



# **WILLIAM JESSUP** **UNIVERSITY**

## **Gift Acceptance Policy**

### **Policy Overview**

This policy describes the circumstances under which gifts to the University may be solicited, accepted, processed and acknowledged.

### **Reason for Policy**

The University both appreciates and depends on donations from generous benefactors who support the mission, vision, and values held by the William Jessup University community. In order to maintain integrity as a Christian University and as a non-profit corporation, this policy sets forth guidelines to help University representatives insure that donors and their donations are treated with integrity and prudence and are processed in compliance with applicable regulations and laws so that gifts may be beneficial to the University, carry out the donor's intent, and not compromise the educational purpose of the University.

### **Entities Affected by this Policy**

Authorized University representatives who solicit and accept donations from donors to the University and University staff who are charged with acknowledging, receipting, and processing gifts to the University are affected by this policy.

### **Who Should Read this Policy**

Any persons who work directly with donations to the University should read this policy as well as any departments who expect to receive donations. For the latest version of this policy, see the policy manual online at [www.jessup.edu/giftpolicy](http://www.jessup.edu/giftpolicy).

## Contents

Mission Statement .....	3
Our Vision.....	3
Philosophy of Donations .....	4
God’s Ownership.....	4
Gifting Philosophy.....	4
Policy Oversight and Discretion .....	4
Gift Recipients.....	4
Use of Legal Counsel .....	5
When to Use Legal Counsel .....	5
Litigation .....	5
Donor Notification and Expectation.....	6
Donor Obligations .....	6
Disclosure & Provision of Documents .....	6
Appraisals .....	6
Pledges.....	7
Confidentiality.....	7
Notification of Potential Litigations.....	7
Deductible Amount.....	7
Donor Recognition.....	7
Using Donor Names.....	7
Other Recognition Criteria .....	7
Public Relations Concerns.....	8
Restricted Gifts .....	8
General Policy.....	8
Policy Regarding Specific Types of Gifts.....	9
Gifts Subject to Gift Acceptance Committee Review Prior to Acceptance.....	9
Tangible Personal Property (Gifts in Kind).....	9
Marketable Securities.....	9
Closely-Held Securities.....	9
Bequests.....	10
Charitable Remainder Trusts.....	10

<b>Charitable Lead Trusts.....</b>	<b>10</b>
<b>Retirement Plan Beneficiary Designations.....</b>	<b>10</b>
<b>Life Insurance.....</b>	<b>10</b>
<b>Charitable Gift Annuities.....</b>	<b>11</b>
<b>Real Estate.....</b>	<b>11</b>
<b>Remainder Interest in Property.....</b>	<b>12</b>
<b>Named Funds.....</b>	<b>12</b>
<b>Additional Provisions.....</b>	<b>12</b>
<b>Gift Agreements.....</b>	<b>12</b>
<b>Pledge Agreements.....</b>	<b>12</b>
<b>Fees.....</b>	<b>12</b>
<b>Valuation of Gifts.....</b>	<b>12</b>
<b>IRS Filing upon Sale of Gifts.....</b>	<b>13</b>
<b>Gift Acceptance and Acknowledgement.....</b>	<b>13</b>
<b>Changes to or Deviations from the Policy.....</b>	<b>13</b>
<b>Donor Recognition.....</b>	<b>13</b>
<b>Changes to Gift Acceptance Policies.....</b>	<b>13</b>

## **Mission Statement**

In partnership with the Church, the purpose of William Jessup University is to prepare Christians for leadership and service in church and society, through Christian higher education, spiritual formation, and directed experiences .

## **Our Vision**

The William Jessup University vision is that our graduates will be transformed and will help redeem world culture by providing notable servant leadership; by enriching family, church and community life; and by serving with distinction in their chosen career.

# Philosophy of Donations

**God's Ownership:** It is the intent of the university to encourage giving based on a philosophy of biblical stewardship. The motivation of giving comes from a personal understanding that all possessions, wealth, time, and resources are gifts from God, of which the person who holds them is a steward. As a steward, we invest or use those resources in such a way as to honor the Lord from whom they are given. It is also noted that as God is sovereign, and the ultimate owner of all things, God may use the resources of anyone to accomplish His will.

**Gifting Philosophy:** It is the purpose of WJU to build relationship with donors and invite them to become financial partners in support of WJU's mission. All solicitations should be made in such a way as to encourage the donor to consider how God given resources can be used to extend the work of His kingdom, and honor Him as they are distributed. While staff is responsible to communicate the giving opportunities that will benefit WJU, it is our belief that the Holy Spirit moves the hearts of donors in the stewardship process. It is at the very heart of WJU to base our actions on biblical principles and seek a methodology and program that motivates giving as Biblical stewardship rather than philanthropy alone.

