sell at a reasonable price in light of current market conditions. The donor must be informed that any such sale occurring within three years of the date of gift will be reported to the IRS on Form 8282. The Foundation must file this form within 125 days of the date of sale or disposition of the asset.

3. **Potential Environmental Risks:**

All proposed gifts of real property, including gifts from estates, must be accompanied by an Environmental Audit. The only permitted exception to this requirement is for residential property that has been used solely for residential purposes for not less than twenty years. In cases where this exception applies and no environmental audit is undertaken, the donor/executor must have an outside party complete a Foundation Environmental Interview and may be required to execute an environmental indemnity agreement. Even in cases where an Environmental Audit is submitted, the Foundation may require that the donor sign an environmental indemnity agreement. In the event that the initial inspection reveals a potential problem, the Foundation shall retain a qualified inspection firm to conduct an environmental audit. The cost of the environmental audit shall generally be an expense of the donor. When appropriate, a title binder shall be obtained by the Foundation prior to the acceptance of the real property gift. The cost of this title binder shall generally be an expense of the donor.

4. **Limitations and Encumbrances:**

The existence of any and all mortgages, deeds of trust, restrictions, reservations, easements, mechanic liens and other limitations of record must be disclosed. No gift of real estate will be accepted until all mortgages, deeds of trust, liens and other encumbrances have been discharged, except in very unusual cases where the fair market value of the University's interest in the property net of all encumbrances is substantial.

5. **Carrying Costs:**

The existence and amount of any carrying costs, including but not limited to property owners' association dues, country club membership dues and transfer charges, taxes and insurance (including general liability insurance), must be disclosed.

6. **Title Information:**

A copy of any title information in the possession of the donor, such as the most recent survey of the property, a title insurance policy, and/or an attorney's title opinion, must be furnished.

Acceptance Process

1. The Development Officer will prepare a written summary of the gift proposal and submit that summary to the Foundation through the Chief Executive Officer. At a minimum, the summary shall include the following information:
 - a. description of real property;
 - b. the purpose of the gift (e.g., to fund an endowed chair, a deferred gift, an unrestricted gift) and the department(s), program(s), or endowment(s) to benefit from the gift;
 - c. an appraisal of the property and, if not a fee interest, the fair market value of the Foundation's partial interest;
 - d. an assessment of the marketability of the property;
 - e. any potential for income and expenses, encumbrances, and carrying costs of the properties prior to disposition, e.g., property taxes, assessments, association dues;
 - f. any environmental risks or problems revealed by audit or survey;
 - g. any potential University related use, and;
 - h. any special arrangements requested by the donor concerning disposition (e.g., price considerations, time duration prior to disposition, potential buyers, realtors or brokers with whom the donor would like the college to list the property, etc.).
2. The Foundation will review the material presented and make a determination as of whether to accept or reject the proposed gift (or, if necessary, to postpone a decision pending the receipt of additional information). After the final determination of the Foundation is complete, the Chief Executive Officer or the representative Development Officer must communicate the decision of the board to the donor in writing, in which such documents may include conditions imposed by the Foundation prior to acceptance.
3. If a proposed gift of real property is approved by the Foundation, the Foundation will acknowledge receipt of the gift upon notice that the deed to the property has been properly recorded. The

Foundation will not appraise or assign a value to the gift property. It is the donor's responsibility to establish a value for the gift and to provide, at the donor's expense, a qualified appraisal required by the IRS.

4. The gift will be completed by the execution and delivery of a deed of gift or other appropriate conveyance. The costs associated with the conveyance and delivery of the gift, including but not limited to recording fees and, if deemed necessary by the Foundation, a current survey, title insurance and/or an attorney's title opinion, will be either paid by the donor or charged to the department, program, or endowment to benefit by the donation. In addition, the IRS requires donor facilitation of filling Form 8232 for gifts of real property. In accordance with IRS required practice, this form is then to be sent to the Foundation to be authorized by means of signature.
5. Upon acceptance of a gift, the Foundation will designate an account for charging expenses associated with the gift pending disposition.
6. After the gift is closed, the Foundation is responsible for managing the property. This includes but is not limited to the following:
 - a. Seeing that the property is included under the Foundation's insurance policy (and seeing that it is removed from the policy once it has been sold).
 - b. Negotiating renewals/extensions of the existing leases, or having the tenants sign rental agreements if none are in existence; collecting rents; and handling tenant-relations issues.
 - c. Alternatively, a property manager may be hired to handle these matters if there are a number of tenants, or indications that the tenants may be difficult.
 - d. Selecting a realtor.

Disposition Process

1. The Foundation will attempt to sell such property for its appraised value. All such property that has an appraised value of \$50,000 or more must receive the Foundation's, or its Executive Committees, approval before being sold. However, sale for such a price might not always be possible. Accordingly, the Foundation may sell such property for what it reasonably determines is a fair sales price provided that if the appraised value exceeds \$50,000, the approval of the Foundation will be required for a sale at a price less than 90% of the appraised value. If the Foundation deems it appropriate, a new appraisal will be obtained by the Foundation if the proposed sales price falls below 80% of the gift appraisal value shown on Form 8283.
2. Ordinarily, an item will be prepared for the Foundation's consideration that will describe expectations for the sales price. The Board, or its Executive Committee, will be asked to set a minimum acceptable price and to delegate decisions about accepting or rejecting offers on the property to the Real Estate Committee.
3. Upon sale of the property, a final report will be prepared on the property, including a financial summary of net proceeds, and distributed to the Foundation. Items that may be included in the report are:
 - a. Use of proceeds after the real estate is liquidated.
 - b. An analysis of the marketability of the property, including:
 - i. a summary of the information in the appraisal;
 - ii. relevant market/financial information and/or assumptions gleaned from realtors and/or other sources;
 - iii. an analysis of the liquidity of property; and,
 - iv. information about the last date and value upon which the property was assessed for tax purposes.
 - c. An analysis of any environmental concerns about the property, including information from:
 - i. a preliminary title search
 - ii. the Owner Disclosure Statement
 - iii. analysis of Environmental Audit

- iv. a structural pest control inspection report and certification of any and all structures on the real property.
- d. A financial analysis, including:
 - i. a statement of anticipated income and expenses during the period prior to sale, including any encumbrances, taxes, insurance, association or membership fees;
 - ii. a review of any existing leases;
 - iii. a determination whether the gift would give rise to Unrelated Business Income Tax (UBIT), either through debt-financed income or revenue generation; and identification of the fund source to cover any carrying costs;
 - iv. any anticipated problems or difficulties in the management and sale of the property;
 - v. if less than the entire property is being given, what is the percentage interest being given to the Foundation, and why?
 - vi. who are the other owners, and what contact have we had with them?
 - vii. an architect's report demonstrating compliance with any accommodation or access requirement of the Americans with Disabilities Act of 1990, if appropriate.

