

## GIFT ACCEPTANCE POLICY

**PURPOSE:** To provide clear and acceptable guidelines for the acceptance of gifts by the California State University, Northridge Foundation intended to further the mission, purposes, and priorities of California State University, Northridge.

### **Gift Acceptance**

The California State University, Northridge Foundation accepts a variety of gifts that are offered to the Foundation by a living or deceased individual and authorized representatives from corporations and other entities, including public and private foundations.

The Foundation must be reasonably satisfied the Donor has the legal authority to make the gift; that appropriate instruments of conveyance of title have been delivered and properly executed; and the source of the funds does not violate public or institutional policy.

No gift may be received that is subject to any conditions or pre-arrangements unless full disclosure has been made in accordance with procedures set forth in this Policy. All such gifts shall be subject to the specific requirements that pertain to the type of asset that is the subject of the gift.

### **DELEGATION OF AUTHORITY TO ACCEPT GIFTS:**

Executive Order No.: 676

Title: Delegation of Gift Evaluation and Acceptance to Campuses

Effective Date: February 1, 1998

Supersedes: No Prior Executive Order

This Executive Order is issued pursuant to authority granted by Education Code Sections 89035 and 89720, and the Standing Orders of the Board of Trustees, Chapter III, Sections 2 and 4-b and e.

To facilitate and encourage fund raising activities and to give campuses more autonomy in fund raising efforts, the following delegations are approved effective immediately:

- Authority is delegated to campus presidents to evaluate and accept gifts, bequests, and donations of personal property to campuses. Campus presidents may further delegate this authority in whole or in part to campus officers and employees. Henceforth, campuses will evaluate potential campus gifts, bequests, and donations and accept and receipt campus gifts, bequests, and donations in accordance with the requirements of the California Education Code (see below).
- Authority is delegated to campus presidents to accept gifts of interests in real property to campuses on behalf of the Board of Trustees when acceptance has

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been authorized by a resolution of the Board of Trustees or is part of an approved campus master plan (Standing Orders, Chapter III, Section 7-b). Campus presidents may further delegate this authority to campus officers and employees.

In acting pursuant to this delegation, due diligence must be performed to ensure that all gifts accepted by the campus will aid in carrying out the primary functions of the campus and the California State University as specified in Education Code Sections 89720 and 66010.4(b), copies of which are attached to this Executive Order. Further, all gifts, bequests, devises, and donations which are accepted must be used in accordance with restrictions specified by the Donor. In the performance of these activities, campuses shall adhere to the spirit as well as the letter of all applicable laws and regulations. All advancement programs and activities shall adhere to the Code of Ethics and Standards of Practice set forth by the Council for Advancement and Support of Education (CASE), the National Association of College and University Business Officers (NACUBO), and the National Society of Fund Raising Executives (NSFRE).

In reporting fund raising results (required by Education Code Section 89720), campuses shall use accurate and consistent accounting methods that conform to the appropriate guidelines set forth by the Council for Aid to Education (CAE). Campuses shall submit the CAE report to the Division of University Advancement, Office of the Chancellor, for presentation to the Board of Trustees at its January meeting. This report shall also be sent by the Division of University Advancement to the California Postsecondary Education Commission, the Joint Legislative Budget Committee, and the California Department of Finance.

### **GIFT ACCEPTANCE AUTHORITY**

The University President has delegated to the Vice President for University Advancement, who concurrently serves as the Foundation President, who has subsequently delegated authority to the Assistant Vice President for Resource Management, who serves concurrently as the Foundation Chief Financial Officer, the following authority to execute, either electronically or manually, transactions and documents associated with the following gift acceptance activity:

- Evaluation and acceptance of gifts, bequests, and donations of personal property
- Evaluation and acceptance of gifts, bequests, and donations of interests in real property on behalf of the Board of Trustees when acceptance has been authorized by a resolution of the Board of Trustees or is part of an approved campus master plan (Standing Orders, Chapter III, Section 7-b)
- Evaluation, acceptance, and designation of who may use gifts providing a personal benefit to an official of the university as required by California Fair Political Practices Commission regulation of Gifts to Agency
- Evaluation and approval of matching gift certifications
- Contemporaneous acknowledgement of gifts for IRS purposes

