

TEMPLE UNIVERSITY

POLICIES AND PROCEDURES MANUAL

Title:	Gift Acceptance
Policy Number:	05.60.01
Issuing Authority:	Board of Trustees
Responsible Officer:	Vice President of Institutional Advancement
Date Created:	February 7, 2012
Date Last Amended/Reviewed:	November 2022
Date Scheduled for Review:	October 2026
Reviewing Office:	Institutional Advancement

Temple University – Of The Commonwealth System of Higher Education (“University”), a non-profit corporation organized in the Commonwealth of Pennsylvania and qualified as a charitable organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, encourages the solicitation and acceptance of gifts to further its educational, scientific, and charitable mission. By establishing and nurturing lasting donor relationships, the University helps to ensure its ability to fulfill that mission.

I. Purpose of Policy

This policy provides standards by which gifts are reviewed and accepted by the University. All fundraising and constituent engagement activities on behalf of the University, including the receipt and processing of philanthropic commitments, will be conducted and coordinated by or through the Office of Institutional Advancement. Therefore, all gifts to the University must be submitted to Institutional Advancement’s Office of Gift Administration.

II. Responsibility to Donors

- A. *Commitment to Donor:* The University, its staff and volunteer representatives shall endeavor to assist donors in accomplishing their philanthropic objectives.
- B. *Confidentiality:* The University will adhere to strict confidentiality regarding any records or personal documents pertaining to donors and gifts. All gift records will be released only when authorized by the donor or the donor’s authorized representative, or as required by law.
- C. *Anonymity:* The University shall respect the wishes of any donor offering anonymous support to the extent permitted by law.

III. Ethical and Legal Consideration

- A. *Ethical Standards*: The University is committed to the highest ethical standards. The University, its staff, and volunteer representatives shall adhere to standards of practice as adopted by the National Association of Charitable Gift Planners, the Association of Fundraising Professionals, the Council for the Advancement and Support of Education, the Association of Advancement Services Professionals, and the Association of Professional Researchers for Advancement.
- B. *Donor Asset Ownership and Competency to Transfer*: The University will not participate in gift discussions if there is a question as to the title/ownership of the asset or the donor's competency to transfer an asset.
- C. *Application*: Acceptance of gifts is subject to the guidelines in this policy; however, at the discretion of the University, any gift may be declined.
- D. *Compliance*: The University shall comply with all local, state, and federal laws and regulations concerning all charitable gifts it encourages, solicits, or accepts.
- E. *No Finder's Fees and Commissions*: The University shall not pay fees to any person as consideration for directing a gift by a donor to the University.
- F. *Legal, Tax and Financial Advice*: The University does not provide legal, tax, or financial advice, and shall encourage prospective donors to discuss all charitable gift planning decisions with their own advisors before entering any commitments to make gifts to the University. The University shall not endorse or recommend legal, tax or financial advisors to donors.
- G. *Preparation of Legal Documents*: The University shall prepare legal forms to create charitable gift annuities and trusts, and will prepare draft documents for gift agreements, statements of charitable intent, or sample bequest language for execution by donors. The University will strongly encourage donors to have these documents reviewed by their own advisors. The University will not make any representations regarding the tax, legal or financial contents or effects of any such legal forms.
- H. *Payment of Fees*: It will be the responsibility of the donor to secure an appraisal (where required) and to pay for the advice of independent legal, financial, or other professional advisers as needed for all gifts made to the University.
- I. *Service as Executor or Living Trust Trustee*: Unless approved in advance by the Gift Acceptance Committee, the University will not agree to serve as executor of a decedent's estate nor as trustee of a living trust or other trust intended to serve as a person's primary estate planning document.
- J. *Trusteeship*: The University may serve as trustee of charitable remainder trusts if 100% of the remainder interest in the trust is irrevocably dedicated to the University and the University's investment authority as trustee is unrestricted. The University will not serve as co-trustee of a charitable trust. Exceptions to this policy can be made by the Gift Acceptance Committee.

- K. *Return of Gifts*: Philanthropic gifts are generally not refundable. Refunds will be made in the event of a mistake (overpayments, duplicate payments, or transactions received in error).