The report will be reviewed jointly by an ad hoc committee consisting of at least the Chief Executive Officer and, if possible, a member of the Foundation's Executive Board and Chair of the Real Estate Committee. Together, a determination will be made whether the item is ready to place before the full board. If it is determined that a full Phase I Environmental Assessment should be ordered (or a Phase II Assessment, which involves testing soil samples), or if other questions remain, the committee will consider the additional information before the item is presented to the full Board.

- 4. Donors must file a copy of IRS Form 8283 with their tax returns for the year in which the deduction is claimed, and if the Foundation sells or otherwise transfers the title within three years of the date of gift, it must file IRS Form 8282. The Foundation must file this form within 125 days of the date of sale or disposition of the asset.

Remainder Interest in a House or Farm

Donors may give a remainder interest in their personal residence, farm, or vacation property while keeping the right to live there for the rest of their lives (aka a "retained life estate"). The University does not require a minimum age for a gift of a remainder interest.

Acceptance Criteria

The Foundation should adhere to the following guidelines before accepting a Remainder Interest gift:

- 1. The Foundation will conduct the same environmental assessment and follow the same provisions as those outlined in this document for accepting REAL ESTATE/REAL PROPERTY above.
- 2. There must be no mortgage debt or other lien on the property.
- 3. The donor will continue to be responsible for property taxes and maintenance of the house.
- 4. The Foundation or other University representative should visit the property at least once per year to be certain that the property is being properly maintained.
- 5. Foundation legal counsel will be responsible for preparing the deed to complete the gift. Legal costs and other expenses paid by the Foundation may be reimbursed when the gift matures.
- 6. At the death of the donor, the house will pass to the Foundation by operation of law. The Foundation may use the property or reduce it to cash.
- 7. Where the Foundation receives a gift of a remainder interest, expenses for maintenance, real estate taxes, and any property indebtedness are to be paid by the donor or primary beneficiary.

Oil, Gas, and Mineral Interests

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

1. Gifts of surface rights should have a value of \$20,000 or greater.
2. Gifts of oil, gas and mineral interests should generate at least \$3,000 per year in royalties or other income (as determined by the average of the three years prior to the gift).
3. The property should not have extended liabilities or other considerations that make receipt of the gift inappropriate

A working interest is rarely accepted. A working interest may only be accepted where when there is a plan to minimize potential liability and tax consequences. The property should undergo an environmental review to ensure that the Foundation has no current or potential exposure to environmental liability.

Bargain Sales

The Foundation will enter into a bargain sale arrangement in instances in which the bargain sale furthers the mission and purposes of the Foundation and the University. All bargain sales must be reviewed and recommended by the appropriate assigned Committee and approved by the Executive Committee of the Foundation Board of Directors. Factors used in determining the appropriateness of the transaction include:

1. The Foundation must obtain an independent appraisal substantiating the value of the property.
2. If the Foundation assumes debt with the property, the debt ratio must be less than 50% of the appraised market value.
3. The Foundation must determine that it will use the property, or that there is a market for sale of the property allowing sale within 12 months of receipt.
4. The Foundation must calculate the costs to safeguard, insure, and expense the property (including property tax, if applicable) during the holding period.

Life Insurance

To accept ownership of a life insurance policy (as against being merely the beneficiary), the Foundation must be named as **both beneficiary and irrevocable owner** of an insurance policy. The gift is valued at its interpolated terminal reserve value, or cash surrender value, upon receipt. The Foundation discourages the acceptance of term insurance policies.

Policies Owned by Donors

Donors may have a life insurance policy with built-in cash surrender value that they no longer need. In such cases, the donor can contribute the policy and will generally receive a deduction approximately equal to the cash basis, subject to the following provisions:

1. The Foundation will accept a gift of life insurance provided that it is under no prearranged obligation to expend its assets to maintain the policy.
2. No portion of the proceeds may be paid to anyone or any organization that is not qualified as a tax-exempt entity under IRS Code Section 501(c)(3) if the Foundation is owner of the policy.
3. The Foundation will not participate in split dollar or reserve split dollar plans, or other partial interest programs.
4. In the event a policy is contributed on which premiums remain to be paid, the donor must agree in writing to continue paying premiums or give the Foundation permission to surrender the policy for cash value. If the donor elects to cease making gifts to cover premium payments on a life insurance policy owned by the Foundation, the Foundation may elect to continue to pay the premiums at its own expense, convert the policy to paid up insurance, surrender the policy for its current cash value depending upon the options allowed in the insurance contract or sell it in the life settlement market. There can be considerable differences among the terms of individual policies.

Acceptance Criteria

The following guidelines should be used when considering accepting a life insurance policy:

- a. How long has the donor owned the policy?
- b. What is the donor's cash basis in the policy, and what is the cash surrender value?
- c. Are there any loans outstanding against the policy?
- d. What type of policy is it?
- e. What is the name of the donor's insurance broker if there are questions about the policy?
- f. The Chief Executive Officer, after consultation with the Investment Committee, will determine whether it is in the donor's and the Foundation's best interests to proceed with the gift, and, as appropriate, to determine gift value and processing method.
- g. If intended for Foundation endowment purposes, the face value of the policy must meet the minimum funding standards for endowments in force at the time of the maturity of the policy. The gift agreement establishing the endowment will specify that the policy proceeds will be added to the Foundation's general unrestricted fund if the amount is insufficient to fund the endowment at the relevant time.
- h. The gift will be completed upon the execution and delivery of the life insurance policy to the Foundation or an assignment of the policy in the event that the Foundation is not the original owner of the policy.

Purchasing Policies with the Intention of Making a Gift

In general, it is a complex transaction for a donor to initiate a new life insurance policy as a means of making a gift:

1. Such programs are often difficult to administer efficiently, leading to donor relations issues (since reminders to donors to remit monthly premiums cannot be automatically generated but must be manually produced.)
2. They may require a disproportionate level of staff time relative to the benefit provided.
3. The experience of many charities has been that donor attrition (i.e., failure to continue to make the gifts to fund premium payments) may be high.

While life insurance is sometimes presented as an investment vehicle that will reap substantial returns for the Foundation, they must be reviewed carefully by the Chief Executive Officer in consultation with the Foundation's Executive Committee beforehand. It will generally be more to the Foundation's advantage if donors make their contributions directly to the Foundation, which can then self-invest the gifts.

If the Foundation becomes the holder of a policy for which the donor reimburses the Foundation for premium payments, the payments should be processed as outright gifts from the donor according to the procedures appropriate to the payment method (cash, credit card, etc.). If the Foundation becomes the owner of an insurance policy, the policy shall be monitored annually to determine whether the premium is properly funding the policy.

The Foundation will only accept gifts of cash from donors for the purpose of purchasing life insurance on the donor's life after investment committee and Foundation board approval. No insurance products may be endorsed for use in funding gifts to the Foundation without the approval of the Foundation or its Executive Committee. Lists of the Foundation's donors will not be furnished to anyone for the purpose of marketing life insurance benefiting donors and/or the Foundation as this practice constitutes a potential conflict of interest and may be construed as involvement in the marketing of life insurance.

