



<b>POLICY NUMBER</b> Development – 1	<b>EFFECTIVE DATE</b> 11/9/2022
<b>SUBJECT</b> Gift Acceptance Policy	<b>HISTORY</b> Replaces Policy #9 – 10/14/2016; 4/25/2013

## PURPOSE

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Established in 1960, the FAU Foundation is responsible for philanthropic giving at FAU.

The Foundation encourages, promotes, and provide funds and other resources for the benefit of FAU in furtherance of its missions and purposes and to secure the application of these funds in the manner best adapted to the needs of FAU.

The Foundation is certified as a direct support organization of FAU under Section 1004.28, Florida Statutes. The Foundation is a Florida nonprofit corporation exempt from tax under Internal Revenue Code Section 501(c)(3) and a public charity as described in Internal Revenue Code Section 509(a)(1) and 170(b)(1)(A)(iv).

Philanthropic contributions for the benefit of FAU are generally to be directed to the Foundation. The Foundation's CEO serves as the FAU Vice President for Institutional Advancement.

The FAU Division of Institutional Advancement is responsible for overseeing, coordinating and implementing fundraising activities on behalf of FAU and the Foundation. All philanthropic fundraising activities undertaken at FAU, whether by a Foundation Board member, FAU faculty or staff member, student alumnus or volunteer, are coordinated through the Division of Institutional Advancement, and undertaken only on behalf of the Foundation for the benefit of FAU.

Gifts should be given in the legal name of the Foundation, the "Florida Atlantic University Foundation, Inc."

This policy establishes guidelines governing the acceptance, administration and disposition of philanthropic gifts by the Foundation and provides guidance to prospective donors and their advisors when making gifts to benefit FAU.

## APPLICABILITY

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This policy applies to philanthropic gifts and grants. Philanthropic gifts and grants may be from individuals, partnerships, corporations, private foundations, other foundations, trusts and other organizations.

A gift is any item of value given to the Foundation by a donor who expects nothing of value in return other than recognition (for example, naming of a classroom or professorship). If the Foundation or FAU provides something of value in return for a gift, the value of the gift on the Foundation's records will be appropriately reduced and a donor's tax receipt will reflect this value in accordance with tax laws.

FAU research activities are often supported through philanthropic gifts and grants. If the terms of a grant or other contribution involve support for research, even though the gift is philanthropic in nature, the grant or other contribution will be accepted by the Foundation and administered by FAU's Office of Sponsored Programs to ensure FAU's research compliance obligations will be appropriately managed. Support for research and other sponsored programs that is not philanthropic in nature is administered by FAU's Office of Sponsored Programs.

Except for certain local government grants, the Foundation generally does not accept governmental grants.

## POLICY

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All gifts requiring a gift agreement (see Article VII – Gift Documentation Requirements) must be approved by the Foundation's CEO. The CEO may solicit input from FAU, the Foundation's Board, and others in determining whether to accept a gift, including through the formation of a gift acceptance committee. Any provision of this policy may be waived by the CEO when it is in the best interest of the Foundation and FAU.

FAU and/or the Foundation may maintain or develop additional policies that pertain to specific types of gifts. These policies are maintained on the Foundation's website. Prospective and current donors are encouraged to review all relevant policies.

### I. Types of Assets Accepted

The Foundation accepts the following types of assets:

1. *Cash and Publicly Traded Securities.* These are the easiest assets to accept. Securities will be liquidated promptly following receipt unless the Foundation's CFO determines that holding such securities for a short period of time, in light of the then current level of volatility, is in the best interest of the Foundation.
2. *Non-publicly Traded Securities.* Depending on the type, size, and other characteristics, an appropriate level of due diligence of the securities and their associated entity will be undertaken, including attention to the value of the securities, underlying assets and activities, potential for future liquidity opportunities, and other factors. Prior to accepting a gift of non-

publicly traded securities, approval of the Foundation's Investment Committee will be obtained.

3. *Real Property.* Before real property is accepted, appropriate due diligence will be performed, including a site visit and evaluation of marketability, potential sale expenses, title, encumbrances and the environmental condition of the property. Prior to accepting a gift of real estate, approval of the Foundation's Real Estate Committee will be obtained.
4. *Other Assets.* This category includes tangible personal property (art works, vehicles, antiques, etc.), cryptocurrency, life insurance policies, and business interests not in corporate form. Appropriate due diligence relating to the value, carrying costs, risks, ability to liquidate, etc., will be undertaken before a gift of such an asset will be accepted.