**Policy Oversight and Discretion:** This Policy represents the policy of William Jessup University (the "University") governing the solicitation and acceptance of gifts by the University. The Board of Trustees or Gift Acceptance Committee ("GAC") of the University and its staff solicit current and deferred gifts from individuals, corporations, foundations and others for purposes that will further and fulfill the University's mission. Purposes of this Policy include: (a) guidance for the GAC, officers, staff and other constituencies with respect to their responsibilities concerning gifts to the University; and (b) guidance to prospective donors and their professional advisors when making gifts to the University. The provisions of this Policy shall apply to all gifts received by the University. Notwithstanding the foregoing, the University reserves the right to revise or revoke this Policy at any time, and to make exceptions to the Policy. The GAC shall consist of the Chief Development Officer, the Chief Operations Officer and the Development Committee. The committee shall meet in person, by telephone or electronically as needed to approve all gifts of real property, non-publicly traded securities, any gift that requires the University to act as a trustee of a trust and any gift determined to pose moderate or material risk to the University. The committee must have a majority of then-sitting members in order to approve or decline gifts. The committee shall consult with legal and/or audit counsel, as appropriate, in matters related to the acceptance of gifts.

**Gift Recipients:** Only authorized representatives of the University may solicit and accept gifts from donors to the University. Authorized representatives should bring all unusual items to the attention of the Chief Development Officer and the GAC before indicating acceptance.

Outright gifts of cash need not be approved in advance by an authorized representative of the University. Deferred gifts and gifts of real estate or unusual In Kind Gifts must be reviewed by the CDO, who will make the final determination regarding acceptance.

NOTES: (1) Since donors, by definition, release control of their gifts at the time the gift is made, no gift will ever be returned to a donor without the approval of the GAC and CDO; (2) Any asset other than cash or marketable securities proposed to fund a deferred gift will be subject to review and referral by GAC.

**Use of Legal Counsel:** WJU may also seek and obtain outside legal counsel when circumstances warrant as determined by the Legal Counsel.

**When to Use Legal Counsel:** The WJU legal counsel and the GAC, with the CDO, shall review any gift with risk to the University and any gift wherein a contract or binding agreement is signed between the University and the donor(s) and/or another entity. In addition, the legal counsel shall review any deferred giving arrangement in which WJU is named to as a responsible party (e.g., trustee, executor, custodian, etc.) legal counsel shall be notified prior to gift acceptance in the following gift situations:

- Closely held stock transfers
- All deferred giving arrangements
- Gifts involving contracts, such as bargain sales or other documents requiring the University to assume an obligation
- Gifts involving any interest in real estate
- Gifts involving any interest in a business
- Transactions with potential conflict of interest that may invoke IRS sanctions
- Other instances in which use of counsel is deemed appropriate by the GAC
- Gift litigation

**NOTE:** Legal counsel is not notified in the case of gifts requiring no contract.

**Litigation:** In the unfortunate circumstance that a donor's contribution to the University is contested and the University faces litigation over its receipt of a gift, its management of a gift, its distribution of a gift, or any other potential situation, the GAC, and legal counsel will immediately be advised and will notify the University as to the best course of action—be it to enter into litigation, to settle the claim, to concede any claim to a gift, or some other available option that operates within the mission of the University for the propitiation of its posterity and public image in accordance with biblical mandates.

The CFO and the CDO, in consultation with the President, will ultimately make the final decision in regard to any litigation, with advisement to and from the Board as necessary. All programs, trust agreements, contracts or commitments shall benefit first and foremost the individual needs

of the donor and secondly the University. Never shall a charitable gift be urged upon a donor which shall benefit the University at the expense of or adverse to the donor's interest. A donor may expect any representatives of the University to reflect dignity and respect the charitable purposes of the University. Unauthorized personnel are not to solicit specific gifts from donors for the University or their specific departments. The Development Office must be notified whenever an unsolicited gift or donation is made to any department. The Development Office will initiate appropriate acknowledgements and record keeping. Some gifts may be deemed inappropriate. Gifts are generally believed to be unrestricted in nature unless the gift is made in response to a designated request or the donor requests specific restrictions. In the latter case, the University will review requested restrictions in advance of accepting the gift in order to determine its appropriateness.

Once the gift is restricted the restrictions will be observed. Gifts will be recognized within the policies established for specific campaigns, such as capital campaigns, University Fund, President's Circle, etc.