Designating the Foundation/University as Beneficiary

Donors may always designate the Foundation as beneficiary of an existing policy. While there may not be an income tax deduction for doing so, donors retain the flexibility to change the beneficiary as their financial plans may be modified in the future.

Administration

The Foundation shall administer all gifts of life insurance policies and shall maintain records of all donor policies, contribution schedules, donor designations of death benefits, and the like. The Foundation also shall be responsible for pledge reminders and monitoring payments of premiums.

The Foundation shall be responsible for confirming the existence and cash value of all policies in force at least annually and for collecting and distributing death benefits. Upon receipt of death benefits, the Foundation shall provide notice to the department(s), program(s), or endowment(s) to benefit from the gift.

Life Income Gifts

Charitable Gift Annuities (CGA)

The Foundation may offer charitable gift annuities under [Section 627.481](#) of the Florida Statutes. The Foundation offers gift annuities through a program established by the Foundation. As such, gift annuities created by donors to the University are governed by these policies.

In offering gift annuities, the Foundation follows payment rates recommended by the American Council on Gift Annuities or a lesser rate negotiated when the annuity agreement is signed. Once fixed, the annuity will never change. The rates are actuarially determined with the goal of having approximately half the gift asset remaining after the lifetime payments to the donor.

Annuity agreements issued by Foundation will be subject to all applicable Florida laws, specifically [Chapter 626](#) of the Florida Statutes.

Acceptance Criteria

The following guidelines shall be adhered to when soliciting and accepting CGA's:

1. The minimum age for beneficiaries should be 65 at the time income payments begin, although the FAU Foundation will consider exceptions.
2. The minimum amount of funding required for a CGA should be *at least* twice (2x) the Foundation's established minimum dollar threshold for establishing new endowments, although the FAU Foundation will consider exceptions.
3. Where a deferred gift annuity is offered, the minimum age for life income beneficiaries shall be 45.
4. No more than two life income beneficiaries will be permitted for any gift annuity.
5. Annuity payments can be made on a quarterly, semi-annual, or annual schedule, the Foundation's Executive Committee may approve exceptions to this payment schedule.
6. Ordinarily, gift annuities may be funded only with cash or publicly traded securities; in rare cases, gifts of real or personal property may be used to fund the annuity. If the gift is other than cash or publicly-traded securities that can be liquidated promptly, approval will be required by the Foundation Board or Investment Committee for the issuance of the gift annuity.
7. The Foundation generally will not accept real estate, tangible personal property, or any other illiquid asset in exchange for current charitable gift annuities.
8. The Foundation may accept real estate, tangible personal property, or other illiquid assets in exchange for deferred gift annuities so long as there is at least a 5-year period before the commencement of the annuity payment date, the value of the property is reasonably certain, and the Foundation's Executive Committee approves the arrangement.

Acceptance Process

Although gift annuity rates are set with the goal of having approximately half of the assets remaining at the end of the donor's life, gift annuities are a legal obligation of the Foundation, which must make payments from its general funds if the annuity reserves are exhausted. This can happen either because a donor lives well beyond average life expectancy or because investments perform below expectations. For this reason, the Chief Executive Officer should be notified as soon as possible of a potential gift annuity donation.

Disposition Process

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

Charitable Remainder Trusts

The Foundation may accept designation as remainder beneficiary of a charitable remainder trust with the approval of the Chief Executive Officer, in consultation with the Investment Committee. The Foundation will not serve as Executor of donors' estates. The Foundation generally will not serve as trustee, co-trustee, or successor trustee of donors' personal trusts or Charitable Remainder Unitrusts. The Board may authorize an exception to this policy. If it is anticipated that the Foundation will be trustee of the trust, the donor should be furnished with an up-to-date copy of the Disclosure Statement as required by the Philanthropy Protection Act of 1996. Only the Chief Executive Officer, with Board approval, is authorized to sign the trust document and accept assets on behalf of the Foundation. The Foundation may serve as trustee of charitable remainder trusts, subject to the following guidelines.

Acceptance Criteria

The following guidelines shall be adhered to when soliciting and accepting CRT's:

1. The minimum age for beneficiaries should be 65.
2. The minimum amount funding the trust should be \$150,000 (although exceptions may be made in the case of Unitrusts).
3. Unitrusts may be established initially for less than the minimum amount provided that the donor assures in writing that the corpus of the trust will eventually exceed the required minimum.
4. The University must be named irrevocable beneficiary of at least 51% of the trust's remainder. Other charities may be named as beneficiary for the remaining 49%.

Liquid assets will be sold as soon as possible after the date of gift. The Foundation's Trust fiduciary will manage the trust's investment, send quarterly checks to donors, prepare year-end tax documents, and provide monthly reports to the Foundation. Fees for the Foundation's Trust fiduciary services and out-of-pocket expenses will be paid by the trust. The Foundation's Trust fiduciary has discretionary authority to make changes to the trust's investment on its own, but the Investment Committee will monitor such changes and ask for explanations as appropriate. At least once per year, the Foundation's trust fiduciary will make a presentation to the Foundation Board about the trusts' investments.

Disposition Process

Upon learning of the death of an income beneficiary, the Development Officer should immediately notify the Chief Executive Officer. At the death of the last income beneficiary, the assets in the trust will be distributed to the Foundation (and any other remainder beneficiaries) for use as specified by donor.

Charitable Lead Trusts (CLT)

The Foundation may accept a designation as income beneficiary of a charitable lead trust. The Foundation will not ordinarily serve as trustee for charitable lead trusts. However, exceptions may be considered on a case-by-case basis.

Pooled Income Funds (PIF)

Pooled Income Funds are a kind of collective trust operated by or on behalf of a Foundation for its own donors. PIF's are usually composed of the gifts of many donors, whose gifts typically are too small for an individual CRT.

Retirement Plan Beneficiary Designations

Donors will be encouraged to name the Foundation as beneficiary of their retirement plans. Such designations will not be recorded by the Foundation until such time as the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable. However, these gifts will be recognized for Horizon Society purposes and annual/campaign reporting.

Bequests

Donors will be encouraged to make bequests to the Foundation under their wills and trusts. Such bequests will not be recorded by the Foundation until such time as the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable. However, these gifts will be recognized for Horizon Society purposes and annual/campaign reporting.

All bequests or trust gifts of \$100,000 or more received for the benefit of the University are presumed to be used to establish either endowed funds or fund capital projects, unless specific documentation to the contrary is available. The Chief Executive Officer in consultation with the Foundation Board must specifically approve other proposed uses for such funds.