While other types of assets likely present more complex considerations, the Foundation is open to considering the acceptance of virtually any other type of asset.

## **II. Types of Gifts**

Donors may make gifts to the Foundation in a variety of ways. Please refer to the Foundation's website for additional information about these types of gifts.

1. Outright gifts from individuals, partnerships, corporations, foundations, donor advised funds, and other entities
2. Bequests and other testamentary gifts (e.g., gifts from a trust or beneficiary designations on retirement plans or life insurance)
3. Charitable remainder trusts
4. Charitable lead trusts
5. Charitable gift annuities per Florida Statutes
6. IRA charitable rollover gifts
7. Remainder interests in personal residences, farms or vacation properties
8. Oil, gas, and mineral interests
9. Bargain sales
10. Donor advised funds

## **III. Gift Acceptance Considerations**

The Foundation and FAU are grateful for donors, whose generosity is critical to helping FAU realize its mission and strategic plan. In the vast majority of cases, a donor's wishes will align with the Foundation's philanthropic strategy in support of FAU's vision, values, and priorities.

In general, the circumstances under which the Foundation would choose not to accept a particular gift or a gift from a particular source would be very unusual. The Foundation does not have the capacity to scrutinize or make judgments about the means by which gift property was acquired by a donor, and acceptance of a gift by the Foundation does not imply endorsement or approval by the Foundation or FAU of the views, occupations or activities of a donor.

Nonetheless, the Foundation — acting through its CEO — reserves the right not to accept a gift if it is determined that the gift:

- (1) does not provide a net positive benefit to FAU;
- (2) is inconsistent with the Foundation or FAU's mission or with applicable laws, rules, and regulations;
- (3) would require the Foundation to contravene its or FAU's established policies of nondiscrimination and equal opportunity;
- (4) would infringe on FAU's control over admissions, employment of faculty and staff, appointments and promotions, the conduct of teaching and research, the construction of facilities, or any of its other activities;
- (5) is contingent upon FAU or the Foundation raising "matching funds" by any formula;
- (6) would compromise the Foundation's tax-exempt status;
- (7) has clearly been acquired by illegal means; or
- (8) would result in unacceptable consequences for the Foundation or FAU.

Factors to be considered in evaluating the consequences of a gift include:

- (1) consistency with the Foundation and FAU's core values and interests;
- (2) compatibility between donor intent and the use of the gift;
- (3) risk to the Foundation's assets;
- (4) effect on the reputation of the Foundation or FAU, and upon future giving;
- (5) administrative difficulty or expense in relation to value; and
- (6) alignment with prior practice.

The Foundation respects the preference of donors who wish to remain anonymous. However, complete anonymity cannot be guaranteed. For recordkeeping purposes, the identity of all donors must be known to the Foundation's Board Chair and CEO, the President of FAU, and such other staff members, directors, or trustees who have a need to know. Unless a donor requests anonymity, the Foundation reserves the right to disclose the name of a donor at its lawful discretion.

#### **IV. Pledges**

A pledge is a donor's promise to give a certain amount of money to the Foundation over time. The Foundation welcomes pledges from donors of specified dollar amounts. A pledge term will generally not exceed five years. With the exception of pledges resulting from phone-a-thons or donor calls, pledges should be documented with a signed pledge or gift agreement that includes the terms and length of the pledge. Although nearly all donors fulfill their pledges in full, the Foundation does not treat pledges as legally binding on the donor unless specifically stated in the gift agreement.

#### **V. Gift Uses**

The Foundation accepts (1) gifts for general support and (2) gifts for specific programs and purposes. Special provisions apply to endowed funds and corporate matching gifts.

1. *Gifts for General Support.* The Foundation's CEO determines the use and allocation of general support gifts to the Foundation within the Foundation's approved budget. The Foundation's CEO keeps the Foundation's Finance Committee and, when appropriate, the Executive Committee and President of FAU, updated regarding the receipt of substantial gifts. The Foundation's CEO also receives their input regarding the use of these gifts. The use or

allocation of funds donated for the general support of a particular college or unit are determined by the appropriate Vice President, Dean or Director.

