

## **100.1 Development Activities**

SECTION: Development

SUBJECT: Development Activities

Date Issued: 12/13/99

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The Division of Development and University Relations encompasses the program areas of Development, University Relations, Alumni Affairs, the University/Industry Cluster, Advancement Services, Prospect Research, Special Events, the University Foundation and other administrative functions related to overall institutional advancement and marketing.

### **I. MISSION**

It is the mission of the Division to expand relationships of the University with its many publics for purposes of increasing both the financial and human resources of the University; to maintain the goodwill of the University's many publics; and to market the University, its programs and services to their best possible advantages.

### **II. Activities**

The Division of Development and University Relations, in order to fulfill its mission to increase both dollar and constituent support for the priority objectives of the University, is charged with the following responsibilities:

1. To promote the understanding of University goals, objectives, and fundraising priorities among volunteers, alumni, donors, and other constituents;
2. To provide an effective framework for University fundraising programs, which will expand the involvement of individuals, corporations, and foundations in support of these goals and objectives;
3. To provide fundraising planning, consultation, and information services to the schools, colleges, and other unit-based gift procurement programs at all levels, including annual gifts, major gifts, trusts and bequests, and corporate and foundation gifts;
4. To provide, through the work of the fundraising field staff, a nationwide network of volunteer leadership for the identification, cultivation, and solicitation of donors and donor prospects;
5. To advise on appropriate means to recognize donors and volunteers for their support and service to the University, and to provide consultation and coordination for donor and volunteer events as well as stewardship programs;
6. To provide an effective infrastructure of support services to the fundraising enterprise throughout the University, to include but not limited to maintaining alumni and donor records, providing regular reports of fundraising activities (to the University community, alumni and donor constituencies), and conducting market research in support of development objectives;
7. To evaluate regularly the effectiveness and productivity of the various programs and activities, and to ensure that our resources are applied in the most effective way.

## **100.2 Prospect Coordination**

SECTION: Development

SUBJECT: Prospect Coordination

Date Issued: 9/17/99

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## I. Background

Private gifts are projected to provide a significant portion of the University's resources for a number of years and for future development if N C A&T State University is to prosper and fulfill its responsibilities and mission. The success of our efforts will depend upon the cooperative participation of the University's central administration, schools, colleges, volunteer leadership, all friends, and supporters.

## II. Considerations and Assumptions

Prospects for major gifts to the University are a significant institutional resource. To realize the highest benefit from this resource, University development activities involving major gift prospects must be conducted in the most effective way possible within the context of University priorities as they are determined by academic management under the guidance of the Chancellor's cabinet and adopted by the Board of Trustees.

By avoiding duplication of effort and by equitably resolving competing claims, prospect coordination helps to ensure that the greatest possible return in support of the University's foremost priorities is secured from each donor. The policy applies to individuals, foundations, and corporations and to all solicitations other than those that are a part of regular annual giving programs.

## III. Guidelines and Procedures

The Vice Chancellor for Development and University Relations is responsible for the operation of the prospect coordination process. This coordination includes consultation with University officers, deans and directors, and fundraising volunteer leadership to determine the most appropriate prospect assignments and solicitation strategies. This will entail creation of a centralized database that will be readily accessible to all trained University officers, deans, directors, and fundraising volunteer leadership, as determined by the Division of Development and University Relations. In making these determinations, factors such as a prospect's giving history, demonstrated areas of interest, degree relationship to the University, and institutional contacts are taken into account. The primary consideration in prospect assignment is the probability of obtaining the largest possible gift in support of one or more University priorities.

Prospect coordination begins with the identification of a person, foundation, or corporation as a major gift prospect and continues as long as that individual or organization is believed to have the capacity for making a gift. The University's Development Office is responsible for individual prospects, certain closely held companies, and private foundations. It is responsible for solicitation of public corporations and professional foundations.

The Vice Chancellor for Development and University Relations will act as a liaison with the donors on behalf of the University. The Division of Development and University Relations will share the responsibility for updating donors' records in the database with Alumni Association, the Foundation, and the University Accounting Office but have sole responsibility for the database maintenance.

The Division of Development and University Relations will update donor's records to reflect gifts to the University. The Alumni Association and Foundation gifts will be managed by those entities. The Division of Development and University Relations will coordinate the acknowledgement of gifts on behalf of the University.

The Vice Chancellor for Development and University Relations will be responsible for providing copies of all correspondence with the donor(s) of real and personal property to the Vice Chancellor for Business and Finance.

The Division of Development and University Relations will be responsible for coordinating the delivery of gifts of personal property to the appropriate University department, school or college and for notifying the Vice Chancellor for Business and Finance to ensure compliance with all government reporting

requirements.