Life Insurance Beneficiary Designations

Donors will be encouraged to name the Foundation as beneficiary or contingent beneficiary of their life insurance policies. Such designations shall not be recorded by the Foundation until such time as the gift is irrevocable. Where the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable. However, these gifts will be recognized for Horizon Society purposes and annual/campaign reporting.

Grants

The Foundation will accept grants that meet the guidelines in CASE Management Reporting Standards for countable grants.

Grants are funding agreements with specific terms and conditions. Grants, that are philanthropic in nature, are generally deposited into the Foundation. Frequently, these types of awards are made by family or private foundations and may involve only general reports on the use of the funds. In such cases, the awards may be processed as gifts through the Foundation and receipted as any other gift.

The Foundation must receive a copy of the grant letter and/or proposal.

Software

Valuations of software gifts should closely follow CASE guidelines and will be valued at the educational discount price. If the educational discount price is not provided by the donor, the recipient is to independently determine the actual price that would be paid for the software if it were to be purchased directly. The recipient

must ascertain and compare the actual software configurations for which the price is being determined. The following guideline shall be use in determining the value of software:

1. Only the license value of the software is to be booked. The number of seats is not to be considered in determining the value.
2. Any fee charged to the campus or department for the license is to be deducted from the total gift value booked.
3. No software gift should be booked for more than three years when received as a multiyear gift.
4. Multi-campus gifts must be approved and coordinated through IRM.
5. The valuation of software gifts must be approved by the Chief Executive Officer.

SECTION 1.3 MISCELLANEOUS PROVISIONS

Valuation Date for Gifts to Foundation

1. Typically, the Foundation will record a gift in Raiser's Edge (the Foundation's database) on the date the gift is processed for deposit. The acknowledgment sent to the donor will reflect this date as the "date gift processed.". For year-end receipting, the Foundation will use the following IRS guidelines to determine the date the contribution was made to the Foundation for tax purposes: Unconditional delivery of a check which later clears in due course is an effective charitable contribution on the date of delivery.
2. For checks delivered by mail, the "relation-back rule" applies which states, "Unconditional mailing of a check which later clears in due course is an effective contribution on the date of mailing." That is, the check is considered delivered on the date it is mailed. Where it is important to establish the date of mailing, e.g., for contributions sent on Dec. 31, the Foundation must retain any proof of date of mailing. The crux of the above relation-back rule is that the donor has irrevocably sent the check on its way to the Foundation without any strings attached and the later confirmation of this fact by the check's collection in due course.
3. There must be no restrictions regarding the time or manner of payment of the check, and the check must be honored when presented.
4. If a taxpayer unconditionally delivers or mails a properly endorsed stock certificate to the Foundation or the Foundation's agent, the gift is completed on the date of delivery or, if such certificate is received in the ordinary course of the mails, on the date of mailing.
5. If the donor delivers the stock certificate to his bank or broker as the donor's agent, or to the issuing corporation or its agent, for transfer into the name of the Foundation, the gift is completed on the date the stock is transferred on the books of the corporation.

Substantiation Requirements

Acknowledgement of all gifts made to the Foundation and compliance with the current IRS requirements in substantiating such gifts shall be the responsibility of the Foundation. See IRS Publication 1771, Charitable Contributions – Substantiation and Disclosure Requirements, <http://www.irs.gov/pub/irs-pdf/p1771.pdf> for more information.

Quid Pro Quo Gifts

Contributions for which donors receive benefits in return for their gifts (quid pro quo) may require special handling. Generally, such gifts result from special fundraising events, but they may also be associated with donor memberships at certain giving levels.

Benefits may be deemed substantial or insubstantial (token). In 2008, an insubstantial benefit is defined as having a value of the lesser of 2% or \$91 of the gift, or if the gift is a token item such as a key chain with the organization's logo and costing less than \$9.10 for donations of \$45.50 or more. If the benefit meets these "safe harbor" rules, the full amount of the donation may be processed as a gift. Premium guidelines are adjusted annually.

Donors receiving a substantial benefit for their gifts may deduct only the portion that exceeds the fair market value (FMV) of the benefit. A deduction for the total payment is allowable if the donor properly rejects the benefit. Refusal must be in writing (by letter or “check the box” on a remittance form). If a donor merely opts not to attend an event or take advantage of a benefit, he or she is not entitled to a deduction for the full amount of the payment.

Athletics

The Internal Revenue Code provides that 20% of the amount given in consideration of the right to purchase athletics tickets is non-deductible. Again, donors must explicitly decline the privilege of purchasing tickets in order to claim a deduction for the full amount of the donation.

Sponsorships

Event “sponsorships” that do not involve formal contractual agreements may be processed as income only, part gift/part income, or gift only, depending on whether the donor receives a benefit in return for payment.

Income Only

If there is no gift portion to funds received by the Foundation (e.g., tickets to an event, raffle tickets), these payments will be accepted by the Foundation if they are to benefit a Foundation fund, but will not be considered a gift and will be treated as miscellaneous cash revenue (MCR) and subject to the Foundation non-cash revenue assessment fees. This non-cash revenue assessment fee is subject to change.

Part Gift/Part Income

The Foundation will accept payments that are part gift/part income. Donors must be notified in advance that only a portion of their gift may be tax-deductible. It may not be possible to calculate the FMV of the returned benefit until final costs are totaled. However, if known at the time of invitation, the FMV of the benefit should be noted on the invitation, and it should always be noted in the acknowledgement after the event.

Additionally, if the donor receives or expects to receive goods or services in return for a contribution in support of the University or one of its many affiliated organizations/programs/department, the donor cannot deduct any part of the contribution unless the donor intends to, and does, make a payment greater than the fair market value (FMV) of the goods or services. If a deduction is allowed, the donor can deduct only the part of the contribution, if any, that is more than the fair market value of the goods or services received. The fair market value of any goods or services to be given by Foundation to contributors should be determined in advance and the contributor must be told how much of the payment is tax-deductible and the value of the goods and services received when publicizing a fundraising event or soliciting contributions. All Foundation receipts will indicate the value of the goods and services received and the tax-deductible portion of the donation.

Donated Services

In accordance with IRS regulation, the Foundation will not receipt contribution of services as a tax deductible gift, regardless of the value of such services. Contributions of service include time and professional counsel given in a volunteer or advisory capacity, as well as guest rooms or spa treatments donated by a resort hotel, gift certificates for a service, tickets to events donated by the provider, rent, donated labor or professional services. Although no tax deduction is allowed for the value of services performed for the Foundation or donated to the Foundation as an auction item, some deductions are permitted by the IRS for out-of-pocket costs incurred by the provider while performing the services. The benefiting unit/college may choose to recognize the contribution of service, but the donation will not be receipted or counted for gift reporting purposes.

