

University of Northern Colorado Foundation  
Gift Acceptance Policy

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TABLE OF CONTENTS

I. INTRODUCTION..... 3

II. ACCEPTANCE AND ACKNOWLEDGEMENT OF GIFTS..... 3

    A. Gifts of Cash and Securities..... 4

    B. Gifts of Real Property..... 4

    C. Gifts of Tangible Personal Property..... 5

    D. Gifts that are Planned or Deferred..... 5

        1. Charitable Bequests..... 5

        2. Beneficiary of Life Insurance Policies..... 5

        3. Charitable Remainder Trusts..... 6

        4. Charitable Gift Annuities..... 6

        5. Retained Life Estates..... 6

        6. Charitable Lead Trust..... 7

    E. Gifts with Naming Provisions..... 7

## **I. INTRODUCTION**

This document is designed to outline the gift acceptance policies of the University of Northern Colorado Foundation (Foundation).

The Foundation was founded to accept and manage gifts for the benefit of the University of Northern Colorado (University). In all gift arrangements, the interests and wishes of the donor will take priority.

Information learned by the Foundation about a donor, the donor's assets or philanthropic intentions will be held in strict confidence. All such information will be kept confidential unless permission to release has been obtained from the donor or his/her counsel.

The Foundation will involve itself only in recognized legal and approved forms of planned gifts which are authorized by the Internal Revenue Code. Each prospective donor is urged to seek the advice of independent tax and legal counsel in the gift planning process. It is neither the province of the Foundation nor of its staff to give legal, accounting, tax or other advice which is reserved to the donor's counsel. This policy does not preclude the Foundation staff from providing information to a prospective donor with the appropriate disclosure that the Foundation is not engaged in rendering legal, accounting or other professional service.

The Foundation reserves the right to refuse gifts from sources inconsistent with the Foundation and University's purpose and mission. The Foundation also reserves the right to refuse gifts with restrictions that cannot be fulfilled by the Foundation or the University.

The Foundation endorses and subscribes to the Code of Ethical Principles and Standards of Professional Practice of the Association for Fundraising Professionals, the Model Standards of Practice for the Charitable Gift Planner and the CASE Donor Bill of Rights..

## **II. ACCEPTANCE AND ACKNOWLEDGEMENT OF GIFTS**

It is recognized that certain gifts, including but not limited to those involving unusual funding arrangements, are not routinely received and should be reviewed by a Gift Acceptance Committee. The Gift Acceptance Committee (GAC) is comprised of the Foundation's senior officer (Chief Executive Officer, President, or Executive Director), the Foundation's senior accountant (Chief Financial Officer, Controller, or Director of Accounting), and the University's Vice President for Development and Alumni Relations. The Chief Financial Officer and the Provost (or their designee) of the University will be ad hoc members. For donations of non-publicly traded securities, up to two Foundation Investment Committee members will be ad hoc members. The Foundation's investment consultant and other advisors may also be consulted regarding acceptance and liquidation of non-publicly traded securities. In some cases, a proposed gift may require that the GAC review the gift before it is accepted. The GAC will also be required to review the Gift Acceptance Policy periodically, and if necessary, recommend changes to the Foundation Board of Directors for approval.

## **A. Gifts of Cash and Securities:**

### Cash

Gifts in the form of cash, checks, and credit card shall be accepted regardless of amount. The donor receipt will reflect gift credit for the cash contribution.

### Publicly Traded Securities

Securities which are traded on the New York, NASDAQ, or American Stock Exchanges, or other readily marketable securities, shall be accepted. It is the policy of the Foundation to sell these securities as soon as reasonably possible so that the net sale proceeds can be applied to the purpose designated by the donor. The donor receipt will reflect the high and low prices on the applicable public exchange of the donated securities on the date received.