The Division of Development and University Relations will notify Division of Business and Finance and the University Property Management Office of any personal property received by the University for its use. The Property Management Office will be responsible for creating the property records and tagging the property in conjunction with current state regulations.

The Division of Development and University Relations will maintain an inventory of all gifts on a fiscal year basis through the database. The Division of Development and University Relations will maintain a record of all donors to the University for University Records and use in reports as may be required.

Responsibility for University-wide prospect coordination is shared by the development staff of the schools, colleges, and other units to ensure that the Prospect Coordination Database, the primary source for information on the status of major gift prospects, is current and useful, as coordinated by the Advancement Services Department within the Division of Development and University Relations. This obligation includes:

1. Adding the names of newly identified major gift prospects to the list.
2. Reviewing the list for new names to provide information or to register an interest in a particular prospect.
3. Requesting assignment of specific prospects for the purpose of strategic planning and solicitation.

The accuracy and usefulness of this database depends upon regular input from all University development officers and others actively engaged in development activity. Updates, changes, and requests for copies of the Prospect Coordination Database List for individuals, certain closely held companies, and private foundations should be directed to the Division of Development. Information and requests involving public companies, individuals, and professional foundations should be directed to the Division of Development and University Relations, Advancement Services Department.

When differences of opinion exist among the units of the University regarding access for solicitation of a prospect, the Vice Chancellor for Development and University Relations will convene a discussion which includes the development officers of the interested units. At that time, the primary objective will be to determine which solicitation is most likely to secure the largest gift for the highest institutional priority. If the case remains unresolved the Chancellor, in consultation with the executive officers and other interested parties, will determine the order of access for solicitation.

#### IV. Conclusion

Successful fundraising requires shared information, open communication, and cooperative participation by all concerned. The prospect coordination system can help meet these criteria as well as serve as a stimulus to vigorous activity among University faculty, staff, volunteers, and prospective donors.

The prospect coordination process does not eliminate all conflicts among proposed solicitation efforts, but rather serves as a means for managing and sharing information about the University's most significant prospects for private resource acquisition. In its best form, the process can provide an arena for the constructive give-and-take that is essential to maximizing the returns to all units that participate in the fundraising efforts of the University.

#### **100.3 Major Gifts**

SECTION: Development

SUBJECT: Major Gifts

Date Issued: 9/17/99

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## I. Purpose

To provide field leadership, staff infrastructure, and prospect knowledge in order to secure gifts at the \$ 50,000+ level from individuals across the country for the University's highest fundraising priorities.

## II. Policies

See Standard Practice Guide 100.2 Section: Development; Subject: Prospect Coordination.

## III. Objectives

- A. To provide, through the work of fundraising field staff, a nationwide network of volunteer leadership for the identification, cultivation, and solicitation of major donors and major donor prospects.
- B. To maintain and expand major gift efforts in major metropolitan areas around the country, making use of staff visitation, focused alumni events, and major gifts volunteer committees which act as University and unit resources.
- C. To maximize use of volunteers through effective management of Major Gifts Committees.
- D. To create a strong N C A&T State University presence in cities by facilitating networking between alumni.
- E. To plan cultivation events to increase and provide opportunities for meaningful major prospect involvement in the life of the University.
- F. To maintain a systematic prospect management and tracking database used for guidance in coordination and planning of major gift solicitations and program initiatives.
- G. To serve as a resource for University units in planning and implementing effective individual major gift initiatives across the University.

### **100.4 Annual Gift Programs**

SECTION: Development

SUBJECT: Annual Giving Programs

Date Issued: 9/17/99

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## I. Purpose

To provide strategic leadership for University-wide annual giving activities for all campus units involved in annual fundraising and to direct central support services for annual fund activities for academic units.

## II. Policy

### A. Annual Giving Gift Definition

An annual gift is an outright gift of cash (or equivalent, including securities) totaling less than \$25,000 received from individuals and designated to annual giving restricted and/or unrestricted accounts.

1. Annual Giving accounts are designated by the individual unit and are accounts for which one or more of the following conditions exist:
  - a) the prospects are solicited on a regular basis,
  - b) mass marketing techniques including, but not limited to, phone and direct mail are utilized

for the solicitations, and  
c) there is a reasonable expectation that the donor can make the same gift on an annual basis.

2. Individual sources include outright gifts from living individuals, certain private foundations and closely held corporations, any matching funds earned from these gifts, and memorial gifts, bequest distributions and other deferred options that meet the dollar parameter and/or are so designated by the unit.
3. Gifts of cash totaling less than \$25,000 that are received from sources other than individuals can be counted as part of annual giving if they are received on an annual basis for the designated restricted and unrestricted accounts.

#### B. Annual Fund Definition

A specific account within an academic or non-academic unit designated as the principle recipient of unrestricted gifts to that unit.

#### C. Solicitation Access Policy

Degree-granting units will have priority with their own alumni, in coordination with the Division of Development and University Relations.