Auctions

The Foundation will not take possession of any auction items. If a donor is seeking a tax-deduction, the donor must provide in writing documentation of the item's FMV and will receive a tax-deduction only when the item sells. If the item does not sell, the item will be returned to the original donor. If an auction item does sell and proper documentation has been provided to the Foundation, the bidder may claim a tax-deduction for the portion of the winning bid that is in excess of the stated FMV of the auction item provided the fair market value for the item was publicly disclosed to all attending or bidding at the auction. For tax-purposes, an auction summary statement should include the FMV and purchase price for all items received by the donor. Also note that gifts of service (e.g., guest rooms or spa treatments donated by a resort hotel), donated labor, or professional services are intangibles and not allowable as tax-deductible gifts.

All items sold must have a sales receipt prepared. Florida sales tax must be added to the purchase price, and donors should be advised that the sales tax is not tax-deductible. If an item is purchased for an amount that equals or is less than the value of the item, the amount should be processed as revenue. If an item is purchased for a price in excess of the published FMV, the amount that exceeds the FMV may be processed as a gift and the FMV will be treated a taxable revenue.

Raffles

In accordance with the IRS regulations, no payment that results in the opportunity to win a prize may be considered a tax-deductible gift. Due to IRS regulations on gaming and State of Florida rules governing raffles, the FAUF will only endorse and accept raffle revenues when the Foundation receives advanced notice of the raffle and the raffle is conducted in strict compliance with the Foundation Raffle policy.

General Sponsorships

"Sponsorships" connected with fundraising events generally do not involve formal, contractual agreements, but may be processed as gifts or part gift/part income. If a sponsor receives a substantial benefit, then the amount of the gift must be reduced by the estimated FMV of the benefit received by the donor. Advertising, as opposed to mere acknowledgement or recognition, and tickets are typical received benefits.

Ticket Sales

Typically, tickets sold to attend an auction are not tax-deductible, as the benefit to the donor (admittance) roughly approximates the ticket price. Proceeds from ticket sales will be processed as revenue and following procedures above for Income Only.

SECTION 1.4 GIFTS ADMINISTRATION

The administration of all gifts to the University is the responsibility of the Foundation. All donations to the University are administered in accordance with established guidelines in this section and the Foundation's fund management, investment, and disbursements policies as set by the Foundation or its Committees and approved by the Board. All bequests, devises, and donations that are accepted by the Foundation must be used in accordance with intentions specified by the donor. The donor's specified intent for the use of the gift will affect the entity to which the funds are deposited; the depository and the purpose of the gift may also affect the applicable interest earnings and management fees that may be assessed on the donation. Donors cannot direct the Foundation to make specific investments or that a specific investment manager be used when managing their donations.

Deposit of Gift Funds

The Foundation is privately incorporated to provide a means for acquiring and managing private financial and other resources for the University. Foundation accounts are maintained in financial institutions off-campus and are not required to conform to State regulations. All gifts to be administered by the Foundation are to be made through the FAUF Accounting Office.

Currently, the FAU Alumni Association - a State registered 501(C)3 - also may receive gifts of membership, outright donations and other revenue that benefits the University and or the Alumni Association. Such gifts and revenue are deposited into Foundation accounts and reported through and by the Foundation. The Foundation acts as the fiscal agent for the Alumni Association.

Non-Gift Revenue Fees

Non-gift revenue fees may be charged for the purpose of covering the cost of administering the funds. The services provided by the Foundation may include accounting, investment, accounts receivable, purchasing, accounts payable, and personnel services. Non-gift revenue fees are assessed on revenue at scheduled intervals determined by the Foundation. Non-gift revenue fees may be assessed on non-gift revenue and charged to the appropriate fund. No non-gift revenue fee is assessed on interest income, royalties or rental income. Current non-gift revenue fee is 8%.

Gift Processing Fee

In furtherance of the goals of Florida Atlantic University, the Florida Atlantic University Foundation, Inc. will collect a two and one half percent (2.5%) gift processing fee (GPF) on the full charitable tax deductible value of all philanthropic gifts when received. In order to maximize State matching funds for endowed gifts, the GPF can be collected from the college's discretionary fund or from the Endowment's first year of earnings. Gifts in support of capital projects that qualify for the State of Florida's Courtelis Matching Funds will not be accessed the GPF. Gifts in support of the FAU Athletics program are exempt from the GPF until the MOU between the Foundation and the FAU Intercollegiate Athletics Program, effective July 1, 2005, has been resolved. The GPF will be in effect from July 1, 2009 until further notice and will be revisited by the FAU Foundation Board's Finance Committee on an annual basis. The gift processing fee is established to strengthen the supportive mission of the Foundation and to assist the University's overall fundraising program.

Credit Card Recovery Fee

Beginning July 1, 2016, the Foundation will access a credit card recovery fee charge on all credit card transactions. This fee will be assessed monthly and will reflect the average cost of credit card transaction fees. This recovery fee is in addition to any other assessed fee.

Athletics Gift Administration Recovery Fee

Effective July 1, 2005, and continuing until the debt is satisfied, all non-endowed gifts in support of FAU Athletics will be assessed a 5% administrative fee. No other Foundation administrative fee will be applied to non-endowed gifts in support of FAU Athletics during the time that the loan is still outstanding. The gift fee will be waived for all gifts to the Football Stadium Fund (ATH283) and to the Athletics Stadium/Operations account (ATH286). A gift fee will be charged on the ATH286 gifts only if the funds are not used for costs related to the construction of the football stadium.

Administration/Investment Fees

Administrative/Investment fees will be charged to all endowed funds managed and administered by the Foundation. Administrative/Investment fees are established annually by the Foundation Board and charged to all endowed funds according to the Foundation's spending policy. The Foundation currently charges an annual administration/investment fee of 1.7% (FY 2009), assessed quarterly, on each endowed fund's total corpus (original gift plus State Match), quasi-endowments plus market appreciation.

Administrative/Investment fees are those expenses associated with maintaining the Foundation. These fees provide for salaries and projects associated with fund raising efforts on behalf of the University. The costs are real costs, but are not readily identifiable as belonging to a specific project. The Foundation utilizes an investment firm that charges an administrative fee to manage the Foundation's Investments. The administrative and fund management charges are evaluated annually and presented as a percentage charged to most endowed funds. Donors recognize that fees may be inherent in the administration and management of the department and the funds, and may wish to evaluate the fees as part of their consideration to support the University.

Interest Paid on Endowed Funds

All interest, dividends, unrealized/realized gain/losses, and money manager fees resulting from the investment of these funds, are distributed to each endowed fund's market appreciation on a monthly basis.

Establishing and Revising Funds

Establishing New Funds

New funds are established in the Foundation when gifts are solicited or received for new purposes, or where special tracking is required for a major or planned gift. Colleges, Departments or Units within the University may establish new named expenditure funds and new named non-endowed scholarship funds with a minimum gift of \$5,000, or where solicitations in progress are likely to yield at least \$5,000. New endowed funds may be established with a minimum commitment of \$25,000.