IV. Gift Acceptance

- A. *Gift Acceptance Committee*: The Gift Acceptance Committee (GAC) shall be comprised of the Vice President of Institutional Advancement, the Provost, the Vice President of Finance, University Counsel, and the Chair of the External Affairs and Development Committee (EADC) of the University's Board of Trustees. The EADC Chair may designate another EADC member to fulfill their role.
- B. *GAC Authority*: In addition to its specific roles described herein, the GAC shall approve acceptance of all gifts of assets that may incur charges or costs to the University for maintenance, disposal or other activities, other than ordinary-course expenses related to a certain type of property (e.g., cataloging and maintenance of special library collections, or regular maintenance and upkeep of equipment). Such asset types include, but are not limited to, intangible personal property, real estate, life insurance policies, closely-held stock, and other illiquid complex assets. Proposed gifts that fall outside of the guidelines of this Gift Acceptance Policy must be reviewed and approved by the GAC.
- C. *Convening the GAC*: The Vice President of Institutional Advancement will convene GAC meetings. The GAC may invite other experts to participate in gift approval discussions, as necessary.

V. Gift and Pledge Agreements

- A. *Installment Gifts*: All gifts equal to or greater than \$10,000 but less than or equal to \$50,000 that will be made in installments must be accompanied by a gift form signed by the donor or an authorized representative of the donor.
- B. *Agreements*: All gifts or pledges greater than \$50,000 must be accompanied by a written agreement or statement of philanthropic intent that is signed by the University and the donor or an authorized representative of the donor.
- C. *Creation of New Funds*: All gifts or pledges made to establish a new term or endowed fund must be accompanied by a written agreement signed by the University and the donor or authorized representative of the donor.
- D. *Endowment Solicitations*: The University cannot permanently restrict charitable donations within its endowment without a written directive from the donor, or without written communication from the University to the donor that his or her donation will be permanently restricted. Any written solicitation to establish an endowed fund to be sent to a group of prospective donors must be approved by the Office of Gift Planning, in coordination with the Office of University Counsel.

VI. Gift Restrictions

- A. *Unrestricted Gifts*: Unrestricted gifts or gifts restricted to the budgeted priorities of the University are always preferred, but the University and its representatives will maintain a donor-centric approach to fundraising to ensure that a donor's strongest philanthropic interests are properly identified and addressed and thus maximum financial support for the University is realized.
- B. *Other Restrictions on Gifts*: The University may accept gifts restricted to non-budgeted programs and purposes only upon the prior written approval of the GAC. The University reserves the right to decline gifts that are too restrictive in purpose, too difficult to administer, or designated for purposes outside of its mission.
- C. *Unrestricted Bequests*: The President is authorized to designate unrestricted cash distributions of \$500,000 or less from estates, trusts, and other instruments effective upon an individual's death to benefit specific areas or programs in the University. Designation of such distributions greater than \$500,000 requires Board of Trustees approval.

VII. Gift Types

A. Gifts of Property

These assets may be accepted by the University, subject to the following criteria:

- 1. *Cash*: Acceptable in any negotiable form, including currency, check and credit card gifts.
- 2. *Securities*:
 - a. *Publicly-Traded*: Stocks, bonds, exchange-traded funds, and mutual funds listed on an exchange or other publicly reported market. Using the standards set forth by the Internal Revenue Service (Publication 561), the University shall provide gift credit for donations of publicly-traded securities based upon the average of the high and low quoted selling prices on the gift date. Gift date is defined as the date the donor relinquished dominion and control of the property and the University takes possession of it. While for recognition and pledge payment purposes, the University will provide gift credit to a donor based on these IRS guidelines, it is the donor's sole responsibility to determine the fair market value of donated publicly traded securities.
 - b. *Closely-Held Securities and Business Interests*: Debt and equity positions in non-publicly traded businesses, hedge funds, REITs, interests in limited liability companies and partnerships may only be accepted upon prior approval of the GAC.

- c. Options and Other Rights in Securities:* Warrants, stock options and stock appreciation rights may only be accepted upon prior approval of the GAC.
3. *Life Insurance:* The University may accept a gift of a life insurance policy upon prior approval of the GAC.
 4. *Real Property:* Residential and commercial real property, real estate interests, and remainder interests in property (gifts subject to a retained life estate) may only be accepted upon prior approval of the GAC and in accordance with the University's then-current real property gift acceptance procedures. The University generally will not accept real property subject to a mortgage, lien or other encumbrance, property where title is divided for gifting purposes, time-share interests or any other gifts of partial interests in property or property with title limitations; exceptions must be approved by the GAC.
 5. *Tangible Personal Property/Gifts-in-Kind:* The University will accept gifts of tangible personal property such as jewelry, books, works of art, collections, equipment and other tangible property (also referred to as "Gifts-in-Kind") if the proposed donation has sufficient mission-related value to the University or can, as determined by the University, be liquidated to produce cash.
 - a. If a charitable income tax deduction is desired by the donor, it is the sole responsibility of the donor to obtain and pay for an external professional appraisal to substantiate the deduction in accordance with IRS rules.
 - b. It is the sole responsibility of the donor to determine the value of a contributed item; the University and its representatives cannot assign a value to the donated item(s) or procure a valuation for the benefit of the donor.
 - c. Unrestricted gifts become the sole property of the University upon receipt and the University may make all necessary decisions as to their retention, location, treatment, and other considerations relating to their use and disposition.
 - d. Consistent with IRS guidelines, the donation of a partial property interest with retained ownership rights, services, or lost income shall not be receipted by the University as a qualified charitable contribution.
 6. *Other Property:* Property not otherwise described in this section may only be accepted upon prior approval of the GAC.
 7. *Matching Funds:* If a donor wishes to provide funds that require a challenge or matching gift, the University may agree to pursue matching funds

