

**WEST LIBERTY UNIVERSITY FOUNDATION, INC.**  
**GIFT ACCEPTANCE POLICY**

**Purpose**

The purpose of this policy is to establish guidelines for the acceptance of gifts to the West Liberty University Foundation, Inc. (“*the Foundation*”). The West Liberty University Foundation, Inc. is a private, 501(c)(3) non-profit organization that was founded in 1964 that is responsible for receiving, investing, managing and disbursing private funds for the benefit of West Liberty University.

**General Policies**

*The Foundation* Board of Directors, in conjunction with the Office of Development, is committed to encouraging, soliciting, and accepting gifts that foster and advance the mission of West Liberty University.

It is the policy of *the Foundation* to offer the donor the opportunity to make gifts to West Liberty University, both cash and non-cash assets in a manner beneficial to the donor while protecting the fiscal and legal integrity of the University and its constituents. It is also the policy of *the Foundation* to offer the donor the opportunity to give gifts reserving life income for the donor and other beneficiaries through their wills or through current giving. The University is committed to seeking such gifts and to provide adequate staff and resources for a full and effective program.

*The Foundation* reserves the right to accept or decline any financial commitment or gift that is offered.

All individuals involved in the solicitation of gifts and pledges will adhere to the AFP (Association of Fundraising Professionals) Code of Ethical Principles and Standards of Professional Practice.

*The Foundation’s* Board of Directors recognize and support the Donor Bill of Rights as developed by the American Association of Fund-Raising Counsel, Association for Healthcare Philanthropy, the Council for the Advancement and Support of Education and Association of Fund Raising Professionals.

Any donor or prospective donor may request and receive a copy of the gift acceptance policy. Genuine charitable intent on the part of the donor is paramount.

*The Foundation*, its stated representatives, and volunteers will not seek, encourage or accept any commitment that is potentially not in the University’s best interest and/or which is inconsistent with their fiduciary and/or moral responsibilities to the donor and to the University.

Potential commitments that could be modified or refused could evolve around one or more of the following:

- A desire to develop or otherwise fund a program which would seem to be inconsistent with the traditional, current or future educational mission of West Liberty University as determined by *the Foundation* and/or University administration.
- A desire to develop a particular program of interest to the University, but for which the donor is unwilling or unable to commit the resources necessary either to see the project through to completion or to maintain in perpetuity a project which would not be self- sustaining.
- A desire to designate or restrict a commitment in such a way that is inconsistent with University policy; local, state or federal statutes regarding race, creed, national origin; or a similar issue.

Gifts that benefit the University are the property of *the Foundation* and will be held in *Foundation* designated accounts. Exceptions will be approved by *the Foundation's* Board of Directors.

The Office of Development and *the Foundation* Office will keep adequate gift records to substantiate donor intent and gift designations.

Although representatives of the University and *the Foundation* will provide appropriate assistance, the ultimate responsibility regarding evaluations, tax deductibility, local/state/federal taxes and/or federal legal compliance issues regarding commitments rests with the donor.

No person on behalf of *the Foundation* will accept any gift that violates the provisions of the Internal Revenue Code or any federal or state law.

*The Foundation* will not accept any gifts which would jeopardize its tax-exempt status.

### **Priority of Donor's Interest**

*The Foundation* and University representatives will not knowingly seek or accept commitments which it believes are not in the best interest of the donor - regardless of size, designation or tender. If such an event occurs, once brought to the attention of the University, such a commitment will not be considered binding on the part of the donor, and any transfer of assets made in conjunction with this commitment will be returned or repaid.

*The Foundation* will seek to exercise caution against the use of any high-pressure techniques by those working with a prospective donor.

### **Confidentiality & Privacy**

All information concerning donors and prospective donors, including their names, names of beneficiaries, amount of the gift, size of their estate, etc., will be kept strictly confidential by *the Foundation* and its authorized Development Office personnel unless granted permission by the donor to release such information or as required by law.

