

Westfield State University

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APPROVED: March 2000

REVIEWED: April 2011

WESTFIELD STATE UNIVERSITY BOARD OF TRUSTEES GIFT ACCEPTANCE POLICY

PURPOSE

The goal of this policy is to encourage the advancement of Westfield State University without encumbering the organization with gifts which are not in keeping with the mission of Westfield State University or which may generate more costs than benefits.

RATIONALE

Westfield State University and the Westfield State Foundation value the voluntary support of all donors. Their generosity assists the University 'spursuit of excellence. In accepting gifts in support of its mission, the University and the Foundation seek to assure that the interests of its donors and both organizations are protected, with maximum benefit afforded to all parties.

Because of the nature of fund raising at a public institution and the value of an affiliated foundation, this policy is predicated upon the division of responsibilities as defined in *An Overview of WSC/WSCF Fund Raising*, approved by the Development Committee of the Board of Trustees on February 14, 2001.

POLICY

The Office of Advancement and University Relations (AUR) needs to respond quickly and accurately to all donors concerning prospective gifts. The following policies are intended as guidelines. Complex gift situations require flexibility after careful consideration of several factors. The Development Office understands, therefore, that action of either the Trustees Development Committee or Foundation may be required at times to consider the merits of particular gifts and to make a final decision.

1. TYPES OF GIFTS

A. Outright Gifts

- i. Gifts in the form of cash and checks shall be accepted regardless of amount unless, as in the case of all gifts, there is a question as to whether the donor has sufficient title to the assets or is mentally competent to legally transfer the funds as a gift to Westfield State University or the Westfield State Foundation.
- ii. The University and Foundation shall make every effort to respect the intentions of donors. Gifts that have been solicited for a

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specified purpose shall be applied to that purpose. The Development Committee will decide on the use of gifts greater than \$10,000 if the donor has not indicated any preference. Gifts of less than \$10,000 donated without preference will be placed in the Westfield Fund.

- iii. All bequests will be applied to the Foundation's endowment. If the decedent requests that the bequest be restricted to a purpose that falls within the University's mission, the income from the bequest shall be restricted to that purpose. In all other cases the bequest shall be added to the Academic Support endowment fund.
- iv. Solicitations will specify whether checks should be made payable to Westfield State University or the Westfield State Foundation, Inc. In no event shall checks be made payable to an employee, agent or volunteer to the credit of the University or Foundation.

B. Publicly Traded Securities

- i. Readily marketable securities, which are traded on the New York Stock Exchange, the American Stock Exchange and NASDAQ as well as shares of publicly traded mutual funds, shall be accepted by the Foundation.
- ii. Should a donor wish to place any restrictions on the use of a stock gift, instructions to this effect must be put in writing and sent to the Office of Advancement and University Relations before the stock is accepted or sold.
- iii. In accordance with IRS regulations, securities are valued at the mean of the highest and lowest quoted selling prices on the date the securities are officially delivered.
- iv. Gifts of securities will be sold by the Foundation upon receipt through its agent or representative. In no event shall an employee or volunteer working on behalf of either the University or Foundation commit to a donor that a particular security will be held by the Foundation.

C. Closely Held Securities

- i. The approval of the Foundation Board of Directors will be required to accept gifts of restricted, illiquid, and private securities. Other hard-to-value property that might be proposed, such as limited partnership interests, will be subject to the same review.

D. Real Property

- i. The Foundation's charter enables it to hold property on behalf of the University. The Office of Advancement and University Relations recognizes that gifts of real estate are specialized investments subject to risks, particularly those associated with environmental liability. Thus no gift of real estate shall be accepted without prior approval of the Foundation Board. Gifts of real estate to be turned over ultimately for University purposes will be accepted only after a

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survey is made to ascertain the integrity of the physical structure, the cost of repair and annual operations, and the usefulness of the property to the University.