In general, a certificate does not constitute alumni status for the purposes of solicitation if the individual also has a degree from a school or college. In the case of a teaching certificate, the teaching certificate will constitute alumni status for the purposes of solicitation. Non-degree granting units may not have access to broad-based alumni lists for blanket solicitation for ongoing annual support. Any broad-range, special purpose or annual-type solicitation that includes alumni must be reviewed with the Division of Development in advance of final-stage planning. Any unit, however, can solicit anyone with whom there is an established affiliation.

#### D. Exemptions from Solicitation

If an individual wishes to be placed on the Do-Not-Solicit List, he or she must notify the University in writing. If this request is received at a location other than the Division of Development, the information must be forwarded immediately to the Division of Development and University Relations. A Development Officer may from time to time request, in writing, that an individual be placed on this list. This information will be maintained in the database.

#### E. Standard Response Device for Direct Mail

All N C A&T State University direct mail solicitation response devices should follow the standard form provided by the Division of Development in cooperation with the Division of Business and Finance.

1. The response device should focus on unit-designated solicitation and should list alternate designations for prospective donors who may wish to give other support.
2. All solicitation response devices should provide standard positions for entity I.D. number, gift account number, solicitation number, and gift number.

### III Solicitation Services

#### A. NC A&T State University Telesolicitation

The Division of Development and University Relations operates the N C A&T State University Telesolicitation. A professional staff supervises volunteer callers who contact alumni and other constituency groups on behalf of schools, and colleges to solicit annual unrestricted gifts.

## B. Direct Mail

The Division of Development and University Relations works with units to organize direct mail projects offered to constituency groups throughout the year. Coordination of data needs, vendor-supplied printing, and mailing services are provided. The Division of Development and University Relations charges unit accounts for their share of the actual cost.

## C. Matching Gifts

### 1. Policy

All eligible gifts for matching must be on deposit with the University in order to have Official University Certification. These gifts must be delivered to the Advancement Services Office along with documentation. The intent of the donor and the matching gift company will be followed. State Regulations require that all University deposits be made within 24 hours of receipt.

### 2. Procedures

The employee, who makes a contribution intended to be matched by a corporation participating in a Matching Gift Program, is responsible for obtaining a Matching Gift Form from the employer. The employee completes the form in accordance with the instructions and forwards the form and gift to the Advancement Services Office.

The Division of Development and University Relations administers the Corporate Matching Gifts Program on behalf of all units. The Office will:

- a. Receive and deposit all gifts
- b. Maintain a record of each gift
- c. Determine the appropriate FRS accounts for recording gifts.
- d. Record gift into database (ADS)
- e. Prepare official correspondence for gift acknowledgment

1. Donors of gifts less than \$250 will receive an acknowledgement generated by ADS.
2. Donors of gifts between \$250 and \$5,000 acknowledged by the Vice Chancellor for Development and University Relations.
3. Donors of gifts more than \$5,000 acknowledged by the Chancellor.

- f. Coordinate Corporate Matching
- g. Apply for Matching
- h. rack receipt of matching gift
- i. Deposit receipt in appropriate account
- j. Acknowledge receipt if necessary
- k. Record matched gift into database
- l. Prepare timely annual reports of matching gifts.

## 100.5 Gift Agreements

SECTION: Development

SUBJECT: Gift Agreements

Date Issued: 9/17/99

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### 1. Policy

The solicitation and acceptance of private gifts and gift commitments or pledges, including support

from individuals, corporations, foundations, and associations, is governed by the Board of Trustees. This authority applies, without qualification, to the schools, colleges, and all other units of North Carolina A&T State University, and applies to all members of the University community who might solicit or receive gifts in the University's name.

No officer or member of the staff can accept a gift for building purposes, or accept a gift whose maintenance will add to the ordinary operating budget of the University without the express permission of the Board of Trustees. At the same time, each gift is accepted subject to the general policy of the Board that the wishes of the donors with respect to their gifts shall be loyally observed, so long as in the Board's opinion such wishes do not conflict with the proper administration of the University under changes that may develop in the course of time.

Further, the Chancellor and the Vice Chancellor for Business and Finance have been designated by the Board of Trustees to have the authority to bind the University in gift agreements.