Requests by donors for anonymity will be honored. *The Foundation* respects its donors' privacy. Information concerning gifts, personal information, etc. will not be shared with other parties except

as needed to carry out University activities and programs. Donor's personal information is kept confidential and is not sold or given to outside parties.

## **Gift Recognition**

Commitments will be publicly recognized in a manner consistent with Foundation policy, published literature, commemorative opportunities listing and past practice. Exceptions will be considered when appropriate.

Donors will be recognized in the appropriate gift recognition category in the Annual Report. Individuals, foundations and corporations that have contributed a minimum of \$25,000 in cumulative giving are recognized as members of the John P. McCullough Society. Individuals who have made provisions for the University through their estate plans are recognized as members of the Nathan Shotwell Society.

The West Liberty University Foundation gift recognition societies are:

- \$100,000 or more 1837 Society Platinum Circle
- \$50,000 to \$99,000 Gold Circle
- \$25,000 to \$49,999 Silver Circle
- \$10,000 to \$24,999 1837 Society
- \$5,000 to \$9,999 Winding Road Society
- \$2,500 to \$4,999 Academy Society
- \$1,000 to \$2,499 Hilltop Society
- \$500 to \$999 Tower Club
- \$250 to \$499 Founders' Club
- \$100 to \$249 Gold and Black Club
- \$1 to \$99 Friend Club

In addition, all donors of \$2,000 or more are recognized as members of the President's Circle.

Matching gifts will be added to donor's gifts for recognition purposes in the Annual Report.

## **Authority to Negotiate and Accept Gifts**

Only persons authorized by *the Foundation* or University administration may negotiate gifts with prospective donors. Employees, students, alumni, friends and separate volunteer organizations that exist for the support of the University are encouraged to refer any prospective donor to the University's Development Office, which serves the University-at-large in managing and coordinating all fundraising and related activities and with *the Foundation* Office, maintains donor gift records and generates gift receipts for all contributions received. This is not an attempt to dissuade others from searching or accepting grants, gifts, and support only a matter of keeping all parties involved in the solicitation of gifts informed.

## **Use of Legal Counsel**

*The Foundation* may seek legal counsel as needed in all matters relating to donations to the university as well as planned giving and acceptance of gifts.

Prospective donors are strongly encouraged to seek their own legal counsel in matters relating to their gifts, taxes and estate planning. Every reasonable attempt will be made to fully adhere to legal requirements and Internal Revenue Code or any federal or state law.

Counsel to *the Foundation* will be compensated on a fee basis and not as a percentage of funds raised. Both the prospective donor and *the Foundation* will pay his/her own appropriate legal, accounting and/or appraisal fees.

*The Foundation* does not provide legal advice to donors or their advisors, nor will it provide legal trust documents to a donor. Sample agreements and gift illustrations may be provided to advisors upon request.

## **Finder's Fees & Commissions**

No personnel employed by *the Foundation* or acting on behalf of *the Foundation* to administer or promote gift planning will receive any additional compensation which might give such personnel an undesirable personal interest in any agreement.

*The Foundation* and the University will not pay any "finder's fees" or any commission for gifts received.

## **Endowed Funds**

Permanently endowed funds require a minimum initial gift of \$25,000.

Temporarily endowed funds with a balance of less than \$25,000, but which the donor intends to fund at a minimum \$25,000 level, will not disburse income generated by the gift principal until the \$25,000 minimum principal balance has been achieved. If not fully funded within five years, the temporarily endowed fund will be considered part of *the Foundation's* general endowment.

*The Foundation* Board of Directors may create a quasi-endowment from Foundation funds that may be expended or continued as an income producing endowment fund at the discretion of *the Foundation's* Board of Directors.

Donors signing guideline agreements creating a new endowed fund may expect that earnings will be credited to the fund balance and that unexpended funds will remain in the spending account for future expenditure. The donor may wish to assign a contingency plan should the original purpose of the endowment no longer be met or are outside the University's mission.

For funds whose purposes can no longer be met, or are outside the University's mission, *the Foundation* will make reasonable attempts to locate donors or heirs. Purposes may be changed to

one that can be met and as closely as possible resembles the original intent of the fund as long as legally permissible.