through additional third-party donations to the University but will not generally use unrestricted University funds for this purpose. Parameters for matching University funds must be approved by the Board of Trustees.

8. *Cryptocurrencies*: The University may, in its sole discretion, accept gifts of cryptocurrency and other forms of digital assets after due diligence is performed to determine that the asset can be transferred and liquidated.

B. Structured Current Gifts

1. *Bargain Sales*: Transactions wherein the University pays less than full value for an asset and issues a gift receipt for the difference may only be accepted upon prior written approval of the GAC.
2. *Charitable Lead Trusts*: The University may accept a designation as payment beneficiary of a charitable lead trust. The University will not serve as trustee of a charitable lead trust.
3. *Corporate Matching Gifts*: The University will accept corporate matching gifts. However, these gifts will not be credited toward an individual's personal pledge commitment. Any matching gift received shall be used for the same purpose as the original gift unless limitations are imposed by the issuing company/foundation that prohibit an identical use.
4. *IRA Qualified Charitable Distributions*: The University may accept all gifts directly transferred from an individual retirement account as permitted by applicable law.
5. *Donor Advised Funds*: The University accepts gifts from donor advised funds ("DAF").
6. *Private Foundations (Family Foundations)*: The University accepts gifts from private "family" foundations.
7. *Other Structured Current Gifts*: The University may only accept other structured current gifts with prior written approval of the GAC.

C. Structured Future Gifts

Future Gifts Subject to a Payment Interest

1. *Charitable Gift Annuities*: The University offers immediate payment, deferred payment, commuted payment, and flexible payment charitable gift annuities with a minimum funding amount of \$25,000 and a maximum funding amount of 25% of its total gift annuity pool.
2. *Charitable Remainder Trusts When the University Serves as Trustee*: The University will serve as trustee of charitable remainder trusts if the University is named as the irrevocable 100% beneficiary.

3. *Charitable Remainder Trusts When the University Does Not Serve as Trustee:* The University will accept designation as charitable beneficiary in any proportion of charitable remainder trusts that do not name the University as trustee.

Future Gifts Not Subject to a Payment Interest

1. *Gifts by Will or Living Trust:* Donors and supporters of the University will be encouraged to designate the University as a beneficiary of their wills or living trusts. The University reserves the right to decline a bequest.
2. *Retirement Plan, Life Insurance and Other Beneficiary Designations:* Donors will be encouraged to designate the University as beneficiary or contingent beneficiary of their retirement plans, life insurance policies, donor advised funds, and other accounts on which they can name a beneficiary.

VIII. Naming Gifts

- A. *General Considerations:* Contributions associated with naming gift opportunities must be documented in a written agreement between the donor and the University. Such contributions may or may not be endowed. Naming gifts do not confer the right to the donor to determine the use of the funds (e.g., the purpose or use of the named space, specific beneficiary of a student or faculty support fund, program curricula, and/or research outcomes). Therefore, funds received to name a physical space may not be used to establish a named scholarship or award fund.
- B. *Naming Approval for Physical Spaces:* All gifts of \$500,000 or more which include a naming opportunity for a physical space must be approved by the GAC and the Board of Trustees. Naming opportunities less than \$500,000 must be approved by the GAC. A naming gift for a physical space shall be secured only after a binding agreement has been executed between the University and the donor. The University will not announce the gift publicly or install signage on a named physical space until 20% of the total naming gift is made by the donor. Only the GAC may approve installation of signage prior to the donor making gifts totaling 20% of the full pledge. Naming of a physical space by a corporate entity is subject to review by the University to determine if a naming right may be an exchange transaction for commensurate advertising value rather than a charitable contribution.
- C. *Duration:*
 1. The maximum term for a naming opportunity of a facility or other physical space shall not exceed the original useful life of the given facility or space and/or if 50 percent or more of the square footage of a named facility or

physical space is renovated. The University shall determine useful life based on industry standards for depreciation.