- ii. No gift of real estate shall be accepted without first being appraised in a manner conforming to the guidelines of the Internal Revenue Service by a qualified appraiser who meets the IRS definition. For complex properties, it may be desirable to obtain two separate qualified appraisals, one the responsibility of the donor and the other the responsibility of the Foundation.
- iii. Unless specifically exempted by the Foundation, all proposed gift properties would require the completion of an Environmental Assessment by a qualified assessor.
- iv. In general, residential real estate located in New England, with a net realizable value estimated by prospective donor or others at \$50,000 or greater, will be considered, unless the Foundation shall determine that the property is not suitable as a gift.
- v. In general, residential real estate located outside the New England area will not be considered as a gift unless its net realizable value appears to be in excess of \$150,000 and there is reason to believe that it is highly marketable. The Foundation may make exceptions to this policy if conditions warrant.
- vi. No commercial real estate shall be accepted without thorough Foundation review.
- vii. Special attention shall be given to the consideration and acceptance of real estate encumbered by a mortgage, as the ownership of such property may give rise to unrelated business income for the Foundation.
- viii. In general, gifts of real estate to the Foundation will be liquidated on the public market as soon as possible, rather than held and managed for investment purposes. The Foundation may make exceptions on a case-by-case basis.

E. Tangible Personal Property

- i. Tangible personal property (art works, antiques, jewelry, rare books, etc.) shall be accepted after approval of the Foundation Board provided such property has a value in excess of \$1,000 and is related to the Foundation's tax exempt status. All gifts of personal property shall be unrestricted; unless any restriction instructions are provided by the donor and said instructions are accepted by the Foundation Board. The Foundation cannot put a dollar value on a gift of personal property under IRS regulations.
- ii. No tangible personal property shall be accepted by the Foundation unless there is reason to believe that the property can be liquidated, if necessary. No property shall be accepted that obligates the Foundation to ownership of it in perpetuity.

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- F. In-Kind Gifts
 - i. The terms for accepting gifts-in-kind that can be immediately used by the University are spelled out in the University's *Non-Cash Gift Policy*. The Foundation ordinarily will not receive such gifts. The University can not put a dollar value on a gift-in-kind under IRS regulations.
 - G. Other Property
 - i. Other non-cash property of any description, including mortgages, notes, copyrights, royalties, easements, etc., shall only be accepted by action of the Foundation Board or an officer duly acting on its behalf.
 - ii. Special consideration shall be given to the nature of any gift property and whether it is in keeping with the tax-exempt mission of the Foundation prior to the acceptance of such property.
2. PAYMENT OF FEES RELATED TO GIFTS TO WESTFIELD STATE UNIVERSITY
- A. Finder's Fees or Commissions
 - i. Westfield State University and the Westfield State Foundation will pay no fee to any person as consideration for direction a gift to either organization.
 - ii. Neither the University nor Foundation will pay a commission or finder's fee of any type to any party in connection with the completion of a gift to either organization.
 - B. Professional Fees
 - i. As needed, the University or Foundation shall seek the advice of qualified legal counsel in matters pertaining to gift transfers, including any agreements, contracts, trusts, and other legal documents.
 - ii. The University or Foundation will pay reasonable fees for professional services rendered to it in connection with the completion of a gift to the University or Foundation.
3. GENERAL
- A. Confidentiality
 - i. All information received from prospects and donors regarding their assets, heirs, gifts, advisors, and other personal information shall remain strictly confidential, with only those staff members and volunteers with a "need to know" having access to such information.
 - ii. However, the University or Foundation may on occasion request permission from a donor to use his/her name or personal

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information in order to promote ongoing development efforts.

B. Role of Employees

- i. The primary development role of employees shall be to inform, serve, guide, and assist prospects and donors in reaching their philanthropic goals.
- ii. University employees/volunteers are not in a position to render legal or tax advice. Employees shall routinely advise donors to seek advice from their personal financial advisors and counsel on taxes, all aspects of their gifts, and the terms being considered.
- iii. All personnel employed by the University or Foundation to promote or administer charitable gifts, including consultants and advisors, shall be paid a salary, wage, or fee by the University or Foundation and shall never be compensated with a commission on such gifts.

REVIEW

This policy shall be reviewed annually by the Chief Development Officer.