Endowed funds may be established with estate and planned gifts. Funds received through a will or other planned gift, which is less than the required minimum funding at the time of distribution, will be placed in the General Endowment Fund, unless legally impermissible or heirs or other individuals agree to bring the fund balance to the required \$25,000 minimum.

### **Activation and Income Distribution**

*The Foundation* policy is to activate an endowment when its fund principal reaches the agreed upon fund principal gift amount. The fund principal is considered part of *the Foundation's* general endowment. For endowments funded over multiple years (five maximum), the initial distribution will be made following a required vesting period of one full fiscal year (July 1 – June 30) after the fund principal reaches the required minimum amount. The policy of *the Foundation* for the first year payout of any endowment will be a flat 4% of the interest available.

At the end of each fiscal year *the Foundation* returns five percent (5%) of the earned income to the principal of the endowment fund as a hedge against inflation and downturns in the financial investment markets. The income distribution rate is reviewed annually by *the Foundation*. This policy assures the permanence of the financial viability of the endowment.

### **Non-Endowed Named Scholarship Funds**

The *Foundation* can establish named scholarship funds, which are not permanently endowed, if a donor wishes to award outright gifts in an immediate fashion. The required minimum amount to establish this type of fund is \$5,000 and the donor must express intent in writing to continue funding the award at that amount annually.

### **Revocable Trusts**

*The Foundation* will not serve as Trustee for revocable agreements, but may refer the prospective donor to disinterested institutions for management.

No receipt will be given for a revocable trust until the trust income is realized or the trust dissolved.

### **Personal & Real Property**

Gifts of personal property or real estate, including gifts of retirement plan assets and bargain sales, will be considered on an individual basis and will be credited at their appraised value at the time of transfer. There must be no unacceptable restriction of the liquidation of the asset if the Foundation chooses to liquidate the asset. Appraisals or evaluations for tax deductibility purposes are the donor's responsibility although *the Foundation* and Development Office will provide appropriate assistance when possible.

Potential donors are urged to obtain a statement from the Development Office regarding the potential use of the property under consideration.

Each proposed gift of property will be carefully considered. Tax laws, marketability, furtherance of West Liberty University mission and maintenance of Foundation portfolio value will help guide gift acceptance for property.

Donors will be responsible for their own expenses relating to the proposed gift. This may include, but is not limited to all legal fees, appraisal fees, environmental studies and accounting costs.

*The Foundation* retains the right to seek its own qualified appraisal, legal counsel, etc., at its expense.

Property gifts will be considered for outright and lifetime income gifts. *The Foundation* will not accept gifts that are illegal, environmentally unsound, have no market value, or do not meet Internal Revenue Code or any federal or state law.

Valuation will adhere to Internal Revenue Code or any federal or state law regarding substantiation, documentation, verification and appraisal. *The Foundation* will provide appropriate and legally acceptable acknowledgement of the gift.

For a proposed gift of real property, the donor will provide a disclosure letter that includes the address and description (including directions), all known past uses of the property, zoning, and any other pertinent information known by the potential donor.

Foundation representatives will visit the site(s) to visually inspect the site and structures. Adjacent sites that may represent risks will be noted. A report will include this information, relevant environmental concerns such as trash, water accumulation, oily ground surfaces, and asbestos and underground storage tanks/facilities. Information on potential hazardous conditions will be sought. Also included will be conditions on the site and adjacent property that may affect market price such as buildings in poor repair and highways, etc.

Expenses related to the environmental study such as testing and environmental remediation are the responsibility of the donor. Such expenses can be paid directly by the donor or be paid from sale proceeds (before the gift value is determined).

An independent consultant will perform the Phase I Environmental Audit. Phase I consists of a general site assessment, and identification of actual or potential risks. If any are found, testing enters Phase II.

Phase II Environmental Audits includes tests to conclusively confirm or refute the presence of contamination or other environmental hazard, states what was and was not found and provides recommendations for remedy, and conclusions. Should contaminants be found, a Phase III clean-up is required so the site is restored to the extent recommended by the consultant.