**Donor Notification and Expectation:** The University will advise the donor in 14 days if the potential gift is contrary to the University Gift Acceptance Policy. Donors will be encouraged to seek outside professional advice with regard to Planned or Deferred gifts in order to seek whichever gift vehicle will best suit both the donor and the University. In order to accept donations without conflict of interest, the University will not provide legal or tax counsel to donors. Donors are strongly encouraged to seek their own independent counsel with regard to Planned or Deferred gifts as well as outright gifts. Donors who do not employ independent counsel may be asked to acknowledge this decision in writing if requested by the University Legal Counsel.

## Donor Obligations

**Disclosure & Provision of Documents:** The Donor will be requested to provide all necessary and pertinent information regarding a Planned or Deferred gift to the University in both an expedient and an efficient manner. For the protection of all parties, it is imperative that legal documents pertinent to the gift transaction be forwarded to the University Legal Counsel for review.

**Appraisals:** Donors are responsible for all gift appraisals necessary to meet tax reporting requirements. Normally Donors are not required to have a qualified appraisal if the gift value is less than \$5,000. For gifts over \$5,000, donors will need a qualified appraisal for their own tax purposes. The University does not provide an official appraisal, and will not reimburse the donor for any costs they may have associated with a gift to the University. In the case of an irrevocable gift where WJU is the majority beneficiary, the university GAC may choose to cover the cost of

the appraisal. However, the donor will be made aware that the value of their donation will be decreased by the amount of the appraisal and that they should notify their tax advisor of the adjustment. If the gift is irrevocable, the gift value will be decreased by the amount of cost the university assumes in accounting records. For campaign or other fundraising reports, the gift value will not be reduced.

**Pledges:** A pledge is normally a conditional commitment made by a donor to contribute a specific amount to the University over a stated time period. Pledges should be documented in written form and signed by the donor. The maximum amount of time allowed for a pledge to be fulfilled should not normally exceed 5 years. Pledges beyond that length shall be approved by the Chief Development Officer.

**Confidentiality:** Information acquired by the University with regard to donors' non-public, personal information, assets, or philanthropic intentions are to be held in confidentiality unless written permission is received from the donor(s) and/or their counsel to release such information.

**Notification of Potential Litigation:** Donors will be notified via certified mail and a personal phone call.

**Deductible Amount:** Donors will take care to note that the value of a gift to the University will be decreased by the value of goods and/or services received from the University.

## Donor Recognition

**Using Donor Names:** When naming a significant capital structure or outdoor (physical) space, the initial consideration will, first, be given to the donor who has given the largest gift attached to the project, or to the campaign. Any naming of assets must have the approval of the President and the Board of Trustees. If no single donor or donation is of the magnitude necessary for a naming, consideration will be given to a person(s) whom the President and Trustees believe is worthy of such an honor. Prior to naming a significant asset, the name of the individual and/or entity must be subject to investigation to assure that the reputation/values would not tarnish the name or mission of WJU. WJU reserves the right to revoke its commitment to name an asset at any time. This is not a legally binding obligation between the donor(s) and WJU. WJU reserves the right to remove a name if an unfortunate circumstance warrants such an action.

**Other Recognition Criteria:** It will be appropriate to establish criteria that will provide recognition for gifts to specific projects. These projects may be part of a capital campaign, or

part of a special fund raising initiative. In these cases, recognition may include naming opportunities (depending on the size and scope of the donation), outdoor facility naming, signage, bricks, tiles, pavers, and recognition through print and electronic media. It is felt that due to broad availability of this recognition and the opportunity for all donors to become a part of the project through gifting through this manner that these recognitions fit within the general policy of the university and help to establish heritage for the benefit of future generations. The size of gift appropriate for recognition will be determined by the naming inventory maintained by University Development or approval for the specific campaign. Events or activities designed to honor donors are to be arranged through the Development Department and will vary with the size of the gift and the desire of the donor(s).

**Public Relations Concerns:** The University reserves the right to reject a gift that may result in any unfortunate public relations issues. The CDO, when presented with such gifts should contact the President and Trustees who may involve legal counsel and public relations. In these cases; the acceptance of all such gifts are to be left to the discretion of the CDO, GAC and President.

**Restricted Gifts:** The University may accept contributions restricted for specific programs and purposes that are consistent with its stated mission, purposes and priorities and do not violate the non-discrimination policies of the University. Restrictions must be communicated by the donor and evidenced in writing at the time the donation is made. In the occasional circumstance that a change in restriction is requested, the change must be evidenced in writing from the donor or a successor designated by the donor. It must be approved by the GAC if the gift is over \$5,000 to insure that any legal requirements are satisfied. Donations that have been spent or committed cannot be re-designated. Current gifts to the University or one of its major academic divisions (schools), with or without a general student aid restriction, will benefit the corresponding General Fund account and will underwrite the operating budget. Donations with narrower restrictions will be posted to the appropriate restricted account.

