

GIFT ACCEPTANCE POLICY

PURPOSE

This policy serves as a guideline to the Valdosta State University Foundation, Inc. staff involved with accepting gifts, to outside advisors who assist in the gift planning process, and to prospective donors who wish to make gifts to the Foundation. This policy is intended as a guide and allows for some flexibility on a case-by-case basis.

Gifts accepted by the Valdosta State University Foundation, Inc. are to benefit the University in furthering its mission of excellence in higher education. It is not appropriate for the VSU Foundation to collect gifts for other non-profit organizations or act as a pass-through for other groups not directly involved with the University's stated purpose.

Cash

1. All gifts by check will be accepted by the VSU Foundation, Inc. regardless of amount.
2. Checks should be made payable to the VSU Foundation, Inc. or to a particular program or project at Valdosta State University. In no event should a check be made payable to an individual who represents Valdosta State University or Valdosta State University Foundation.

Pledges

Pledges may be payable in single or multiple installments. Multi-year pledges should not exceed 5 years and should be at least \$10,000. Donors should complete a pledge form or confirm the pledge in writing. The faculty/staff annual fund campaign donations through payroll deduction are not subject to this requirement.

Publicly Traded Securities

1. Readily marketable securities, such as those traded on a stock exchange, can be accepted by the VSU Foundation, Inc. as gifts.
2. Gifts of securities are usually sold immediately by the VSU Foundation, Inc.
3. For the purpose of VSU Foundation's gift crediting and accounting purposes, the value of the security is the average of the high and low on the date of the gift.

Closely Held Securities

1. Non-publicly traded securities may be accepted after consultation with the Development and Finance Committees of the Foundation board of trustees and legal counsel.

2. Prior to acceptance, the Foundation will explore methods of liquidation for the securities through redemption or sale. A representative of the Foundation will contact the closely held corporation to determine:

- And estimate of fair market value
- Any restrictions on transfer of the securities

3. No commitment for repurchase of closely held securities will be made prior to the completion of the gift or securities.

Real Estate

1. Gifts of real estate must be reviewed by the Real Estate Committee of the Foundation's board of trustees before acceptance.

2. The donor is responsible obtaining an appraisal of the property. The cost of the appraisal is usually borne by the donor.

3. Prior to presentation to the Real Estate Committee, a member of the staff must conduct a visual inspection of the property. If the property is located in a geographically remote area, a local real estate broker can conduct the visual inspection for the Foundation staff.

4. Due to the expenses associated with gifts of real estate, only gifts with a value of \$10,000 or more will be accepted.

5. Prior to presentation to the Real Estate Committee, the donor should provide the following documents:

- Copy of the real estate deed
- Real estate tax bill
- Plat/site plan
- Substantiation of the zoning status
- Statement of condition of improvements
- Environmental hazards or conditions statement

6. Depending on the value and desirability of the gift, the donor's connection with VSU, and the donor's past gift record the donor may be asked to pay for all or a portion of the following:

- Maintenance costs

- Real estate taxes
- Insurance
- Real estate broker's commission and other costs of sale
- Appraisal costs

7. For the VSU Foundation, Inc.'s gift crediting and accounting purposes, the value of the gift is the appraised value of the real estate. This must be done by a certified appraiser who adheres to the Standards of Professional Practice of the Appraisal Institute. (Note: The Foundation can choose to exclude from the value of the gift, costs for maintenance, insurance, real estate taxes, broker's commission, and other expenses of the sale.)

8. Bargain sales of debt encumbered real estate will require two separate and timely appraisals of the property as well as a written agreement between the donor and the Foundation. This agreement should include full disclosure of the loan amount and the estimated equity in the subject property. Debt to value ratio should be no greater than 50%. Full disclosure of the condition of the property is also required. This includes environmental and structural problems with the structures or land.

Life Insurance

1. The VSU Foundation will accept cash value life insurance policies as gifts. However, in order for these gifts to be tax deductible for the donor, the Foundation must be named the beneficiary and owner of the policy. In these cases, the VSU Foundation should be the beneficiary of 100% of the proceeds from the policy.

2. If the policy is paid-up, the value of the gift for the Foundation's gift crediting and accounting purposes is the policy's replacement cost.

3. If the policy is partially paid-up, the value of the gift for the Foundation's gift crediting and accounting purposes is the policy's cash surrender value. (Note: For IRS purposes, the donor's charitable income tax deduction is equal to the interpolated terminal reserve, which is an amount slightly in excess of the cash surrender value.)

Tangible Property

1. Gifts of tangible personal property to the VSU Foundation, Inc. should have a use related to the Foundation's exempt purpose and be of benefit to Valdosta State University and its stated mission.