Regarding the marketability of the real estate, *the Foundation* will obtain a written estimate of market value from an independent real estate broker. This is not a substitute for the donor's qualified

appraisal. Donors will be informed that a qualified appraisal at donor's expense is required to substantiate a charitable deduction for income tax purposes.

A title report will be obtained through appropriate means to determine legal ownership. Title insurance may be recommended.

*The Foundation* will employ legal counsel to review the proposed gift in terms of acceptability under state and federal law and tax regulations, appropriateness of gift plan desired and tax implications for the donor.

Fees such as appraisals, legal services, surveys, environmental audit costs or other costs of sale not customarily costs of the buyer, will be paid by the potential donor or recovered at the time of sale from net proceeds.

The potential donor is required to maintain appropriate insurance coverage including liability and property damage and/or fire, through completion of the property transfer.

Information obtained during this gift process will be available to, and shared with, the donor. Every attempt will be made to encourage the potential donor to seek his or her advisors and to see that the distinctions are made clear regarding the differences in market value, appraised value and offering price; and gift plan basis after the net sale proceeds and reimbursement of expenses.

Once the information has been compiled, it will be reviewed by *the Foundation* and in consultation with the University Board of Governors (if necessary) for compatibility with University mission and preservation of assets (including gift plan, number of beneficiaries, remainder use, etc.).

## **Bequests**

Bequest options will be brought to the attention of all potential donors.

Mature bequests will be credited at the value established at the time of probate, when the bequest is received, or when the bequest is fulfilled if the estate is not subject to probate.

## **Life Insurance**

Under no circumstances does *the Foundation* want to encourage a situation whereby a donor converts an existing pattern of unrestricted giving to the annual fund into a fixed payment of an insurance policy.

Individuals and others taking out a new policy will be encouraged to have the policy paid up to age 95.

The University does not endorse any particular life insurance company, agent or product.

## **Memorial and Honorary Gifts**

Memorial gifts and special tribute gifts (honoring) shall be accepted as unrestricted gifts unless otherwise designated by the donor. Gifts of personal or real property will follow the same guidelines outlined in this policy.

## **Lifetime Income Gifts**

The following lifetime gift instruments will be considered: Charitable Remainder Trusts, Charitable Lead Trusts, Retained Life Estates, and Charitable Gift Annuities. *The Foundation* reserves the right to establish certain minimum gift amounts and age requirements for life income estate gifts. Lifetime income gifts are encouraged for those over age 70.

In general, donors are encouraged to seek a trustee other than *the Foundation*. However, *the Foundation* may elect to serve as trustee or co-trustee in certain circumstances such as when it is the sole or primary charitable beneficiary and the donor does not reserve the right to change the charitable remainder beneficiaries during the term of the trust. In addition, the trust shall allow *the Foundation* the power to resign as a trustee and to appoint successor Directors.

## **Gifts In Kind**

The Foundation may accept in-kind gifts as charitable contributions. In-kind gifts are donations of property other than cash and marketable securities such as real estate, art works, collections, literary works, boats, vehicles, software, intellectual property, books, equipment, furnishings and perishables. The development office must be appraised of the in-kind gift in order that proper acknowledgment may be given.

In general, in-kind gifts will be acknowledged with a letter listing the item(s) donated (no dollar value *The Foundation* is not permitted to place a value on any gift from which it benefits).

It remains the donor's responsibility to substantiate any gift for which a charitable income tax deduction is sought.

In-kind gifts will be acknowledged in the Benefactors Report.

## **Final Disposition**

Upon the death of the surviving beneficiary of the planned gift agreement, the agreement shall terminate and the assets and any accruals shall be paid to *the Foundation* for its General Purposes or as restricted by the donor for specific use(s) as stated in the agreement.

It will be the policy of *the Foundation* to direct gifts designated for general purposes to the current unrestricted accounts.

Further, it will be the policy of *the Foundation* to direct all gifts that are restricted to current restricted funds, land, building and equipment endowment funds, custodian funds, and/or loan and annuity funds according to the restriction.



