

TEMPLE UNIVERSITY

POLICIES AND PROCEDURES

Title:	Gift Compliance Policy
Policy Number:	05.60.02
Issuing Authority:	Office of the President
Responsible Officer:	Office of the President
Date Created:	02.19.2020
Date Last Amended/Reviewed:	June 2023
Date Scheduled for Review:	June 2025
Reviewing Office:	Office of Institutional Advancement

Scope of Policy & Rationale

Gifts from alumni and friends are essential to the University. The University manages gifts in compliance with accepted accounting principles, fiduciary obligations, Commonwealth of Pennsylvania law, and prudent practices. This policy sets forth general guidelines for the appropriate expenditure and stewardship of charitable contributions.

Definitions

Gift Agreement – a contract, governed under Pennsylvania law, between a single donor or multiple donors and the University that establishes the purpose of the gift, a payment schedule, recognition, and other terms.

Operating Gift Fund – a fully spendable fund, also commonly referred to as a “term fund,” established by a gift agreement or other gift instrument that dictates a specific purpose or restriction for donations that can be satisfied when the purpose or restriction has been met or the gift has been expended.

Endowed Gift Fund – a fund established by a gift agreement or other gift instrument in which donations are invested as principal in the University’s endowment pool. Only endowment spending rule income from the endowment, as defined by the University’s Investment Policy, is available for spending in accordance with restrictions and/or purposes identified in the applicable gift instrument.

Spending Rule – as defined within the University’s Investment Policies (No.05.50.01).

Endowed Fund Spending Account – the account to which income from an endowed fund, based

on the Spending Rule, is made available for spending.

Preference – a donor’s preferred criteria, explicitly stated in a gift agreement or other gift instrument, directing the use of the gift by the University. If the University cannot comply with a donor’s preference, it shall make use of the gift in a manner that closely resembles the donor’s intended preference.

Donor Restricted Fund – a voluntary donation (either for current use or endowment) that is restricted by the donor that requires funds to be used for a specific purpose.

Gift Restriction – the required criteria for use of a donor gift set forth in the gift instrument. A restriction is considered legally binding and cannot be changed without the consent of the donor and University, or through appropriate legal process. If a gift agreement does not use the word “preference,” or a word or phrase with the same meaning, in describing the donor’s intended use of a gift by the University, then the criteria for use defaults to being a restriction.

Stewardship – the comprehensive effort to manage charitable donations in a manner that is compliant with the law, accounting standards, and prudent practices. The four main elements of stewardship are defined as gift acceptance and management, acknowledgement, donor recognition, and reporting.

Quasi-Endowed Fund – authorized by either the President of the University or the University’s Board of Trustees depending on the amount designated, a quasi-endowed fund functions like a true endowed gift fund, however, its principal account is funded by either charitable donations or other University funds without donor restrictions. A quasi-fund can be dissolved by University authorization as set forth in applicable university policy and utilization is governed by the funding source, the donor gift instrument, or the Board of Trustees.

Policy Statement

Adherence to Donor Intent

All gift revenue must be spent in accordance with donor restrictions as set forth in a gift agreement or other written donor directive deemed acceptable by the University. Institutional Advancement is responsible for reporting to donors on their charitable contributions.

Access to and Interpretation of Gift-Fund Governing Documents

Institutional Advancement, in coordination with the Office of University Counsel, can assist with determining the proper use of donor contributions if University personnel who are authorized to approve gift fund expenditures have any doubts or concerns regarding donor intent or proper use as set forth in the related gift fund documents.

Use of Operating Revenue in Lieu of Gift Revenue

If an operating budget fund has the same purpose as an available gift fund, expenditures should first be made from the gift fund, or any available unrestricted gift funds with balances, until gift revenue is exhausted.

Gift Fund Accumulation

Unless otherwise specified in a gift agreement or through other written consent, the accumulation of income from an endowed fund or preservation of a balance in an operating gift “term” fund for more than 18 months is not permitted.

Notes

Dates of Official Enactment and Amendments:

Enacted: February 2020
Amended June 2023

Reviewed By:

Sr. Vice President and Chief Operating Officer
Office of University Counsel
Office of the University Secretary
Vice President, Institutional Advancement

Cross Reference/Appendix:

Gift Acceptance Policy, #05.60.01
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