2. Gifts of jewelry, artwork, collections, equipment, and software will be accepted upon approval by the Development Committee.

3. Gifts of tangible personal property defined above will be used by or sold for the benefit of the Foundation and/or the University.

4. No property which requires special display facilities or security measures will be accepted by the Foundation without consultation with the Development Committee and the University administration.

5. Depending on the anticipated value of a gift, the Foundation may have a qualified appraiser value it before accepting it.

6. The VSU Foundation, Inc. adheres to all Internal Revenue Service requirements related to disposing of gifts of tangible personal property and filing appropriate forms.

Planned Gifts

In addition to Life Insurance, the VSU Foundation offers the following planned gift options:

1. Charitable gift annuities
2. Pooled income funds
3. Charitable remainder trusts
4. Bequests
5. Charitable lead trusts
6. Retained life estates
7. Gifts of retirement plans

Charitable Gift Annuities

- The minimum gift accepted to establish a charitable gift annuity is \$10,000.
- There can be no more than two(2) beneficiaries of the annuity.
- No income beneficiary of a charitable gift annuity should be less than 50 years old.
- Administrative fees are paid from income earned on the gift annuity.
- The VSU Foundation follows the American Council on Gift Annuities suggested rates.

Pooled Income Funds

- The minimum initial gift accepted in the pooled income fund is \$5,000. Additional gifts may be made in amounts of \$1,000 or more.
- The pooled income fund is available for individual donors.
- No income beneficiary in the fund should be less than 45 years old.
- Administrative fees are paid from the income earned on the fund.

Charitable Remainder Trusts

- Due to the cost of drafting and administration, the minimum gift amount to establish a charitable remainder trust is \$100,000.

- The payout rate of a charitable remainder trust will be determined in consultation with the donor. By law the payout rate cannot be lower than 5%. This rate is negotiable and will be based on the number of beneficiaries, their ages, and the amount of the assets in the trust.
- Investment of a charitable remainder trust will be determined by the fiduciary hired to manage the trust. No representations will be made by any employee or other person acting on behalf of the VSU Foundation as to the management or investment of the trust assets.
- Management fees for the administration of a charitable remainder trust when the Foundation is named as trustee or co-trustee will be paid from the income of the trust.

Bequests

- Assets transferred through bequests that have immediate value to the VSU Foundation or the University, or can be liquidated will be encouraged by the development staff. Gifts that appear to require more cost than benefit will be discouraged or rejected.
- Donors who have indicated that they have made a bequest to the VSU Foundation may, depending on the individual situation, be asked to disclose in writing or by copy of the paragraph in the will relevant to the Foundation or University as evidence of their gift. This information is used for internal purposes and is not binding on the donor.

Retained Life Estates

- Gifts of real property with retained life estates are acceptable gifts. The donor will be responsible for expenses related to the property during the life estate.

Endowed Funds

To establish named endowment funds with the VSU Foundation for the benefit of the University, the following minimum levels as recommended by the Board of Regents of the University System of Georgia must be achieved within five years:

- Distinguished University Chair \$2,000,000
- Distinguished Chair \$1,000,000
- Chair \$500,000
- Distinguished Professorship \$400,000
- Professorship \$200,000
- Distinguished Scholar \$100,000
- Fellowship \$50,000
- Lecture or seminar series \$50,000

- Endowed scholarship \$25,000
- Endowed fund \$25,000

To fund an endowment:

- For an outright gift, the fair market value of the asset given must meet the minimum endowed level.
- For a planned gift, the fair market value of the gift at the time it is realized by the Foundation must meet the minimum endowed level.
- Endowment donors will receive an annual report detailing the investment performance and use of the fund proceeds.

Commemorative Gifts

- Named facilities – a building, room, space or an area on campus can be named to recognize a substantial gift. This will be done only with the approval of the President of the University and consistent with the policies of the Board of Regents of the University System of Georgia.
- Named programs – a college, school, department, center or institute can be named to recognize a substantial gift only with the approval of the University President and consistent with the policies of the Board of Regents of the University System of Georgia.

ADMINISTRATIVE ISSUES

- The Valdosta State University Foundation, Inc. will not act as executor or personal representative for a donor's estate.
- The VSU Foundation may act as co-trustee of a charitable trust when the Foundation is beneficiary of 50% or more of the trust assets.
- The VSU Foundation will pay for drafting of legal documents for a charitable trust when the Foundation is named as beneficiary of 50% or more of the trust. The donor's counsel must review the documents at the donor's cost.

Adopted by the Board of Trustees on March 23, 2001 - Revised April 25, 2003