## **Naming Opportunities**

*The Foundation* reserves the right to honor, through appropriate naming opportunities, any individual or family irrespective of the individual or family's giving record.

As plans are developed for new construction or renovations, naming opportunities will be developed. In general it is *the Foundation* policy to require a gift of 50% of expected construction costs to name a new or renovated facility, ideally with an endowment for ongoing maintenance costs and upgrades and renovations.

West Liberty University reserves naming opportunities for current gifts and living donors. Use of an estate or planned gift to name the University property will be considered on a case-by-case basis. Final authority for naming campus facilities rests with the West Liberty University Board of Governors.

## **Gifts during designated Campaigns**

During any campaign period, alumni, friends, parents and others will be asked to maintain or increase their support of the annual fund initiatives in addition to making commitments to the campaign.

Gifts yielding current income for the University are encouraged. These include gifts of cash and publicly traded securities. Gifts, not in cash, will be liquidated upon receipt and deposited as cash. Although not appropriate for every campaign, lifetime income gifts, gifts of life insurance and pension plans, and gift annuities, as well as real estate, bequests and personal property are generally encouraged.

Donors will be asked to sign a Gift Intention/Pledge Form indicating their financial commitment to the campaign. Should a donor become deceased prior to fulfilling the pledge, this documentation enables the estate to fulfill the pledge from pre-tax dollars.

The donor may, upon written request seek, without explanation, to withdraw his or her commitment. Return of payments may be allowed under extremely mitigating circumstances and where allowable by law. However, it may not be possible to return payments that have been committed to a specific project. This in no way obligates or prohibits *the Foundation* from seeking legal remedies for pledge fulfillment.

Reasonable attempts will be made to be sure prospective donors are legally competent to be making gifts.

All donors are encouraged to fulfill their commitments within five years from the date of pledging – preferably three years. Faculty, staff and Directors are asked to fulfill their pledges within three years. Exceptions will be considered on an individual basis.

In general, commitments will be credited at attainment totals no less than the amount projected to be acceptable for federal income tax deduction purposes. Be aware that deductions for federal income tax purposes may be different than the amount for gift credit.

During any campaign, alumni and friends are encouraged to consider bequests and other gift planning instruments benefiting West Liberty University. Appropriate gifts will be accepted, although gifts may not be credited or may not be credited at full value to the campaign.

No commitment will be credited without adequate written documentation from the donor. This may include a signed pledge card, signed letter, signed note or other documentation.

*The Foundation* reserves the right to refuse any gift, including, but not limited to, bequests.

### **Gift Acceptance Procedure**

Negotiated gifts will be submitted to a Gift Acceptance Committee for formal approval. The Committee shall consist of the President of *the Foundation*, the University Vice President of Finance and the chair of *the Foundation* Development Committee, and is staffed by the Executive Director of *the Foundation* and the University Director of Development.

The committee will meet as needed to formally accept or reject negotiated gifts. They may seek the advice or input of other persons they deem appropriate to make fiscally, legally, or morally sound decisions. The committee will report its actions to *the Foundation* Board of Directors.

### **Exceptions**

Gifts already received by *the Foundation* or made through estate plans that have been properly executed prior to the date of this policy are grandfathered under this policy. Gifts under negotiation at the time this policy is adopted need not conform to this policy; however, they will be accepted based on the spirit of this policy and the specific terms discussed with the donor.

Any exceptions to this policy will be made only with the knowledge and approval of the West Liberty University Foundation, Inc. Board of Directors on an individual basis.

Approved by the West Liberty University Foundation, Inc. Board of Directors on October 9, 2015.

## **Appendix A: Development Research Guidelines**

### **Right to Privacy**

Donor information that is not present in public sources will not be divulged to others. This same information will be kept in confidential files and used only for the research and record keeping purposes of the Development Office and *the Foundation* Office.

### **Information Necessity**

Development research will be conducted to obtain only information that is relevant to the capacity or inclination of a donor to contribute to the University.