### Guidelines

#### A. General Gift Agreements

All GENERAL GIFT AGREEMENTS should follow standard format, in which:

1. The University is described as "North Carolina A&T State University," and the donor provides a gift "to be used by said University (for the benefit of specified donee unit) or (at the discretion of the University)."
2. Donors provide for an alternative use of pledged or received funds, one that is consistent with the donor's general charitable intent, in the event that the original purpose becomes inappropriate, e.g., a program is discontinued, or the full amount pledged is not received.
3. No gift is contingent upon the University raising "matching funds", by any formula, unless circumstances merit a specific waiver of this restriction by the Board of Trustees or its designee.
4. The selection and appointment process for any professorship or student award, which results from a gift, is expense free to the University, except indirect overhead expenses (e.g., cost of space, utilities, regular salaries of administrative personnel and staff, etc.), which are costs to be borne by the University. An example might be a donor's interest in establishing a national selection committee for a donated position, in which the prohibition against such expense would have to be specifically waived by the University.
5. The gift agreement provides that the gift is to be administered at the direction of an appropriate officer, dean, department chairman, director, or other program administrator.
6. The gift agreement states that incumbents for faculty positions are to be selected in accordance with University policy and practices governing faculty appointments and in accordance with the principles of academic freedom.

#### B. Gifts for Endowment

The purpose of North Carolina A&T State University's Endowment is to support the mission of the University. The endowment is to provide a reliable source of funds for both current and future use. The endowment is the property of the University and is held for its exclusive use, benefit and purpose.

The Board of Trustees for the Endowment Fund has the responsibility for the prudent investment of the fund while exercising of sound discretion. The Board of Trustees of the Endowment Fund has delegated the responsibility for the fiscal management and investment activities of the Fund to the Investment Committee of the University. The Investment Committee is charged with implementing the

mandates of the Board of Trustees of the Endowment Fund, which establishes investment objectives and policies, and monitors their implementation and the performance of the investments.

The endowment is to be invested to maximize long term total returns consistent with prudent levels of risk. Returns are expected to preserve or enhance the real value of the endowment after funds are released for current use. Broadly diversified, the portfolio should include investments in cash and cash equivalents, equities, and fixed income securities. Investment risks are to be considered within the context of the entire endowment portfolio and the need to sustain its long-term purchasing power.

For an endowment to be "named," the initial endowed funding must be at least \$25,000. Endowment contributions that are less than \$25,000 will become a part of the University's general scholarship endowment unless otherwise directed to an existing "named" endowment.

### Policy

The University's endowment spending policy governs the rate at which funds are released to budgets from the endowment. The University is to use a disciplined spending rate with a long term spending rule. The target rate for spending is to be set between four and six percent of the endowment's three-year average year-end market value. In order to preserve the purchasing power of the endowment, the portfolio is to be invested with the expectation of generating a long term rate of return at least equal to the pay-out rate plus the rate of inflation.

Assets shall be invested in accordance with the objectives, goals and standards of performance defined within the Statement of Policy and Objectives for Investment of the Endowment Portfolio. Important considerations are as follows:

1. Achievement of a real (CPI inflation adjusted) total return after management fees/expenses which exceeds the endowment spending rate currently projected at 5%, over a rolling three year time horizon without incurring an undue level of investment risk. It is expected that a managed fund should regularly exceed this goal and provide annual cash flows sufficient to achieve the established payout rate.
2. Exceed the total rate of return (after management fees/expenses) of a composite of appropriate unmanaged market indices weighted in proportion to the actual allocation of the endowment fund. The investment manager(s) should achieve a total rate of return which results in a ranking within the top 25% of returns for similar endowments as compiled in the annual National Association of College and University Business Officers (NACUBO) Endowment Study prepared by Cambridge Associates over rolling five years periods.
3. Maintenance of stable year-to-year returns.
4. Diversification in asset categories to avoid over concentration in any particular area.
5. Maintenance of a flexible investment posture, within guidelines, to the changing economic environment as well as to the volatile capital and securities markets.
6. In pursuant to NC General Statute 116-36 Section 1 (j), "Any gift, devise, or bequest of real or personal property to the University is presumed, nothing to the contrary appearing, a gift, devise, or bequest to the Endowment Fund of the University."
7. The University's control of investment and reinvestment of endowment funds is not subject to donor restrictions.
8. The University reserves the right to accumulate income for a period of time in order to make a significant initial award from endowment, if necessary.
9. An endowment gift fund may accumulate earnings and add to principal to build the endowment before distribution is required. The maximum accumulation period is negotiable, with a limit set by the University.

### C. Endowment Gifts for Faculty Support

The following considerations apply to ENDOWMENT GIFTS FOR FACULTY SUPPORT:



1. Faculty is to be selected in accordance with University policy and practices governing faculty appointments and in accordance with the principle of academic freedom.
2. Any surplus earnings from the endowment may be accumulated for later use for the purpose designated by the donor; or, added to the endowment principal, at the University's sole discretion.