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The Foundation recognizes that certain gifts should not be routinely processed, but should be reviewed by the Gift Acceptance Committee, which receives its authority from the CSUN Foundation Board of Directors. All final decisions regarding the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Committee. The Committee shall consist of:

- Foundation President
- Foundation Chief Financial Officer
- California State University, Northridge, Vice President for Administration and Finance/CFO
- Chair of the Foundation's Development Committee or designee
- Chair of the Foundation's Finance and Investment Committee or designee

### **GUIDELINES**

The Foundation will accept unrestricted and restricted gifts that are consistent with the University's stated mission, purposes, and priorities. The Foundation reserves the right to decline gifts that are not in the furtherance of its purposes, mission, or priorities; gifts that are likely to generate little or no financial gain; gifts that might inhibit future gifts; and/or gifts that cause the Foundation or University to violate legal or ethical principles.

CSUN Foundation carefully stewards donors and gifts, abiding by the industry-standard Donor Bill of Rights, adopted in November 1993, created by the Association of Fundraising Professionals (AFP), the Association for Healthcare Philanthropy (AHP), the Council for Advancement and Support of Education (CASE), and the Giving Institute (formerly the American Association of Fund Raising Counsel (AAFRC)), and is endorsed by numerous organizations. At all times, the Foundation will work with donors to honor their philanthropic priorities at the University, as well as live up to the highest ethical standards.

### **GENERAL POLICIES**

1. No agreement shall be presented to, urged upon, or entered into with a donor, which knowingly benefits the University or Foundation to the detriment of the donor. Subject to reasonable protection of the Foundation and University's interests, the rights and interests of the donor will always come first. Representatives of the Foundation and University, in communicating with prospective donors, shall exercise caution in urging the donor to take action. Each representative is obligated, before a gift is made, to provide the donor with as much information as possible regarding the benefits, limitations, and tax implications with respect to the agreement, preferably in writing. Representatives should also encourage Donors to seek counsel on the legal, financial, and tax circumstances.
2. To ensure the intentions of the Donor, gift agreements will be executed between representatives of the Donor, Foundation, and University. The gift agreement will describe the gift and provide a name for the fund created by the gift. The gift

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agreement will provide the Foundation and University with any specific guidelines for use of the gift based upon criteria provided by the Donor. The gift agreement will include both a moral turpitude and a change of purpose clause to provide both the Foundation and the University ultimate flexibility. The agreement will also follow gift recognition policies of the Foundation.

3. Gifts for an endowment for specific restricted purposes must equal the amount of the capital required to produce annual income adequate to fulfill the donor(s) purposes over an indefinite period of time. To help assure the integrity of such endowment funds, a substantial portion of the fund income should be returned to the principal of the fund, rather than expended. Therefore, calculations to determine the amounts necessary to endow particular purposes will normally assume a “spendable” income of a percentage of investment returns, consistent with Foundation Board policy, with the balance being reinvested to perpetuate the fund.
4. Gifts to establish endowment funds must abide by the Foundation’s Endowment Policy, and be documented through a properly executed endowment gift agreement. The endowment gift agreement will be executed according to the University’s and Foundation’s gift agreement workflow
5. For purposes of gift reporting and for determining a donor’s eligibility for named funds or units, or for special donor recognition categories, matching funds from other sources shall be included as part of the donor’s contribution.
6. Gifts shall be reported in a manner consistent with the standards recommended by the joint Council for Advancement and Support of Education (CASE) and the National Association of College and University Business Officers (NACUBO) committee’s report on “Gift Reporting Standards and Management Reports for Educational Institutions.” Further, California State University, Northridge, will report campaign gift totals according to the guidelines established by CASE.
7. All gifts to a current fund with a designated purpose that is beyond the normal operations and organization of the university must be at least \$10,000 payable within 5 years. Such gifts must also be documented through a properly executed gift agreement. The gift agreement will be executed according to the University’s and Foundation’s gift agreement workflow.
8. The Foundation will not, under any circumstance, knowingly be a party to inflating the value of a gift above the true fair market value to obtain a tax advantage for a donor.
9. The Foundation will abide by IRS Publication 526 in determining the date upon which a gift has been made.
10. The Foundation recognizes that the accurate and timely processing of gifts is important to both the donor and to the Foundation. The Foundation records gift and commitment receivables in accordance with Financial Accounting Standards Board (FASB) Rules 116 and 117. The Foundation’s Chief Financial Officer assumes primary responsibility to ensure gifts and commitments are recorded correctly.