Revisions to Existing Funds

In general, it is best to set up funds with specifications that allow the broadest possible use and flexibility. Funds with too many restrictions may be difficult to administer or expend. However, there are occasions when it is appropriate or necessary to modify fund terms and specifications. This applies primarily to major gifts and larger funds, such as endowments.

The specifications for existing funds may be revised under one of the following circumstances:

1. Restrictions on the original fund were placed by the University rather than the donor. For example, a donor's will/bequest stated that the bequest be used to establish a Foundation scholarship to benefit graduate assistants. In establishing the scholarship, the Financial Aid office specified additional award criteria for unit load and GPA minima. When the University later wished to modify the criteria, the Foundation was able to do so with revised specifications because the donor had directed only the general use of the scholarship and not the further restrictions.
2. The donor has requested or agreed to a change in the use of the gift.
3. For audit purposes, the department requesting the revision must provide and maintain documentation supporting the revision, such as a letter from the donor, a written contact report from the Development Officer, etc. If the donor who has placed restrictions on the use of a gift is no longer available, the Foundation must obtain legal permission to change the terms by demonstrating that it is unable to expend the account under current restrictions. This is a complex and lengthy process and should be considered only as a last resort when substantial sums of money are involved.

Construction or Renovation Projects

All construction or renovation projects require the approval of the Vice President of Facilities before solicitation begins. The approval is to be based on the recommendation of the appropriate Vice President, Dean or Director which should:

1. include a list of all proposed naming opportunities in the facility, and
2. be endorsement by the Vice President for Institutional Advancement and the University President.

Gift Proposals

All proposals of \$100,000 or more must be approved by the appropriate individual's supervising Development Officer prior to submission to the prospect. All proposals and supporting documentation must be recorded in Raiser's Edge.

Formal solicitations submitted to prospects concerning gifts in excess of \$500,000 must comply with the following procedures. They must be approved in written draft form by the appropriate supervising Development Officer, the Vice President for Institutional Advancement and, if necessary, the appropriate Vice President, Dean or Director prior to the solicitation.

Changes to Gift Acceptance Policies and Guidelines

These policies and guidelines have been reviewed and accepted by the FAU Foundation Board. The Foundation Board must approve any changes to or deviations from these policies.

**Real Estate Gift Information Form
FLORIDA ATLANTIC UNIVERSITY FOUNDATION, INC.**

Name of potential donor: _____

Are there other owners? Yes / No

Address: _____

Telephone: _____

Address of real estate: _____

Legal Description (may be attached): _____

Estimated value (if known): _____

Is the real estate presently subject to any of the following? (circle all that apply)

1. mortgage or other lien; if so, identify lien holder: _____
2. estimated value of mortgage/lien: _____
3. lease or other tenant rights; if so, attach condition of lease agreement
4. contract of sale
5. taxes, insurance, HOA dues, litigation or other costs to be assumed
6. geological or structural problems

Number of years owned by donor: _____

Age of roof _____ and air conditioning unit _____ (if applicable)

Please circle the appropriate category of present use:

1. residential housing containing low acreage and located within a sub division or residential condominium housing
2. apartment buildings or other multiple family housing units
3. isolated residential housing with acreage
4. commercial office buildings and retail stores excluding manufacturing or repair facilities
5. farms
6. light industrial uses; primarily non-automobile repair or service establishments such as cleaners, bakeries or restaurants
7. light industrial (automotive repair, service, or manufacturing, including service stations where it is likely that petroleum hydrocarbons have been present)
8. industrial or other special use including manufacturing or storage facilities

How many years as present use? _____

**Information Sheet for Prospective Donors of Real Estate
FLORIDA ATLANTIC UNIVERSITY FOUNDATION, INC.**

Thank you for considering a gift of real property to benefit Florida Atlantic University. This Information Sheet is intended to make you aware of some of the most common tax considerations and other issues that arise when donors are contemplating a gift of real property. We provide it as a courtesy for our friends, but it is not intended as tax or legal advice. Donors are strongly encouraged to discuss this information with their professional advisors.

1. Appraisal

To satisfy IRS requirements for the charitable contribution tax deduction, donors must obtain and pay for an independent appraisal. The requirements specify that the appraisal must be dated no earlier than 60 days prior to the date of the gift. While it is not necessary to supply a copy of the appraisal with the tax return, donors must complete and file IRS Form 8283 (sample attached) with the return. The donor's appraiser should complete and sign IRS Form 8283, Section B, Part III, while the FAU Foundation will complete Part IV.

Foundation policy requires an appraisal as part of its review prior to accepting a gift of real property. As a practical matter, having the appraisal in place before completing a gift can protect a donor from unpleasant surprises.

2. Environmental Assessment

The 1980 Comprehensive Environmental Response Compensation and Liability Act (CERCLA) holds that any and all parties in the chain of title of property with hazardous substance contamination may be held financially responsible for clean-up, whether or not they had any knowledge of the contamination. This is an area of tremendous concern for non-profit organizations and an unpleasant issue that we are now obliged to discuss with our prospective real estate donors. Under CERCLA, charities that perform due diligence before accepting gifts of real property may in turn be eligible for federal assistance with clean-up should contamination subsequently be discovered.

Our procedures require us to have the property screened for potential problems. Ordinarily, this will entail securing a Phase I Environmental Assessment, unless it is determined on a case-by-case basis that a lesser level of screening is sufficient. The Foundation will be responsible for obtaining and paying for these reports. In this connection, donors will be asked to complete a "Real Property Owner Disclosure Statement".

3. Limits on Deduction

Donors should be aware that the IRS currently limits the deduction that may be claimed for gifts of property to 30% of the donor's adjusted gross income. Any unused deduction may be carried forward and used in up to five subsequent years. (Alternatively, donors may make a special election and deduct only their basis in the property, subject to the higher limit of 50% of their adjusted gross income, again with a five-year carryover.)

4. Sale of the Property

It is our practice to liquidate real property as soon as it is reasonably prudent to do so. It is critically important that the donors not make any prior commitment to sell the property to anyone. If they do, the Internal Revenue Service could declare the gift to be a "sham transaction" and hold the donors liable for tax on the capital gains. It is permissible to have an interested buyer "waiting in the wings," however, as long as there is no obligation to sell to that buyer and as long as the ultimate buyer pays a reasonable price for the property, based on the property appraisal and other pertinent conditions.

After the property has been sold, selling expenses and brokers' commissions will be deducted from the gross sales proceeds. If the gift is to a trust, the net sales proceeds will be available for reinvestment. It is important to keep in mind that income payments would not stabilize until several months after the property has been sold and the trust has been invested. Before the proceeds are used for the purpose designated by the donor

(upon sale of the property or, if a trust, when the trust ends) any out-of-pocket costs incurred by the Foundation (i.e., for the environmental screen) will be reimbursed.

If the property is sold within two years of the date of gift, the Trust Foundation must file Form 8282 in keeping with IRS regulations. Form 8282 provides information about the sales price, the original date of gift, and the value for the gift as stated on Form 8382. The Foundation will send a copy of the Form 8282 to the donors.