### **Ethical Responsibility**

Individuals who have access to development information are responsible for the ethical ramifications of their individual acts. The individuals include employees of the University, student workers and interns, volunteers for the University and consultants hired by the University and Foundation. All of these individuals will be made aware of this Code of Ethics.

*The Foundation* will not deal with individuals who promise to bring confidential donor information derived at another institution or with individuals who are known to possess hardcopy or electronic data gleaned at any other institution.

### **Protection of Confidential Material**

Records about donors, potential donors, and other individuals and organizations related to *the Foundation* will be kept confidential, to be used only by those staff members who need to use them to further the legitimate mission of the University.

### **Sanctity of Confidential Material**

Only routine directory information gleaned through work by *the Foundation* may be given as a professional courtesy to any other institution or person. No information in the possession of *the Foundation* may be sold, given or bartered to any other institution or person.

### **Record Sensitivity**

Advancement officers at West Liberty University must ensure that development records can do no harm to individuals or institutions and will not make these records available to those who do not understand the appropriate use of sensitive materials.

### **Exceptions**

Exceptions to any of the above guidelines will be made only with the knowledge and approval of *the Foundation* on an individual basis.

## **Appendix B – Current Funding Guidelines**

This document is not part of the Gift Acceptance Policy. It is included for reference and provides information on the current funding minimums for particular types of gifts.

**Endowed Funds:** Endowed funds will have a required minimum balance of \$25,000 with a five year period to reach this level.

**Charitable Remainder:** Charitable Remainder Trusts will be entered into with donors and beneficiaries at least seventy years of age or more. Charitable Remainder Trusts will satisfy IRS guidelines for charitable trusts. If the University is to serve as Trustee without compensation, the Charitable Remainder Trust will be a minimum of \$250,000 and the University will be the sole beneficiary. The fixed percentage payment shall be no less than 5% and the remainder value must be at least 10%, which are the legal requirements to qualify as a charitable remainder trust. The terms must be manageable and reasonable.

**Charitable Gift Annuities:** Charitable Gift Annuities rates will follow the guidelines set forth by the American Council on Gift Annuities. Gift annuity agreements will comply with the laws governing such agreements in each state when accepting an annuity from a donor in that state. Charitable Gift Annuities will be issued for an amount of \$50,000 minimum to donors and beneficiaries at least seventy years of age. Both current and deferred charitable gift annuities will be accepted within the previously stated guidelines. Legal requirements specify that agreements shall be for no more than two lives.

**Charitable Lead Trusts:** Charitable Lead Trusts will be considered on an individual basis.

**Life Estate Gifts:** Life estate gifts will be considered on an individual basis. By definition, donors of such gifts are responsible for taxes, maintenance, insurance and upkeep of the donated property.

**Non Cash Gifts:** Non cash gifts, such as publicly traded securities, stocks, etc. will be liquidated and deposited as cash.

**Exceptions:** Any exceptions to the above will be made on an individual basis.

# A Donor Bill of Rights

*PHILANTHROPY* is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To ensure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the not-for-profit organizations and causes they are asked to support, we declare that all donors have these rights:

## I.

*To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.*

## II.

*To be informed of the identity of those serving on the organization's governing board, and to expect the board to exercise prudent judgement in its stewardship responsibilities.*

## III.

*To have access to the organization's most recent financial statements.*

## IV.

*To be assured their gifts will be used for the purposes for which they were given.*

## V.

*To receive appropriate acknowledgement and recognition.*

## VI.

*To be assured that information about their donations is handled with respect and with confidentiality to the extent provided by law.*

## VII.

*To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.*

## VIII.

*To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.*

## IX.

*To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.*

## X.

*To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.*

### DEVELOPED BY

Association of Fundraising Professionals (AFP)  
Association for Healthcare Philanthropy (AHP)  
Council for Advancement and Support of Education (CASE)  
Giving Institute: Leading Consultants to Non-Profits

### ENDORSED BY

(in formation)  
Independent Sector  
National Catholic Development Conference (NCDC)  
National Committee on Planned Giving (NCPG)  
Council for Resource Development (CRD)  
United Way of America