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11. The Foundation will promptly provide a gift receipt in accordance with IRS regulations. The Donor will be informed of any quid pro quo arrangements in the gift transaction, if applicable.

### **TYPES OF CASH GIFTS THE CSUN FOUNDATION ACCEPTS:**

1. Cash, checks, and credit cards
2. Bequests
3. Marketable and Closely-Held Securities
4. Real Estate
5. Split Interest Gifts
  - Charitable Gift Annuities
  - Charitable Remainder Unitrusts/Charitable Remainder Annuity Trusts
  - Charitable Lead Trusts
6. Personal Property
7. Life Insurance Policy designations
8. Retirement Plan beneficiary designations
9. Other tax-advantaged gifts available under federal law

### **CASH, CHECKS, AND CREDIT CARDS**

The Foundation will accept gifts of cash (currency) and cash equivalents (including checks, money orders, credit card, or electronic transfers, wire transfers, and payroll deductions). The Foundation will also accept gifts in foreign currencies and will be responsible for any exchange fees resulting therein.

### **BEQUESTS**

A bequest is defined as a testamentary distribution from the estate of a Donor, which may be made from a will, living trust, and other testamentary arrangement.

The Foundation may accept a bequest from an estate of a deceased Donor provided that the personal representative or Trustee of the Donor has full authority to act and the proposed gift and acceptance procedure otherwise conforms to the requirements governing the specific assets to be distributed to the Foundation.

All unrestricted bequests or estate gifts will be placed in the University's general endowment, unless they are designated for other purposes by the estate or family.

### **FINANCIAL REPORTING**

The Foundation shall comply with the requirements of the University and the Chancellor's Office in connection with its reporting of all bequests and bequest intentions, and follow the CASE Campaign Counting Guidelines.

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### **BEQUEST INTENTIONS**

The Foundation may accept revocable bequest designations to demonstrate support for its programs. While these bequests do not affect the Foundation's balance sheet, the Foundation in collaboration with the University's Division of University Advancement shall monitor and steward these unrealized bequests.

Bequest intentions must have the following documentation to be recorded:

- Verification that the Donor's age is at least 50,
- A signed gift agreement or Donor-generated written communication of intent with an estimated amount
- A copy of the portion of a will/trust with charitable bequest that lists a specific value amount and signature page.

### **ADMINISTRATION & DISTRIBUTION OF ESTATES**

Upon notification that the Foundation has been identified as a beneficiary of an estate or beneficiary of a living trust, in which the Foundation's interest has vested, the Foundation Chief Financial Officer in coordination with the University's Assistant Vice President for Development (or designee) shall be designated as the "Program Administrator." The Program Administrator shall be responsible for monitoring and reporting on the administration of the gift to the Foundation. The Foundation shall not serve as the Donor's estate representative nor will the Foundation serve as the Trustee for living trusts or wills.

### **MARKETABLE AND CLOSELY HELD SECURITIES**

The Foundation may accept gifts of readily marketable securities (including mutual funds and government securities) that are traded on any recognized stock exchange. The Foundation encourages electronic transfers whenever possible. In certain circumstances, the transfer or disposal of publicly traded securities may be restricted by applicable securities laws. In these circumstances, the Gift Acceptance Committee shall determine whether the Foundation will accept the securities. The Foundation reserves the right to sell gifted securities upon, or at any time after, receipt.

### **NON-MARKETABLE AND CLOSELY HELD SECURITIES POLICY**

The Foundation will accept non-marketable and closely-held securities subject to the following:

- The gift must be accompanied by, or Donor must consent to obtain, within the time limitations required by law, an adequate and full appraisal of the value of the gift to the Foundation.
- A copy of the Corporation's articles of incorporation, by-laws, and other documents to ascertain gift value and legal status.
- The stock must be capable of valuation, not conditioned upon a pre-existing obligation for sale or transfer and free of any liens or encumbrances.
- The Foundation must be legally qualified to own and hold the security in the State of California, as well as the state in which the company does business. In this regard, the

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Foundation will not normally accept stock in a law, medical, accounting or dental service corporation.