**Owner Disclosure Statement for Proposed Gifts of Real Estate
FLORIDA ATLANTIC UNIVERSITY FOUNDATION**

Thank you for considering a gift of real property to benefit Florida Atlantic University. As you may know, environmental law holds that any and all parties in the chain of title of property with hazardous substance contamination may be held financially responsible for clean-up, whether or not they had any knowledge of the contamination. This is an area of tremendous concern for non-profit organizations and an unpleasant issue that we are obliged to discuss with our prospective real estate donors. The law provides certain exemptions for charities that conduct "due diligence" prior to accepting a gift of real property.

As part of this due diligence, and in order to ensure that your gift will have the benefit you anticipate for yourself and for the University, please take a few minutes to share with us the following information.

- What is the present use of the property? (i.e., residential, commercial, etc.)
- How many years has it been used in this way?
- Please describe other known uses of real estate and approximate dates of such use.

Please answer the following (if not applicable, please indicate so):

- Are there any present or previous tanks or other storage facilities, above or below ground? If yes, please describe location and present and prior uses:
- Is there heavy electrical equipment, including transformers and capacitors? If yes, please describe location.
- To the best of your knowledge, has there ever been any dumping or waste disposal on the property?
- Please describe the nature of the present and prior use of, storage of, or disposal of any of the following: chemicals, pesticides, herbicides, carcasses, fertilizer, manure, or like materials:
- Have you or to your knowledge has any prior owner ever been cited for violation of any federal or state environmental protection act or regulation?
- Is there a survey of the real estate in existence? (Yes or No)
If so, please state the date of the most recent survey:
If so, please state the name of the surveyor:
- Has a preliminary title search been done? (Yes or No)
- Please describe the nature and use of all property adjoining the real estate:

I (we) hereby acknowledge that the information set forth above is true and correct to the best of my (our) knowledge:

Owner/donor:

Date:

SECTION 2: GIFT COUNTING AND CREDITING GUIDELINES

Approved April 14, 2009; Effective July 2009

This document defines how outright and deferred gift commitments to the Florida Atlantic University Foundation will be recorded for gift counting purposes in order to measure fundraising success. The FAU Foundation provides fundraising totals for three primary purposes as defined below:

1. Public Recognition

Gift totals will reflect the full value of each gift, less any quid pro quo consideration, to maximize recognition for contributors and the overall fundraising efforts.

2. Annual Audit of FAU Foundation

Gift totals will reflect and adhere to the guidelines of the Internal Revenue Service.

3. Benchmarking

Gift totals will reflect amounts in accordance with specific reporting guidelines for organizations such as the Council for the Aid to Education (CAE) and the Council for the Advancement and Support of Education (CASE), the National Association of Colleges and University Business Organizations (NACUBO) and the National Committee on Planned Giving (NCPG).

General Gift Categories:

The following general categories of gifts will be counted toward fundraising goals. The Fiscal Year for gift counting purposes is July 1 through June 30.

- 1) New Cash Gifts and Pledges
- 2) Gifts-in-kind
- 3) Deferred gifts
- 4) State Matching Gifts and Government Funds*

**State Matching and Government Funds are not reported nationally for CAE (Council for Aid to Education) reporting purposes. CAE's Voluntary Support of Education (VSE) survey is the authoritative national source of information on private giving to higher education and private K-12, consistently capturing about 85 percent of the total voluntary support to colleges and universities in the United States. CAE has managed the survey as a public service for 50 years.*

Amount to be Counted Toward Fundraising Totals

According to the IRS, to be deductible as a charitable contribution for Federal income tax purposes under section 170 of the Code, a payment to or for the use of a qualified charitable organization must be a gift. To be a gift for such purposes there must be, among other requirements, a payment of money or transfer of property without adequate consideration.

When there is a payment that is part payment (example, payment for admission to fundraising events for charitable purposes or any payment solicited where consideration is received in return for the payment) and part gift, only the part made with the intention of making a gift and for which the taxpayer receives no consideration qualifies as a tax deduction. A payment of this type can qualify as a deductible gift only to the extent that it is shown to exceed the fair market value of any consideration received in the form of privileges or other benefits. It is this amount, after the fair market value (FMV) of all benefits (goods and services) received in connection with the payment that is counted for gift counting purposes. The Foundation defines this tax-deductible amount as the "gift receipt amount." For Athletics gifts that receive priority seating privileges, the Foundation will count the full payment amount in its gift totals.

Counting Guidelines for Specific Gift Categories

Cash

Cash is credited at full value the day it is received, less the value of any goods or service received in consideration for the payment.

Pledges

Pledges will be counted in the full face value (less the fair market value of any goods and services received in exchange for the pledge commitment) of the pledge commitment as soon as the donor has signed a pledge agreement. Pledges will ordinarily be expected to be paid within five years, although a schedule of payments extending beyond that point can be arranged in special circumstances. Pledges that include the right to purchase seating at an athletic event will count at the full payment amount for gift counting purposes. *

** According to the IRS, if a taxpayer makes an otherwise deductible payment to or for the benefit of a college or university, and as a result receives directly or indirectly the right to buy seating tickets at an athletic event in the institution's athletic stadium, 80% of the payment for that right to buy tickets is treated as a charitable contribution for gift receipting purposes.*

Marketable Securities

Securities are credited at the average of the high and low of the fair market value on the date of delivery or the date the donor relinquishes control of the assets in favor of the Foundation. The Foundation will follow IRS guidelines for determining the legal date of delivery to the Foundation.

Closely Held Stock

Gifts of closely held stock will be credited at the fair market value placed on it by a qualified independent appraiser as required by the IRS.

Real Property

Gifts of real property will be credited on the date of transfer at the fair market value as determined by a qualified appraisal. Small gifts of real property of less than \$5,000 will be counted in gift totals at either the appraised fair market value (if provided by the donor) or the "documented" fair market value as determined in the open market where the property is sold. Small gifts may also be valued by an expert in the field who provides documentation to the Foundation for the valuation of the gift. This expert cannot be associated with the donor.

Tangible Personal Property

Tangible personal property including works of art, jewelry, antiques, coins, stamps and other collections, automobiles, manuscripts, and books which are accepted by the Foundation will be credited at the fair market value on the date of transfer as determined by a qualified appraisal for property received for which the donor is claiming a charitable deduction in excess of \$5,000. Small gifts of tangible personal property of less than \$5,000 will be counted in gift totals at either the appraised fair market value (if provided by the donor) or the "documented" fair market value as determined in the open market where the property is sold. Small gifts may also be valued by an expert in the field who provides documentation to the Foundation for the valuation of the gift. This expert cannot be associated with the donor.

Other Gifts in Kind

Non-cash donations will be credited at fair market value on the date of transfer as determined by a qualified appraisal.