2. If a program, virtual center, department, center, institute, or unit is discontinued, the naming will expire. In certain instances, the University may consider alternative recognition that closely aligns with the original intent.
3. For current-use gifts, naming terms, including duration, shall be set forth in writing by the university and donor.
4. If circumstances change so that a named space is repurposed, deconstructed, severely damaged, destroyed or otherwise permanently closed, the university will consult with the donor, if possible, or the donor's estate, if practicable, to determine an appropriate way to recognize the original naming gift.

D. Approval for Other Naming Opportunities: All opportunities of \$1,000,000 or more to name non-physical spaces (including but not limited to named scholarships, faculty funds, centers, institutes, or other programs) must be approved by the GAC and the Board of Trustees. Donor recognition for the establishment of named gift funds is typically expressed by the University in the fund's naming. In most instances plaques and other signage to recognize donor philanthropy (when physical space is not being named) cannot use language that explicitly or implicitly states the gift is naming a specific space, nor infer the naming of space adjacent to the plaque/signage through the absence of other nearby plaques and signs. All proposed recognition plaques and signage must be approved by the Vice President of Institutional Advancement prior to discussion with a donor.

E. Removal of Naming: The University's Board of Trustees shall have the authority to revoke a naming if:

1. The pledge obligation was not fulfilled.
2. The University, in the sole discretion of the Board of Trustees or its designee, determines its association with the donor or the honoree could cause significant damage to the University reputation, standing or integrity or be contrary to University values. This determination will be guided by Temple's mission.

The University will make reasonable efforts to inform in advance the original donors or honorees prior to the revocation of the naming as provided in this paragraph. The University may provide alternate recognition as appropriate in honor of the original gift.

F. Naming Formulas: The University will generally adhere to a set of formulas as the basis for calculating acceptable naming gifts for its campuses, colleges, schools, buildings, and the spaces within these areas. Except in the case of naming opportunities previously approved by the Board of Trustees, representatives of the University shall make no commitments to donors concerning the naming of buildings or facilities without the approval of the Board of Trustees upon recommendation of the GAC.

G. Funding Requirements: Outright gifts and signed pledges payable over up to five years may be used to fully or partially fund a named opportunity, as calculated by the face value of the gift or pledge at the time it is fully executed. The Vice President for Institutional Advancement has the discretion to accept extended pledge terms for g for non-capital pledges that are less than \$1,000,000. The Board of Trustees must approve any pledge above \$1,000,000 that is payable over more than five years. Exceptions will only be considered for gifts that are more than \$1,000,000 over 5 years.

Testamentary gifts may be used in combination with an outright pledge to fund a non-capital named opportunity if the present value of the testamentary portion of the commitment does not exceed 50% of the total gift and is secured by an irrevocable pledge agreement.

Future gifts subject to a payment interest, such as gift annuities and charitable remainder trusts, may be used to fund a non-capital named opportunity. The charitable deduction value of the future gift shall be used in determining the gift amount relative to the minimum gift requirement of the naming opportunity and shall be no more than 50% of the required gift amount.

Testamentary gifts and future gifts subject to a payment interest may not be used to directly fund capital projects and/or secure a naming opportunity of a physical space without prior approval of the GAC. The GAC shall determine what portion of the naming gift total can be fulfilled by a donor with a testamentary pledge or future gift subject to a payment interest, but such pledge or future gift shall not exceed 50% of the total naming gift.

For more information on current endowed fund minima and naming levels, see the University's "Endowed Fund Overview and Minima."

IX. Gift Valuation and Reporting

The University adheres to accepted standards of gift valuation and reporting for outright and documented deferred gifts, as recommended by the Council for the Advancement and Support of Education and the National Association of Charitable Gift Planners. All exceptions to these standards shall be approved by the GAC.

X. Special Review and Amendments

- A. *Special Review*: The GAC shall initiate a supplemental review of these policies upon the enactment or promulgation of legislation or regulatory rules affecting fundraising and gift acceptance by the University, or prior to the start of a formal fundraising campaign. All proposed changes shall be approved by the Board of Trustees.
- B. *Amendments*: The President of the University is authorized to make technical amendments to this policy.

Notes

1. Dates of official enactment and amendments:

Enacted: February 2012

Amended: May 8, 2012, October 2017, October 2018, October 2020, November 2022

2. Cross References/Appendix

Gift Compliance Policy, #05.60.02

Cash Handling, #05.20.12

Internal Audit Program #05.20.16

Investment Policies #05.50.01

President Authorized to Establish Quasi endowments for Amounts of \$100,000 or Less #05.50.30

Contract signing – Authorization Signatures #04.50.01