2. *Specific Program/Purpose Gifts.* Gifts to support specific programs or purposes will be used as the donor specifies. The Foundation does not accept gifts that it cannot use as the donor intends. Gifts should leave sufficient leeway to apply the gift to some other purpose should the designated purpose cease to exist or no longer be feasible.
  - a. Gift Administrators. Gift administrators (FAU faculty or staff members designated by Vice Presidents, Deans or Directors to oversee the disbursement of funds), subject to any required approvals from the appropriate Vice President, Dean or Director, will designate the use and allocation of gift income consistent with the specified intent of the donor. The Foundation exercises oversight to ensure funds are spent consistently with the stated intent of the donor.
  - b. Changed Purpose. Donated funds are not be used for a purpose inconsistent with the donor's direction as set forth in the gift instrument. If a change is necessary or desirable, consent to the change may be sought from the donor. Alternatively, a change may be implemented as authorized by the donor's gift instrument or Florida law. If a donor wishes to change the originally-stated use of donated funds, the Foundation and FAU must agree to the change, provided, in the case of a Foundation fund that holds donations from multiple donors, the change must be requested and agreed upon by the donor who established the fund.
  - c. Gift Conditions. The Foundation does not accept gifts that:
    - i. Illegally restrict gifts, including scholarship funds, on the basis of race, national origin, sex, color, religion, age, disability, military or veteran status, marital status, pregnancy or parental status, sexual orientation, gender identity or expression, or other protected status;
    - ii. Provide benefits to the donor or donor's family (other than recognition), including scholarship preferences or other preferences;
    - iii. Unduly and inappropriately limit the scholarly work of faculty, staff, or students or otherwise violate principles of academic freedom;
    - iv. Condition scholarships or other student awards on future employment with the donor;
    - v. Grant the donor decision-making authority over awardees of scholarships, fellowships, grants or other gift funds;
    - vi. Are made on the condition or with the understanding that a particular faculty member will be hired or retained; or
    - vii. In the case of gifts of tangible personal property, impose unreasonable conditions regarding use, maintenance, or limits on sale or other disposition.
3. *Endowed Gifts.* Funds that a donor has specified are to be invested over the long term for the charitable purposes as described in a gift agreement are referred to as endowed funds. The Foundation invests the endowment corpus and makes distributions for spending in accordance with its investment and spending policies which may be revised from time to time. The Foundation controls the investment of endowed gifts, and such control is not subject to donor

restrictions. The Foundation will not typically accept, as a gift, assets that are to be held or invested in some other manner.

The Foundation retains the services of an outsourced chief investment officer and other investment professionals, including an investment custodian, for the management of the endowment. The Foundation's Investment Committee monitors the investment performance of the endowment and strives to earn the highest possible return from interest, dividends, realized gains, and market value increases while maintaining an appropriate level of risk, all as described in the Foundation's Investment Policy.

4. *Corporate Matching.* Corporate matching gifts will be credited to the donating corporation's gift record. Such matching gifts will be deposited into the fund to 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. If a corporation requires documentation in connection with a corporate matching gift, the Foundation will provide the documentation; it is the only party authorized to provide it. Corporate gifts or grants made or computed based on the number of FAU-trained personnel employed in the corporation or under any similar formula will be allocated to Foundation funds for general support 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.

## VI. Naming Opportunities

The Foundation, in coordination with the President of FAU, sets minimum gift levels and establishes guidelines for gift naming opportunities.

1. *Naming Associated with the Establishment of Endowments.* A minimum gift of \$25,000 is required to create an endowed fund at FAU. All endowed funds maintained at the Foundation are named as set forth in the donor's gift instrument. Additionally, endowments established at the following minimum amounts create the following naming opportunities for donors:

Endowed Fund	Minimum Gift Amount
College Dean/ Director	\$5 million
Chair	\$3 million
Professor	\$1.5 million
Graduate Assistant/Fellow	\$1 million

In addition to the endowed funds listed above, college, school, or department named endowed funds may be established at the Foundation to support particular activities.

2. *Naming of Buildings, Facilities, Colleges, Programs, Institutes, Centers Schools, Campuses, Roads, Parks, Recreational Complexes and Other FAU Elements.*

- a. FAU Naming of Elements Policy. The FAU Naming of Elements Policy applies to all naming of FAU elements.
- b. Expected Philanthropic Contribution. The Foundation's CEO, in consultation with the FAU Chief Operating Officer & Vice President, Administrative Affairs, will establish, following approval by the FAU President, the expected philanthropic contribution for each facility project in advance of any Foundation staff or FAU faculty or staff soliciting donors or making any agreement with donors. The expected philanthropic contribution will take into consideration the capacity of the potential prospect pool, the type of facility projects and other project funding sources. Interior and exterior spaces that are part of a total facility fundraising initiative should be included in initial planning efforts. Minimum gift amounts will be established for spaces based upon square footage but will also reflect use, visibility, and related factors. Whenever possible, additional endowment support to provide for long-term operational costs will be encouraged. For revocable estate gifts, the funding must have been received prior to naming recognition. Consideration may also be given to the naming of an existing building/space. In these cases, the required gift amount is established by the Foundation's CEO in consultation with the FAU Chief Operating Officer & Vice President, Administrative Affairs, with final approval by the President of FAU.
- c. Suggested Minimum Contribution Levels.
  - i. To name a College – \$15 million - \$50 million
  - ii. To name a School – \$5 million - \$15 million
  - iii. To name a University Center – \$1 million - \$5 million
  - iv. To name a College/Department Center - \$500,000 - \$5 million
  - v. To name a Laboratory - \$300,000 - \$1 million