- All gifts in this area should be reviewed by Foundation Counsel and is subject to approval by the Gift Acceptance Committee.

### **REAL ESTATE**

The Foundation may accept gifts of real estate, including improved or unimproved real property, including undeveloped land, buildings, farms, personal residences and vacation homes, leasehold improvements, fixtures, and gifts subject to a retained life estate with the approval of the Gift Acceptance Committee.

Gifts of real estate often require a financial commitment by the Foundation. All proposed gifts of real estate will be evaluated by the Gift Acceptance Committee for their potential for immediate or future sale or retention. Such gifts will be accepted if proceeds can be realized in a timely manner relative to the expenses and efforts required to hold, maintain, and manage the property until disposition.

In evaluating such gifts, the Foundation will perform the required due diligence to ensure the valuation and appropriateness of the asset and the liability of both the Foundation and the University. The due diligence could be more extensive than outlined in this document and may require a site visit of the property. The Committee must also be satisfied with the results of reviews for title clearance, environmental hazards, zoning requirements, seismic and other geologic studies, as necessary. The Committee will be less likely to accept gifts of real estate that are encumbered by a mortgage or similar debt, or the property is subject to significant carrying costs (such as maintenance or taxes), or if the property shows signs of environmental damage.

To determine the existence of environmental damage, the Foundation will require the donor provide a formal environmental site assessment (Phase I and/or Phase II) prepared by a qualified engineering or environmental firm. Any environmental damage confirmed as a result of such assessment must be remediated and certified as such by the appropriate governmental authority, at the donor's expense, prior to approval of the gift.

Unless otherwise agreed prior to approval of the gift, the Foundation reserves the right to sell or otherwise dispose of gifted real estate upon, or at any time after, receipt. The Foundation also reserves the right to develop the real estate in any way it deems appropriate to further the goals of the University.



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The gift is completed upon delivery of a duly executed grant deed or quitclaim deed, notarized and capable of being recorded with the appropriate local government agency. If the deed is being signed by a fiduciary, including a trustee of a trust, or an agent under power of attorney, it should be accompanied by a certificate of trust, Testamentary Letters, durable power of attorney or other similar document indicating the fiduciary has legal power to act on behalf of the Donor.

### **CHARITABLE GIFT ANNUITIES AND TRUSTS**

Charitable Gift Annuities are annuities, which involve the promise by the Foundation or University, given in exchange for money or other property, to pay a fixed sum, effective from the date of the gift, to the annuitant(s) for life. Gift annuities are backed by the full faith and credit of the Foundation or University. CSUN Foundation utilizes the California State University Foundation's System-wide Charitable Gift Annuity Program for these types of gifts. As such, the guidelines of the California State University Foundation apply.

Charitable Remainder Trusts (CRUTs)—Charitable Annuity Trusts (CRATs). Trusts that qualify, under statutory and regulatory requirements, as tax-exempt legal entities. The donor can design the trust and decide the trust's payout percentage. The charitable remainder unitrust (straight) pays the life income payments to the beneficiary based on an annual valuation of the trust assets. Payments to the beneficiaries are calculated as a percentage of the fair market value of the trust and changed each year as trust assets increase or decrease in value. Net income unitrusts with make-up provisions are similar to the straight unitrust above, except if actual net income earned is less than the specified percentage, only the net income is paid out. Any amount due, but not paid, is credited to the beneficiary and will be paid out in future years, if net income exceeds the specified percentage. The net income only unitrust pays out income and does not "accrue" shortfalls in payout in years of insufficient income. The "flip" unitrust is available for use with illiquid assets (closely-held stock, non-income producing real estate, etc.), and the "flip" unitrust will change from a net-income unitrust (with or without "make-up") to a straight unitrust. The charitable remainder annuity trust pays out a fixed dollar amount, set at the inception of the trust, regardless of the income earned by the trust.

The Foundation will accept designation as a remainderman on both Charitable Gift Annuities, Charitable Remainder Trusts, and Charitable Annuity Trusts. The Donor/Trustee of these trusts should provide the Foundation instructions for the use of the designated funds through a gift agreement. When the Foundation is named as an irrevocable remainderman, the Donor/Trustee will provide annual reports on the valuation of the trust for accounting purposes.