#### D. Gifts for Student-Aid

For Gifts for Student-aid, the following pertains:

1. Scholarship, fellowship, and other student aid is to be awarded consistent with University policy and procedures for admitting students and awarding student aid (provisions for student loans should be specifically cleared with the University Office of Financial Aid).
2. Gifts are to be administered at the direction of the appropriate officer, dean, department chairman, director, or other program administrator.
3. Creation of a special student-aid selection committee or award committee externally of existing administrative organization will require a minimum threshold funding established by the University.
4. Continuing eligibility for student aid awards depends upon maintaining good academic standing within the University and/or the donee-awarding unit.
5. Funds for student aid for varsity athletics are subject to NCAA notice requirements.

#### E. Pledges

Gift agreements involving future commitments or PLEDGES should take into consideration the following:

1. The pledge payment period is to conform to the current term prescribed by the University unless specifically waived by the University.
2. Any pledge agreement for a post, position, program, or activity not presently funded, or for which the University agrees to create a permanent post, position, program, or activity, must stipulate that it is:
  - a. binding upon the personal representative (s); executor(s); heir(s); assign(s) and successors(s), and, so understood, intended to be and ratified in writing by the donor parties as well as the University;
  - b. mutually agreed by the signing parties that any consequent University action is taken in reliance upon said pledge; University employment and related records should reflect hiring, or any consequent action, as being in reliance upon said pledge and any expense incurred in anticipation of pledge payments;
  - c. made, governed by and interpreted under the laws of the State of North Carolina;
  - d. donor intends to provide through a bequest in his/her Will, or by other means, for any unpaid part of this pledge; and in event that his/her Will is admitted to probate and fails to contain a valid provision to comply with this charitable gift intention, or

donor has not otherwise provided for payment of the pledge, the pledge document is to constitute a legal and binding obligation on the donor's estate.

In the case of ALL GIFT AGREEMENTS, it is permissible to include clauses concerning:

1. giving appropriate publicity to a gift, in catalogues, news releases, etc.;
2. informing the donor of the outcome of a selection or appointment process;
3. providing an annual report of activity to the donor;
4. stipulating donor's intention that a gift not replace present University support for a program, position, or other purpose.

For assistance in preparing gift agreements intended to be binding upon the University, please contact the Division of Development and University Relations, (336) 334-7600.

#### **100.6 Gift Acceptance**

SECTION: Development

SUBJECT: Gift Acceptance

Date Issued: 9/17/99

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In order to facilitate a uniform policy for the acceptance of all gifts of personal or real, tangible and intangible property to the University or its Endowment Fund, the Chancellor has charged the Office of the Vice Chancellor for Development and University Relations with the primary responsibility for collection of donor information and coordination of the review of gifts to the University. The Chancellor in collaboration with the Vice Chancellor for Business and Finance has the primary responsibility for the acceptance of gifts to the University.

The Vice Chancellor for Development and University Relations (VCDUR) will coordinate the acceptance of all gifts with other areas of the University and with the Office of the Vice Chancellor for Business and Finance (VCBF), in order that all applicable state and federal regulations relating to such gifts may be observed. The Division of Development and University Relations will notify the Property Management Office of the delivery of real and tangible property for inventory and capitalization in the University's Fixed Assets System as required. Gifts less than \$250 will be acknowledged by system generated correspondence. Gifts between \$250 and \$5,000 will be acknowledged by the Vice Chancellor for Development and University Relations. The Chancellor will acknowledge gifts more than \$5,000. The Division of Development and University Relations coordinates all acknowledgements.

#### **Guidelines**

A. Gifts are solicited and accepted for purposes that are consistent with the mission of the University. The Executive Officers are responsible for making such determinations of consistency.

B. Proposed gifts of buildings or for other real and tangible property that would result in an incremental ongoing commitment of University resources are accepted only with the express permission of State of North Carolina upon recommendation of the Chancellor after the University has determined that such an incremental commitment is in its best interests. Other University officials cannot accept real property on behalf of the University.

C. Each gift is accepted subject to the general policy of the Board of Trustees that the wishes of the donor with respect to a gift shall be loyally observed, so long as in the opinion of the Board of Trustees such wishes do not conflict with the proper administration of the University under changes that may develop in the course of time.

D. Gifts for endowment are normally invested by Board of Trustees of the Endowment Fund in accordance with NC General Statutes and its standard procedures; pay-out from the endowment is determined by policies of the University in effect at any given time.

The University may also from time to time accept and hold gifts of restricted stock or stock for which there is no ready public market. Normally, however, gifts of securities and other property are sold or retained at the discretion of the University and are invested in accordance with the University's investment policy and its wish to accommodate the donor's intention to assist the University in carrying out its various exempt activities.

E. Gifts will not be accepted in cases in which it is clear to the University that the funds or property donated were acquired by other than legal means; or that clear title to the donated assets does not flow from the donor to the University. It is presumed that the circumstances under which the University would choose not to accept a particular gift, or a gift from a particular source, would be very unusual. The University does not have the capacity to scrutinize or make judgments about the means by which gift property was acquired by a donor. But acceptance of a gift does not imply endorsement or approval by the University of the views, occupations, or activities of a donor.