Bequests

Bequests are counted as cash only after the bequest matures and is received by the Foundation.

Bequest intentions

Bequest intentions will be counted as a Deferred Commitment at both the Face Value and Present Value in fundraising totals only when the Foundation has received a signed gift agreement and/or any supporting documentation. After the bequest matures and received by the Foundation, the amount will be subtracted from the Deferred Commitment total and added to the Cash total.

- Bequest intentions will be counted at face value if the Foundation or University is the direct beneficiary.
- Bequest intentions will be counted at present value if the Foundation or University is the indirect beneficiary.

Charitable Gift Annuities

Charitable gift annuities will be counted at face value.

Charitable Remainder Trusts

Charitable remainder trusts will be credited at face value if the beneficiary is of the donor's generation. Charitable remainder trusts will be credited at present value if the beneficiary is of a younger generation than the donor such as a child or grandchild.

Charitable Lead Trusts

A charitable lead trust will be treated as a cash pledge, and credited at full value of all anticipated payments as stipulated in the trust document. For example, a charitable lead trust created June 30, 2005, with an annual payment to the Foundation of \$10,000 for ten years will be credited as a \$100,000 cash pledge.

Life Insurance

The FAU Foundation must be the owner and beneficiary of any whole or universal life insurance policy given to the college. At the time the policy ownership is transferred to the Foundation, all donors must confirm in writing that they will pay in a timely manner all future premium payments, whether known or unknown at the time the gift is made. Life insurance gifts will be credited at face value if the insured is of the donor's generation. Life insurance gifts will be credited at present value if the insured is of a younger generation than the donor such as a child or grandchild. Term life insurance will not be counted in fundraising totals.

SECTION 3: GIFT NAMING OPPORTUNITY GUIDELINES

The Florida Atlantic University Foundation's Board of Directors in conjunction with the President of the University sets minimum gift level amounts and establishes approved guidelines for gift naming opportunities. The gift levels described below are intended as minimum amounts needed to name the respective opportunity. Exceptions may be granted to the endowment minimums stated below by the Vice President for Institutional Advancement/Chief Executive Officer of the FAU Foundation, Inc., after consultation with the University President.

ENDOWMENTS

A minimum gift of \$25,000 is required to create an endowed fund at FAU. Minimum contributions to establish endowed funds are noted below.

Endowed Funds	Suggested Minimum Gift	Occupied by
Super Chair	\$4 million	Rank of Full Professor
Eminent Scholar Chair	\$3 million	Rank of Full Professor
Department Chair	\$1.5 million	Rank of Full Professor

Visiting Scholar	\$1 million	Rank of Full Professor
Professorship	\$1,500,000	Rank of Full Professor

Other Named Funds: The endowed funds described above are listed because of their broad appeal. The Foundation will entertain a variety of other purposes both endowed and non-endowed as gift opportunities. Each college, school or department may establish named fund opportunities to support the particular activities of its programs so long as the minimum standards stated above are observed.

The Foundation with the approval from FAU shall have the latitude to approve the establishment of an endowed fund in an amount less than that stated above, provided that it is understood that, within a reasonable period of time (generally, five years) from the establishment of the fund, gifts to the fund shall equal the stated minimum. If the stated minimum is not achieved, then the endowed fund may be closed and the funds expended for the college or unit originally designated by the donor.

Naming Opportunities

Naming of University Elements. Because of the public visibility, permanence and significance of the naming of University colleges, schools, departments, institutes, centers or facilities by virtue of private donations, such naming Agreements must follow the guidelines provided by this policy and University Policy 1.8, Naming of University Elements, which can be found under the FAU or FAUF website under Policies. In accordance with applicable state rules, colleges and schools may be named to recognize individuals or corporations who have attained achievements of extraordinary and lasting distinction and who have made a significant contribution to the State or the University. The personal integrity of the individuals should be exemplary. Naming proposals should be consistent with University policies (FAU Policy 1.8, Naming of University Elements) and reflect not only the donor's appropriate financial support, but also the donor's commitment to the mission, vision, and objectives of the University and the Foundation. The private gift associated with such naming shall satisfy minimum gift amounts specifically established by the Foundation. The procedures for the approval of naming University Elements is found in the Procedures Section of University Policy 1.8. Contacting the CEO of the FAU Foundation is suggested as an initial step.

If a naming donor's reputation changes substantially so that continued use of that name may compromise the public trust, bring dishonor to the University or Foundation, or otherwise be contrary to the best interests of the University or the Foundation, the Foundation, in consultation with the University and consistent with University policies, may request the University to remove the name from the facility, college or academic program. University Policy 1.8 must be followed and provides that names assigned to University Elements, as defined in Policy 1.8., may be changed as a result of extenuating circumstances, including those which may impact the personal accomplishments or character of the honoree.

Buildings

The naming of buildings should be consistent with FAU Policy 1.8, Foundation Policies and the Board of Governor's Regulation 9.005. The naming of a University building must be accompanied by a signed gift agreement.

Buildings are included as a University Element under University Policy 1.8. Building itself is defined to include interior and exterior spaces such as theaters, auditoriums, classrooms, lobbies, lawns and courtyards under University control. Therefore, naming a portion of a building which is a University Element must also follow the requirements of University Policy 1.8.

The naming of any building in honor of a living person(s) requires the additional approval of the Florida Legislature.

Naming a Portion of a Building

The naming of a portion of a building (*e.g.*, a classroom or auditorium) as a result of a private contribution must be approved by the appropriate Vice President, Dean or Director, the Vice President for Institutional Advancement and the University President.

Funding Requirements

When the naming opportunity involves construction of a new building or renovation of an existing building, the donor will be required to provide 100 percent of the private portion of the building or renovation cost. If the college or unit chooses to conduct a campaign which raises the needed private funds from numerous donors, the minimum donation required from an individual for a naming opportunity is 60 percent of the private portion.

Consideration may be given to the naming of an existing building in return for a significant gift to establish an endowment. This amount is to be determined by the University President, the Vice President of Institutional Advancement and the Foundation’s Executive Committee.

Suggested Minimum Contribution Levels:

- | | |
|---------------------------------------|-------------------|
| • To name a College | minimum \$10M |
| • To name a School | minimum \$5M |
| • To name a University Center | minimum \$1M |
| • To name a College/Department Center | minimum \$500,000 |
| • To name a Laboratory | minimum \$300,000 |

Policy history: Approved 4/18/2003; Revised 3/11/2008; Revised 4/16/2009; Revised 4/25/2013; Revised 5/31/2016; Revised 10/4/16

FAU Foundation

Initiating Authority:

Chief Executive Officer

Signature _____ Date: _____

Name: Danita D. Nias

Chairman

Signature: _____ Date: _____

Name: Patricia McKay

Office of Advancement Services

Initiating Authority:

Assistant VP Advancement Services

Signature: _____ Date: _____

Name: Keith Fries