The Foundation and University encourages Donors to seek a corporate trustee to serve as trustee of charitable trusts. The Foundation will agree to be trustee on a trust provided the Foundation is the irrevocable remainderman for at least 50 percent of the assets and the Gift Acceptance Committee has reviewed and accepted all of the terms of the Trust. While the



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Foundation may accept appointment as a Trustee, the Foundation may outsource all duties to a commercial Trustee at their discretion.

### **PERSONAL PROPERTY**

The Foundation may accept gifts of tangible personal property with prior approval of the President or designee. Factors affecting the evaluation of such gifts include the extent to which the property relates to the University's educational purposes, the marketability of the property, the carrying costs of the property (such as transportation, storage, maintenance, and insurance), and the effect of any existing or proposed restrictions on the use, display, or disposition of the property. Unless otherwise agreed prior to approval of the gift, and unless the gifted assets are directly related to the University's education purposes, the Foundation reserves the right to sell or otherwise dispose of the gifted tangible property upon, or at any time after, its receipt.

Proposed gifts of tangible personal property, such as objects of art, jewelry, antiques, or other collectible items, shall be accompanied by a statement of provenance and a full description of the property offered to the Foundation. A current qualified independent appraisal of the property must be made available prior to the Foundation's acceptance of such gifts. Obtaining an appraisal and any related expenses are the responsibility of the donor of the property. The approval of the University Art Commission will be required prior to the Foundation's acceptance.

Legally, artwork gifts fall under IRS rules for tangible personal property. The key provision in the rules is that gifts of artwork must be donated for a "related use" to the mission of the University in order for the gift to qualify for a tax deduction. If the estimated value of the artwork is more than \$5,000, the donor will need to obtain an appraisal performed by a qualified appraiser. If the contribution of art is given by the artist him/herself, the donor should be advised that he/she is entitled to claim a tax deduction limited to the cost basis of the property, i.e., the materials used to create the art—canvas, paints, clay, brushes, etc. To accept the artwork as a gift, the donor(s) executes a Deed of Gift, which is counter-signed by an appropriate Foundation officer.

### **LIFE INSURANCE POLICIES**

Gifts of life insurance policies are accepted when the Foundation is made the sole owner and irrevocable beneficiary of the policy within the following guidelines:

- The Gift Acceptance Committee must review the insurance application and illustration prior to its issuance or transfer to the Foundation.
- Transferred policy may not have an outstanding loan.
- Dividends and interest on the policy will be reinvested in the policy to increase the value of the policy or to pay future premiums
- Insurance companies being used must have top tier rating with A.M. Best.

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- With existing and new policies in which future premium payments will be required, the Donor will execute a gift agreement for a minimum of ten (10) years for the amount of the annual premiums. It is the preference of the Foundation to make the annual premium payments directly to the insurance company. Donors may elect to make the payments on behalf of the Foundation provided notice is given to the Foundation of said payment.
- The Donor will work with the Foundation and University to initiate and complete an agreement in regards to the policy's death benefits. This agreement will be reviewed and signed by all relevant parties.

The Foundation can be designated as a beneficiary of a life insurance policy in which ownership is retained by the Donor. The Donor should notify the Foundation of this designation by providing a copy of the form filed with the insurance company and a Donor-generated letter of intent, which outlines the designation of death benefits upon the Foundation's receipt.

Upon receipt of realized death benefits, the Foundation will record the proceeds as indicated by the letter of intent. Death benefits received without an intention will be treated as unrestricted funds for the University's endowment.

The Foundation will not participate in split-dollar or reverse split-dollar plans, or other forms of partial interest, until such time as the IRS clarifies its position via IRS regulations, IRC codes, or Private Letter Rulings.

### **RETIREMENT PLAN DESIGNATIONS**

The Foundation may be designated as the primary or contingent beneficiary of a retirement plan account at the discretion of the Donor. The designation should be to the CSUN Foundation, as opposed to a particular college or program of the University. The Donor should notify the Foundation of the designation and provide a copy of the form submitted to the retirement plan trustee and a donor-generated letter of intent.

The Foundation is qualified to receive a qualified charitable distribution from Individual Retirement Accounts as allowed under Section 408(d)(8) of the Internal Revenue Code. The Foundation will consult the Donor in reference to the designation of the distribution.