F. North Carolina A&T State University understands and respects the preference of donors who wish to remain anonymous. However for University record purposes, the identity of all donors should be made known to the Chancellor or other such officers as he determines has the need to know. Unless a donor requests anonymity, however, the University regards all gifts as a matter of public record and reserves the right to disclose the name of a donor at its lawful discretion.

G. No gift will be accepted which infringes on the University's control over its established policies and procedures for admissions, appointments and promotions, the conduct of teaching and research, the employment of faculty and staff, the construction of facilities, or any of its other activities.

H No gift will be accepted that would require the University to contravene its established policies forbidding discrimination on such grounds as race, sex, color, religion, creed, age, national origin or ancestry, marital, handicap, or veteran status.

I. No gift will be accepted if the potential donor requires that its purposes cannot be disclosed publicly.

J. Administrative Memorandum Number 93, dated October 28, 1977 states "Any gift, devise, or bequest of real or personal property to the University is presumed, nothing to the contrary appearing, a gift, devise, or bequest to the Endowment Fund of the University." (This memorandum is pursuant to NC General Statute 116-36 Section 1(j) as amended.)

1. State regulations requires that property shall not be deemed a part of the corpus of the endowment until it has been presented by the Chancellor of the University through written description of the property to the Board of Trustees of the Endowment Fund of the University and has been acknowledged in writing as received by the Board of Trustees of the Endowment Fund.

2. The regulations further requires that property which is expressly or presumptively made available to the University for its Endowment Fund shall be presented by the Chancellor to the Trustees of the Endowment Funds as provided above unless the Chancellor finds that the property:

- a. Though presumptively made available to the University for its Endowment Fund, was in fact made available to the University for some other purpose.
- b. Has been made available to the University under conditions that make its acceptance or use illegal.
- c. Is unsuitable for use as property of the Endowment Fund.

Property that has been made available to the University for "some other purpose," must follow the same review procedures as property that is made available for the Endowment Fund.

### **100.7 Gift Administration**

SECTION: Development

SUBJECT: Gift Administration

Date Issued: 9/17/99

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The Division of Development and University Relations maintains the official records of all gifts and pledges to the University. All gifts to the University must be processed through this Office. The Division of Development and University Relations is responsible for the issuance of the Official University receipt to donors, distribution of reports of gifts and pledges, and entry of gift records on the database. The Division of Business and Finance maintains the official financial records of all gifts to the University. The University Accounting Office in the Division of Business and Finance is responsible the development and distribution of the fiscal reports.

#### **I. Policies**

A. In pursuant to General Statues 116-36 "Any gift, devise, or bequest of real or personal property to the University is presumed, nothing to the contrary appearing, a gift, devise, or bequest to the endowment fund of the University."

B. In pursuant to General Statues 116-36 "property cannot be deemed a part of the corpus of the endowment fund until it has been presented by the Chancellor of the University to the Board of Trustees of the Endowment Fund of the University and has been acknowledged in writing as received by the Board of Trustees of the Endowment Fund."

C. To qualify as a charitable contribution for which the Division of Development and University Relations will issue a University gift receipt, a transfer of funds or property to the University must be "to or for the use of" the University in conducting its educational, research and service missions directly and through its various entities under the authority of the Board of Trustees. Although payable to the University, transfers that are directed to, or for the use of benefit of particular, named individuals are considered by the Internal Revenue Service as private welfare, not qualifying for the charitable contribution deduction.

Consequently, for transfers of the type illustrated below, the University will not issue a gift receipt:

1. financial aid to a specified student;
2. compensation for a named faculty or staff person;
3. funds directed for the purchase of equipment, or furnishings for offices or laboratories of specified individuals; or for their travel or sponsored activities;
4. transfers to an account over which the donor has expenditure control.

#### **D. Fundraising**

Any unit planning a direct mail or phone solicitation of alumni and donors should coordinate that activity through the Division of Development and University Relations, 1601 E. Market St. Greensboro, NC 27411. Solicitation/processing forms are to follow a standard format and comply with that office's criteria.

#### **E. Bequests**

Bequests are unrestricted or restricted gifts. University personnel who receive notification of a bequest or a distribution from an estate should contact the Division of Development and University Relations, 1601 E. Market St. Greensboro, NC 27411.

#### L. New Gift Accounts

All new gift accounts in the Institutional Trust Fund must be requested through the Gift Accountant in the University Accounting Office.

#### M. Legal Procedures and Official Filings

The Vice Chancellor for Business and Finance in coordination with University legal counsel will be responsible for the preparation, review and approval of documents of transfer for personal property as well as deeds of transfer for real property and any filing or recording of instruments as required.