## General Policy

The University may not accept gifts that:

- Violate the terms of the University's organizational mission statement and or/vision;
- Would jeopardize the University's status as an exempt University under federal or state law;
- Are too difficult or expensive to administer;
- Are for purposes that do not further the University's mission and/or vision; or
- Could damage the reputation of the University
- Could be associated with litigation



All final decisions on the acceptance or refusal of a gift, shall be made by the CDO, the GAC and ultimately, by the University President.

**Policy Regarding Specific Types of Gifts:** Gifts Generally Accepted Without Review (Unrestricted Gifts of Cash). The University will accept unrestricted gifts of cash without prior review by the GAC. Unrestricted gifts of cash are acceptable in any form. Checks shall be made payable to the University. Gifts under \$5,000 can be made online. [www.jessup.edu/give](http://www.jessup.edu/give)

**Gifts Subject to GAC Review Prior to Acceptance:** All major gifts (\$50,000 or more), other than unrestricted gifts of cash, must be reviewed by the CDO or GAC prior to acceptance, unless the GAC authorizes certain categories of gifts to be accepted without its review. The following guidelines also apply:

**Tangible Personal Property (Gifts-in-kind):** Gifts-in-kind include physical assets, such as collections, equipment, books, works of art, software and other personal or corporate property given to the University. The Chief Development Officer, and/or the Chief Operations Officer shall review gifts-in-kind by considering the following factors:

- Whether the property furthers the mission of the University;
- The marketability of the property;
- The restrictions on the use, display, or sale of the property; and
- Carrying costs and possible liability for the property.

When gifts-in-kind are given to the University with the intent of the donor receiving a tax deduction, it shall be the responsibility of the donor, not the University, to obtain an appraisal of the gift for tax purposes. The University shall not become involved in the appraisal process. The Internal Revenue Service guidelines in use at the time of transfer will be strictly adhered to, and may be obtained from the donor's professional tax advisors. Software gifts-in-kind will be valued in accordance with current CASE standards.

**Marketable Securities:** Unrestricted marketable securities may be transferred to an account maintained by the University at one or more brokerage firms or delivered physically with the transferor's signature or stock power attached. All marketable securities shall normally be sold as soon as practical following receipt, unless otherwise directed by the University's GAC. If the marketable securities are restricted by applicable securities laws, the GAC shall make the final determination on the acceptance of the restricted securities.

**Closely-Held Securities:** Closely-held securities, including debt and equity positions in non-publicly traded companies, interests in LLPs and LLCs, or other ownership forms, can be accepted subject to the approval of the GAC of the University. The GAC shall review and decide whether to accept closely held securities based on the following factors:

- Restrictions on the security that would prevent the University from ultimately converting

- the securities to cash;
- The marketability of the securities; and
- Any undesirable consequences for the University from accepting the securities.

If potential problems arise on initial review of the security, further review and recommendation by an outside professional may be sought before making a final decision on acceptance of the gift. The final determination on the acceptance of closely held securities shall be made by the Governing Body of the University with advice of legal counsel when deemed necessary. Non-marketable securities shall be sold as quickly as possible.

**Bequests:** A donor may make a charitable bequest to the University in a will and/or living trust. A bequest of cash or publicly traded securities is always acceptable. A bequest of any asset defined in this document as possibly needing approval of the GAC must be approved or declined by the GAC. A bequest will not be recorded as a gift until the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the gift will be recorded in accordance with GAAP.

**Charitable Remainder Trusts:** No Charitable Remainder Annuity Trusts or Unitrusts shall be entered into for a sum of less than \$50,000. The fixed dollar amount to be paid annually shall be no less than the minimum required by law of the net fair market value of the assets transferred. Beneficiaries of CRTs shall be 50 years of age or older.

**Charitable Lead Trusts:** The University may accept designation as income beneficiary of a charitable lead trust. The University will not accept appointment as trustee of a charitable lead trust.

**Retirement Plan Beneficiary Designations:** The University may accept Designations as beneficiary of donors' retirement plans. Designations will not be recorded as gifts until the gift is irrevocable. When the gift is irrevocable, the gift will be recorded in accordance with GAAP.