### 3. *Additional Naming Considerations*

Naming proposals should be consistent with Foundation and FAU policies and will reflect not only the donor's appropriate financial support, but also the donor's commitment to the mission, vision and objectives of FAU. Naming recognition for revocable estate gifts will commence when the gift is realized by the Foundation.

Namings are intended to endure unless otherwise provided at the time of naming. Naming modifications should be made only when:

- Significant changes occur, such as major renovation or demolition of a building or the elimination of a University department;
- Upon agreement of the donor or, if unavailable, the donor's family (if possible);
- As a result of other extenuating circumstances, including those which may impact upon the personal accomplishments or character of the donor. In these cases, any proposed changes will be taken into consideration by the Foundation's Executive Committee, as to namings granted by the Foundation, or by the President or Board of Trustees of FAU, as to all other FAU namings, in all such bodies' sole and absolute discretion.

## VII. Gift Documentation Requirements

1. *General.* A written gift instrument, which may consist of one or more documents, establishes the terms of a gift. Gift solicitation materials and the Foundation's policies are part of the gift instrument. At minimum, all gift instruments must include:
  - a. College/unit benefitting;
  - b. Purpose and any specific terms regarding its use;
  - c. If the gift is for an endowment;
  - d. Fund number (a 6 digit alpha numeric number) (for gifts being added to an existing fund); and
  - e. Naming recognition for the gift from the Foundation (e.g., name of fund).
  
2. *Written Gift Agreements.* The following types of gifts require written, signed gift agreements:
  - a. A new endowment;
  - b. A current use gift of \$50,000 or more to a new Foundation named gift fund or scholarship program;
  - c. A planned gift, including gift annuities, life insurance, and real estate;
  - d. A non-cash in-kind gift;
  - e. Non-publicly traded securities;
  - f. A gift where University element naming recognition will be granted by FAU; and
  - g. Any gift for which the donor requests a written gift agreement.
  
3. *Pledge Forms.* The following types of gifts are documented with written pledge forms:
  - a. A gift to an existing Foundation gift fund (endowed or non-endowed); and
  - b. A new current use gift of less than \$50,000 with no special requirements or scholarship criteria.
  
4. *Treatment of Gifts with No Written Gift Instrument.* If the Foundation does not receive a written gift instrument that includes the donor's terms, then the Foundation will consider the gift to be for any purpose that supports FAU and the gift will be placed in an account for the use and benefit of the Foundation and FAU as a whole. Furthermore, verbal gift commitments are not counted by the Foundation; such gifts are only counted when received.

## VIII. Fees Charged to Gifts by the Foundation

The Foundation charges an endowment management fee and grants for sponsored programs managed by FAU also include indirect cost charges. The purpose of the endowment management fee is to pay expenses associated with operating the Foundation. The endowment management fee, established annually by the Foundation's Board, is charged to all endowed funds managed and administered by the Foundation. The Foundation's current annual endowment management fee is assessed annually, on each endowed fund's total corpus (original gift plus state match, if applicable) and on each quasi-endowment's total corpus as set forth in the Foundation's Spending Policy. The charge on grants for sponsored programs managed by FAU is included as part of any indirect cost charge included in the grant budget.



The Foundation retains an outsourced chief investment officer and other investment professionals for the management of the Foundation's endowment, all as described in the Foundation's Investment Policy. Fees are charged by these investment professionals and deducted from each endowed fund.

## RESPONSIBLE AUTHORITY

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Questions about this policy should be directed to the Vice President of Institutional Advancement and CEO of the FAU Foundation.

## FAU FOUNDATION

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*For signature of the Foundation's secretary*

Approved by the Board of Directors on the 9<sup>th</sup> day of November 2022.

DocuSigned by:  
  
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Secretary, Florida Atlantic University Foundation, Inc.