### **GIFTS UTILIZING CRYPTOCURRENCY**

The Foundation may accept gifts of cryptocurrency and other forms of digital assets after due diligence is performed to determine the asset is able to be transferred and liquidated. Gifts of cryptocurrency must be reviewed and approved by the Gift Acceptance Committee.

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### **OTHER TAX-ADVANTAGED GIFTS**

#### LIFE ESTATE AGREEMENTS POLICY

Gifts of real estate with retained life estates shall be reviewed and approved by the Gift Acceptance Committee prior to acceptance of the gift. Acceptance of such gifts must be in accordance with the guidelines for acceptance of outright gifts of real estate, as set forth above. Such gifts shall be accepted only if adequate provision is made by the Donor for any expenses in connection with ownership, including payment of mortgages, taxes, insurance and utilities, unless a source of funds to cover such expenses has been identified by the Foundation or University for whose benefit the gift is being made. At the present time, tax law permits such an arrangement for the Donor's personal residence or farm. If state law requires participation of the remainderman in any capital improvements on property subject to a life estate agreement, no expenditures for capital improvements will be made without approval of the Foundation Board of Directors.

#### BARGAIN SALES

A bargain sale is a part gift/part sale of appreciated property to the Foundation. The asset acquired by the Foundation may be any type of property that the Foundation may legally hold. The Foundation's motivation for the purchase would be the inherent equity in the property, in excess of the purchase price. The Foundation shall accept bargain sale gifts upon the approval of the Gift Acceptance Committee. Acceptance of bargain sales involving real estate, acceptance must be in accordance with the guidelines for acceptance of outright gifts of real estate, as set forth above.

#### GIFTS OF MORTGAGED PROPERTY

The amount of the indebtedness is treated as a relief of liability and cash proceeds to the Donor. The Donor should be properly advised of the general tax consequences and told to consult with his or her tax advisor. The above is true even though neither the University nor the Foundation agree to assume or pay the indebtedness. If the Donor agrees to hold the University and the Foundation harmless and to pay off the indebtedness as it falls due, the Donor may be able to escape the bargain sale rule. Acceptance of gifts with mortgages must be in accordance with the guidelines for acceptance of real estate, as set forth above.

#### CHARITABLE LEAD TRUSTS

A trust that pays out income to the University for a specified term of years. At the end of the term, the trust assets revert to the donor or the donor's heirs, or another non-charitable remainderman. The donor can set up the trust in unitrust or annuity trust form and decide the trust percentage and the length of term.

The Foundation will accept designation as the recipient of Charitable Lead Trusts provided the trustee signs a gift agreement in advance with the designation of the proceeds. The agreement will be reviewed and signed by both the Foundation and the University.

#### PERPETUAL TRUSTS/ENDOWMENTS HELD BY THIRD PARTIES

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A perpetual trust is a trust with no termination date, one that exists in perpetuity, and is managed by a trustee external to the University. When the University is notified that it is a beneficiary of a perpetual trust, the trust is recorded as a gift and income payments are recorded as income, not gifts as received. The Foundation will monitor the valuation of the perpetual trust in coordination with the third party to ensure the gift and its income are maintained.

### MISCELLANEOUS GIFTS

The acceptance of a gift for which no stipulation is made through this policy shall require the review and approval of the Gift Acceptance Committee.

### **OTHER ASPECTS REGARDING GIFT ACCEPTANCE**

#### **Appraisals**

In order to determine the true fair market value of the asset, it must be adequately appraised, in accordance with the standards and procedures set forth in this Manual.

Unless an exception is warranted, it will be the Donor's responsibility to pay for the appraisal, the cost of which **may** be reimbursed by the Foundation upon consummation of the gift.

#### Costs of Appraisal

The Foundation will not normally fund the Donor's cost of appraisal; however, the Committee has the discretion to approve this expenditure provided:

- the subject property which has or may be gifted to the organization is or would be approved under the gift acceptance criteria,
- the amount of the appraisal is reasonable and prudent,
- the proportion of the expense incurred is no greater than the proportion of the property which will be gifted to the Foundation,
- the appraiser is qualified and willing to perform under the criteria set forth in this Manual
- if Donor is reimbursed for the cost of an appraisal, it may trigger a 1099 being issued for the cost of the appraisal.
- there is full disclosure to the Donor of the legal or tax implications of the Foundation's action.