### Non-Publicly Traded Securities

The Foundation reserves the right to examine and evaluate securities that are not publicly traded prior to acceptance as a gift. The decision to accept a gift of non-publicly traded securities will be made by the Gift Acceptance Committee. No commitments shall be made for disposition of such securities prior to the acceptance and completion of the gift. It is generally the intention of the Foundation to sell securities as soon as reasonably possible so that the net sale proceeds can be applied to the purpose designated by the donor. The donor receipt will reflect the number and legal description of the securities received. The donor will be responsible to obtain a qualified appraisal for the purpose of the donor's tax reporting requirements.

## **B. Gifts of Real Property:**

Real Property includes improved or unimproved land, personal residences, farm land, commercial property, rental property, and mineral interests. No gift of real property shall be accepted without prior written approval of the GAC.

Prior to acceptance, all real property must be both appraised and inspected by an independent party acceptable to the Foundation who shall have no business or other relationship with the donor or Foundation. If appropriate to the property, a Level I Environmental Site Assessment would be performed by a qualified geologist, engineer, or site assessment firm. A follow-up Level II Site Assessment may be required dependent on the initial study. The Foundation will not accept real estate encumbered by a mortgage, unless special circumstances exist and the GAC has so authorized in writing.

It is generally the intention of the Foundation to sell gifts of real property as soon as reasonably possible so that net sale proceeds can be applied to the purpose designated by the donor. Gifts of real estate may be considered for retention if the expected return as an investment exceeds what the net sales proceeds might produce if invested as a part of the Foundation's endowment or if there is a direct use of the property by the Foundation or the University.

The donor receipt will reflect the legal description of the gift of property received. It is the donor's responsibility to obtain a qualified appraisal for the purpose of the donor's tax reporting requirements.

### **C. Gifts of Tangible Personal Property:**

Tangible personal property (e.g., art, antiques, books, and equipment) should be accepted for use by the University of Northern Colorado by the appropriate museum, library, school, or department, prior to the gift being accepted by the Foundation. The donor receipt will reflect the description of the tangible personal property. It is the donor's responsibility to obtain a qualified appraisal for the purpose of the donor's tax reporting requirements.

### **D. Gifts that are Planned or Deferred:**

All planned or deferred gifts are subject to review and acceptance by the GAC. Each donor is urged to seek the advice of independent tax and legal counsel in the gift planning process.

A donor may choose to restrict a planned gift to create an endowment fund. Currently, an endowment must have a minimum contribution of \$25,000. The Foundation periodically evaluates the minimum endowment level. The minimum endowment level at the time a planned gift is received will determine if an endowment is to be created. The endowment will be governed and administered according to the policies and guidelines of the Foundation. If the gift does not meet the minimum endowment level at the time it is received, the gift will be used as an expendable fund for the purpose that most closely matches the donor's intent.

The Foundation may accept the following forms of planned or deferred gifts:

- Charitable Bequests
- Beneficiary of Life Insurance Policies
- Charitable Remainder Trusts (Annuity and Unitrust)
- Charitable Gift Annuities
- Retained Life Estates
- Charitable Lead Trusts

#### 1. Charitable Bequests

Donors can make charitable bequests to the Foundation in the form of wills and living trusts. A bequest of cash or publically traded securities, and/or designation as a beneficiary in a donor's 401K or comparable retirement account is preferred. A bequest of non-publicly traded securities, real estate or tangible personal property must be approved by the GAC and should be discussed with the Foundation before any legal documents are executed. The Foundation reserves the right to disclaim any bequest prior to its distribution. The donor's estate receipt will reflect the value of the bequest distribution when it is received.

#### 2. Beneficiary of Life Insurance Policies

A donor may name the Foundation as the beneficiary of a life insurance policy. If the donor names the Foundation as both owner and irrevocable beneficiary of a life insurance policy, the donor's charitable gift will be recognized at the time of transfer and the gift value will be the interpolated terminal reserve value of the policy (which is roughly

equivalent to the policy's cash surrender value). It is the intention of the Foundation to hold the life insurance policy provided that the donor continues to make premium payments on the policy. The donor receipt will reflect a charitable contribution according to Internal Revenue Service regulations and interpretations. The following guidelines apply:

- The Foundation may accept the ownership of a new life insurance policy with a minimum face value of \$100,000. The donor must be at least age 55.
- The Foundation may accept the ownership of an existing life insurance policy with a minimum cash value of \$25,000. The donor must be at least age 55.