#### II. Procedures

The Division of Development and University Relations will update donor's records to reflect gifts to the University. Alumni Association and Foundation gifts will be managed by those entities. The Division of Development and University Relations will coordinate the acknowledgement of gifts (Gift Administration Illustration A) on behalf of the University:

1. Donors of gifts less than \$250 will receive an acknowledgement generated by ADS.
2. Donors of gifts between \$250 and \$5,000 acknowledged by the Vice Chancellor for Development and University Relations.
3. Donors of gifts more than \$5,000 acknowledged by the Chancellor.

The Division of Development and University Relations has the responsibility of determining the donor's wishes.

The Gift Accountant in the University Accounting Office, under the auspice of the Division of Business and Finance, is responsible for all financial management relative to all gifts and miscellaneous accounts, inclusive of endowment accounting.

#### A. Gifts of Checks or Cash

The Division of Development and University Relations will deposit gifts of checks or cash within 24-hours of receipt with the Treasurer's Office to the appropriate gift account of the recipient department, the Alumni Association or Foundation. If the appropriate department can not be determined or if the donor's intent is not clear, the Division of Development and University Relations will deposit the gift within 24-hours of receipt with the Treasurer's Office to a clearing account. The Division of Development and University Relations will forward a copy of the deposit receipt, transmittal and all documentation to the Gift Accountant immediately.

1. For checks or cash received for which the receiving department is not readily determinable, the Division of Development and University Relations will deposit those gifts to a clearing account until such time as the designated department/recipient is determined. The Division of Development and University Relations will enter/complete this information in the donor database (ADS system) and forwarding this information to the Gift Account so that the clearing account may be adjusted.

2. If checks are made payable to the University and the intent is not clear as concerning either the Foundation or Alumni Association entities, the Development Office must have the solicitor complete the Solicitor Gift Certification Form (Gift Administration Illustration B & B1). Based upon the Solicitor's Certification, the Advancement Services Office will make the final determination as to the correct recipient. The Advancement Services Office will forward this information to the Gift Account so that the clearing account may be adjusted. The Gift Accountant is responsible for clearing the liability to the entities.

The Division of Development and University Relations will send a copy of all gift deposit receipts and transmittals to the Gift Accountant.

#### B. Intangible Goods and Marketable Securities

Gifts of intangible goods and marketable securities to the University go to the Vice Chancellor for Business and Finance. They are to be handled in either of two ways:

- a. Received and sold immediately at quoted market price.
- b. The intangible goods or securities are held.

The documents and/or securities will be kept in a secured location until such time as they are to be sold by the University.

The Vice Chancellor for Business and Finance will prepare a transmittal for the Gift Accountant to record the gift into FRS and into the donor database. The transmittal will state as record value the quoted market value, the published exchange quote or the over-the-counter market quote as may be the case.

#### C. Gifts of Tangible Goods and Personal Property (Gifts-In-Kind)

Notification of Gift Form (DUR Form - 91001, copy attached) must be completed for any non-cash gift. It is to be sent to the Vice Chancellor for Business and Finance with one part to be sent to the Division of Development and University Relations. Any related correspondence must be attached.

All gifts in kind to the University must be channeled through Division of Development and University Relations, which is responsible for reporting gifts to the University.

All real or personal property that is donated to the University must be included in the University's Fixed Asset System Inventory. It is the responsibility of each University college, school or department to notify the Vice Chancellor for Development and University Relations and the Vice Chancellor for Business and Finance prior to the acceptance of gifts to be donated to the University.

Gifts to the University are not the personal property of an individual, but are the property of the University; therefore they must be coordinated through the Division of Development. This Office will coordinate the acceptance and receipt of the gifts with other University Offices so applicable State and Federal Regulations may be observed. This Office will also be responsible for notifying the Vice Chancellor for Business and Finance, and the University Property Management Office of the receipt of gifts of property so that they may properly be recorded in the University's Fixed Asset System.

Gifts-in-kind such as equipment, books, art works, etc. are to be reported to the Vice Chancellor for Development and University Relations and the Vice Chancellor for Business and Finance. An estimate of the value is required, but is NOT disclosed to the donor. The receipt issued by the University will not state a dollar value. The Vice Chancellor for Business and Finance will be responsible for the preparation of any Donee Information Returns (IRS Form 8282 and Form 8283) required to be filed and signed by the University.

The Vice Chancellor for Business and Finance will execute a complete review of all gifts of tangible personal property. These reviews will include a profile or fact sheet containing the following information:

##### Tangible Personal Property

- a. A description of the property.
- b. A current appraisal, or a copy of the IRS Form 8283, Non-cash Charitable Contributions, including appropriate appraisal information from the donor.
- c. Donor's intentions for the use of the gift.

d. The identification of the appropriate department, school or college within the University that will accept and use the proposed gift.