#### **Governing Use of Legal Counsel**

The Foundation will urge all prospective Donors to seek the advice of their own attorney or tax advisor in reviewing the state and Federal income tax and the estate and gift tax consequences of their gift, the terms of any trust or other agreement, and the advisability of the gift in light of the Donor's overall estate plan and financial circumstances.

If requested, the Foundation's counsel may be called upon to draft trust, annuity or other gift documents, subject to approval by the Donor's own counsel. While Foundation and

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University staff will not ordinarily draft a Donor's will or codicil, they may prepare suggested language pertinent to a bequest to the Foundation to be submitted to the Donor's attorney for inclusion in the Donor's will or codicil.

The Foundation's counsel and qualified Foundation and University staff may also be called upon to review and comment upon documents drafted by the Donor's attorney.

Staff members of the Foundation and University shall not give legal, financial, or investment advice to prospective Donors.

All staff members of the University and the Foundation shall conduct all activities undertaken on behalf of the University and the Foundation in accordance with accepted professional standards of accuracy, truth, integrity, and good faith.

Concerning the payment of legal fees, the Foundation may employ its own legal counsel to assist the Donor and his or her advisors in drafting provisions which relate to all types of gifts to the Foundation or the University. In all cases, review by the Donor's own counsel of the work performed by the Foundation's counsel must be advised and documented.

### **Confidential Information**

- The Foundation recognizes it is in a position of trust with the Donor, and that the Donor has placed trust in us concerning confidentiality. Therefore, all governing instruments will be kept in a secure location on the University campus, which will be accessible to individuals with approval of the Vice President for University Advancement.
- It shall be known throughout the Foundation and University that this is confidential information.

### **Designated Proceeds**

- All designated proceeds will be used as prescribed by the agreement between the Donor, Foundation, and University, subject to the Foundation's administrative policy.
- All undesignated bequests and matured deferred gifts will be utilized in accordance with the mission of the University. All gifts received without Donor designation for a specific college, purpose or program shall be deposited to the University's general endowment.

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**ADVICE TO DONORS POLICY**

The Foundation and University may offer education to a prospective Donor with respect to a potential philanthropic transaction. The Donor will be recommended to seek competent independent counsel for specific tax and legal advice. The Foundation and University will provide a minimum of three (3) professional advisors qualified in the area of charitable giving.

It will be deemed to be a possible conflict of interest for any member of the Foundation Board of Directors or University staff to provide such services on behalf of a prospective donor, whether compensated or not. However, a Foundation Board member may provide such service if the Donor has been fully advised of the potential conflict and has waived such conflict in writing. The Donor should be advised to seek independent counsel before signing such a waiver.

The Foundation and University will assist Donor's advisors in the design and preparation of such instruments, if they seek such help. Members of the Foundation Board of Directors and professional staff of the University may act in an advisory capacity on behalf of CSUN to Donor's counsel, but shall never be designated as the Donor's legal advisor.

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The following documents referenced in the Gift Acceptance Policy can be found

- A. Donor Bill of Rights, adopted in November 1993, created by the Association of Fundraising Professionals (AFP), the Association for Healthcare Philanthropy (AHP), the Council for Advancement and Support of Education (CASE), and the Giving Institute (formerly the American Association of Fund Raising Counsel (AAFRC) (<https://afpglobal.org/donor-bill-rights>)
- B. CSUN Foundation Gift Agreement Workflow (<https://www.csun.edu/foundation/procedures-and-guidelines>)
- C. CSUN Foundation Endowment Policy (<https://www.csun.edu/foundation/procedures-and-guidelines>)
- D. Internal Revenue Service Publication 526 – Charitable Contributions (<https://www.irs.gov/forms-pubs/about-publication-526>)
- E. FASB 116 – Accounting for Contributions Received and Contributions Made (<https://www.fasb.org/summary/stsum116.shtml>)
- F. FASB 117 – Financial Statements of Nonprofit Organizations (<https://www.fasb.org/summary/stsum117.shtml>)
- G. Council for Advancement and Support of Education (CASE) Reporting Standards and Management Guidelines (a reference copy is available from CSUN Foundation)