### 3. Charitable Remainder Trusts

A charitable remainder trust allows a donor to give property or cash that will be used by a third party (the trustee) to earn an income that is paid to income beneficiaries (usually the donor or donors) for life or a term of one to twenty years. At the end of the income payment period, the trust principal is distributed to the charitable remainder man such as the Foundation. Trust agreements must be prepared to comply with the existing law and current Internal Revenue Service regulations and interpretations. Prospective donors are encouraged to seek independent tax and legal counsel for development of their trust documents. The donor receipt will reflect a charitable contribution according to Internal Revenue Service regulations and interpretations.

### 4. Charitable Gift Annuities

A gift annuity is a contract between the Foundation and the donor which provides for a gift from the donor and annuity payments to the donor. The annual payment to the donor is based on the donor's age on the date of the gift and the fair market value of the gift. The Foundation offers the gift annuity rates recommended by the American Council on Gift Annuities or at a lower rate if requested by the donor. The Foundation will accept current annuities, which begin payments within one year of the gift date, as well as deferred payment gift annuities, whose initial payment is at least a year after the gift date. The deferral period will be at the discretion of the donor. The Foundation will accept annuity gifts for one life, two lives in succession, or joint and survivor annuity agreements.

Gift assets will be limited to cash and securities for which a ready market exists. Non-publicly traded stock will not be accepted. The minimum acceptable gift will be valued at \$25,000. The minimum actuarial age of an annuitant on the date the payments start is 55.

The donor receipt will reflect a charitable contribution according to Internal Revenue Service regulations and interpretations.

### 5. Retained Life Estates

A donor can make an irrevocable gift of a farm or personal residence to the Foundation and continue to live on the property by retaining a life estate. In this way, they can claim a current income tax deduction for the value of a future gift. This type of gift must be evaluated in the same manner as an outright gift of real property. A retained life estate gift should be accepted only with the full understanding that the donor will maintain the

property and pay all expenses, including insurance and property taxes. The donor receipt will reflect a charitable contribution according to Internal Revenue Service regulations and interpretations.

#### 6. Charitable Lead Trust

With a lead trust, the charity receives the income for a term of years and the donor (or the donor's designated beneficiary or beneficiaries) receives the remainder. The Foundation will not act as the trustee of a lead trust. The two types of lead trusts are grantor (property returns to the donor) and non-grantor (property passes to the donor's beneficiaries). The two lead trust income options are annuity (fixed dollar distribution determined when the trust is funded) or unitrust (fixed percentage distribution but the trust is revalued every year). The donor receipt will reflect a charitable contribution according to Internal Revenue Service regulations and interpretations.

Prospective donors are advised and encouraged to seek independent tax and legal counsel concerning the income and gift or estate tax consequences concerning charitable lead trusts.

### **E. Gifts with Naming Provisions:**

A gift may be made to the Foundation with a provision that provides for an academic or administrative unit, facility, or fund to be named. All such naming provisions will be in accordance with the University's policies and guidelines, if any. It is assumed the naming will be retained for its useful life unless circumstances change substantially so that the continued use of the name may compromise the public trust. In such instance, in order to meet the best interests of the University, the University Board of Trustees may authorize the University to discontinue use of the name and accordingly, instruct the Foundation Board of Directors to take similar action to change the name. Reasons for such action may include:

1. In the event of any default in payment of the gift provided as part of the naming rights;
2. In the unlikely event the Board determines in a reasonable and good faith opinion that circumstances have changed such that the name chosen by the Donor would adversely impact the reputation, image, mission or integrity of the University, the University Board of Trustees, or public higher education;
3. In the event that a major renovation, addition, or reconstruction is required which substantially changes the size, configuration, structure, or the use of the facility (not including regular or deferred maintenance, upgrades, furniture, or technology) with support from another donor and it is appropriate to alter the name. In such case, efforts will be made to honor the legacy and contribution of the original donor.