#### D. Gifts of Buildings and Real Property

Gifts to the University of buildings or other real property are accepted only with the expressed permission of the Council of State under direction of Administrative Memorandum #298 "Procedures for Real Property Transactions," upon the recommendation of the Chancellor and the Executive Officers. Other University officials cannot accept real property on behalf of the University.

Gifts to the Endowment of buildings or other real property are accepted by the Board of Trustees of the Endowment upon recommendation of the Chancellor.

The Vice Chancellor for Business and Finance will be responsible for the preparation of any Donee Information Returns (IRS Form 8282 and Form 8283) required to be filed and signed by the University.

The Vice Chancellor for Business and Finance will execute a complete review of all gifts of real property. These reviews will include a profile or fact sheet containing the following information:

#### Buildings and Real Property

- a. Address and location of the property.
- b. Approximate value of the property and the donor's cost basis.
- c. Name and address of mortgage, if any.
- d. Anticipated carrying cost (insurance, taxes, maintenance, etc.).
- e. Obtain a disclosure statement from the donor regarding environmental concerns.
- f. A current and independent appraisal of the property. The University will commission a current and independent appraisal at the time of sale, if any.
- g. Any special restrictions on the property, such as zoning requirements, which might hamper a sale or its use.
- h. Clarification of ownership status.
- i. A depreciation schedule, if applicable.
- j. Any conditions or restrictions the donor wishes to place on the gift proposal.

#### E. Pledges

Pledges should be reported to the Division of Development and University Relations for entry into the University Donor Database (ADS). The pledge information must also include the pledge start date; whether payments are made annually, semi-annually, quarterly or monthly; and the dollar amount of each payment.

#### F. Establishing A New Gift Account

The following information must be provided to the Gift Accountant, Dowdy Building Suite 213 to establish a new gift account:

1. Proposed name of the account
2. Project manager
3. Statement of recipient
4. Description of how funds will be used
5. Names of all authorized signers

A New Account Form may be obtained from the University Accounting Office. Copies of all related

correspondence must accompany the request. Summary: Operational Guidelines for Gifts

The Operational Guidelines for Gifts have been developed with the framework that the University Foundation and Alumni Association will maintain their individual bank accounts, financial records except as identified below, and independent identity status. Even though there are individual responsibilities, the Division of Development and University Relations has primary responsibility of coordinating all major gift solicitations and of maintaining all donor information.

### **Guidelines**

1. The Division of Development and University Relations, the Foundation, the Alumni Association, and the University Accounting Office will use the computerized database system (Alumni Development System-ADS) as the official database, to facilitate the gift solicitation and donor information processes (Operational Guideline Illustration A).

2. The Division of Development and University Relations must receive all University gifts and may receive gifts that may be designated for the Foundation and Alumni Affairs.

3. The Division of Development and University Relations, Foundation, and the Alumni Association will record gifts received into the ADS on a daily basis. Gifts received in the Division of Development will be identified and recorded as one of these categories:

- (a) University gifts
- (b) Foundation gifts
- (c) Alumni gifts on deposit with the University (Matching Gifts)
- (d) Alumni gifts

4. The Division of Development and University Relations will deposit gifts of checks or cash within 24-hours of receipt with the Treasurer's Office to the appropriate gift account of the recipient department, the Alumni Association or Foundation. If the appropriate department can not be determined or if the donor's intent is not clear, the Division of Development and University Relations will deposit the gift within 24-hours of receipt with the Treasurer's Office to a clearing account. The Division of Development and University Relations will forward a copy of the deposit receipt, transmittal and all documentation to the Gift Accountant immediately.

a. For checks or cash received for which the receiving department is not readily determinable, the Division of Development and University Relations will deposit those gifts to a clearing account until such time as the designated department/recipient is determined. The Division of Development and University Relations will enter/complete this information in the donor database (ADS system) and forwarding this information to the Gift Account so that the clearing account may be adjusted.

b. If checks are made payable to the University and the intent is not clear as concerning either the Foundation or Alumni Association entities, the Development Office must have the solicitor complete the Solicitor Gift Certification Form (Gift Administration Illustration B & B1). Based upon the Solicitor's Certification, the Advancement Services Office will make the final determination as to the correct recipient. The Advancement Services Office will forward this information to the Gift Account so that the clearing account may be adjusted. The Gift Accountant is responsible for clearing the liability to the entities.

The Division of Development and University Relations will send a copy of all gift deposit receipts and transmittals to the Gift Accountant.

5. The Division of Development and University Relations has the responsibility for preparing all acknowledgements on behalf of the University:



- a) Gifts valued less than \$250 will be acknowledged by system generated correspondence.
- b) Gifts valued between \$250 and \$5000 will be acknowledged by the Vice Chancellor for Development and University Relations.
- c) The Chancellor will acknowledge gifts valued \$5000 or more.