**Life Insurance:** The University may accept designation as beneficiary and as owner and beneficiary of a life insurance policy. The life insurance policy will be recorded as a gift once the University is named as both beneficiary and irrevocable owner of a life insurance policy. The gift shall be valued in accordance with GAAP rules. If the donor contributes future premium payments, the University will include the entire amount of the additional premium payment as a gift in the year that it is made. If the donor does not elect to continue to make gifts to cover premium payments on the life insurance policy, the University may:

- Continue to pay the premiums;
- Convert the policy to paid up insurance, or

- Surrender the policy for its current cash value

Donors may name the University as beneficiary or contingent beneficiary of their life insurance policies. Designations will not be recorded as gifts until the gift is irrevocable. Where the gift is irrevocable, the gift shall be recorded in accordance with GAAP.

**Charitable Gift Annuities:** The University may offer charitable gift annuities. The minimum acceptable gift will be assets valued at \$10,000. The University offers the gift annuity rates recommended by the American Council of Gift Annuities. The University will accept current gift annuities whose initial payment is at least one year after the gift date. The minimum age for life income beneficiaries of a gift annuity shall be 45. No more than two life income beneficiaries will be permitted for any gift annuity. The GAC may make exceptions to these minimums. For deferred annuities, contact the Chief Development Officer. State registration requirements must be adhered to in those states whose insurance or other laws and regulations require.

· *Payment Schedule.* Annuity payments may be made on a quarterly, semiannual, or annual schedule. The GAC may approve exceptions to this payment schedule.

· *Illiquid Assets.* The University shall not accept real estate, tangible personal property, or any other illiquid asset in exchange for current charitable gift annuities.

· *Handling of Funds.* Funds required as reserves for gift annuities should be established and maintained in accordance with applicable state insurance laws.

**Real Estate:** Gifts of real estate may include developed property, undeveloped property, or gifts subject to the following:

*Environmental Review.* Prior to acceptance of real estate, the University shall require a Phase I environmental review, if applicable, of the property to ensure that the property has no environmental problem. If the inspection reveals a potential problem, the University can reject. The cost of the environmental audit shall be negotiable.

*Building/Property Inspection.* 3<sup>rd</sup> party firm to identify structural deficiencies; pest report and property appraisal, to ascertain a reasonable market value of the gift.

*Title Review Insurance.* Acceptable title review and title insurance shall be obtained by the University prior to the acceptance of the real property gift when appropriate. The cost of this title insurance shall be negotiable.

*Factors for Acceptance.* The GAC and legal counsel shall review and decide whether to accept real property based on the following factors:

- Whether the property is useful for the purposes of the University;
- The marketability of the property;
- Any encumbrances, leases, restrictions, reservations, easements, or
- Any carrying costs associated with the property, including insurance, property taxes, mortgages, notes or other costs;
- Any concerns which the environmental audit and title review.

**Remainder Interests in Property:** The University will accept a remainder interest in a personal residence, farm, or vacation property. The donor or other occupants may continue to occupy the real property for the duration of the stated life. Donors must sign a Life estate agreement with the University to clarify their responsibility for property repairs, taxes, insurance and other expense. At the death of the life tenant(s), the University may use the property or reduce it to cash.

**Named Funds:** A donor, or group of donors, may contribute, name (a fund) and restrict the use of the (funds) income, or the principal of the fund to the University, upon their donation to WJU. Named funds require a minimum contribution of \$ 25,000 / \$50,000 and are subject to GAC approval like any other restricted gift.

## Additional Provisions

**Gift Agreements:** Where appropriate, the University shall enter into a written gift agreement with the donor, specifying the terms of any restricted gift, which may include provisions regarding donor recognition and time framer.

**Pledge Agreements:** Acceptance by the University of pledges by donors of future support of the University (including by way of matching gift commitments) shall be contingent upon the execution and fulfillment of a written charitable pledge agreement specifying the terms of the pledge, which may include provisions regarding donor recognition.

**Fees:** The University may not accept a gift unless the donor is responsible for (1) the fees of independent legal counsel retained by donor for completing the gift; (2) appraisal fees; (3) environmental audits and title binders (in the case of real property); and (4) all other third-party fees associated with the transfer of the gift to the University.

**Valuation of Gifts:** The University shall record gifts received at their valuation on the date of gift, except that, when a gift is irrevocable, but is not due until a future date, the gift may be recorded at the time the gift becomes irrevocable in accordance with GAC.

**IRS Filings upon Sale of Gifts:** To the extent applicable, the Development Office shall file IRS Form 8282 upon the sale or disposition of any charitable deduction property sold within three (3) years of receipt by the University. “Charitable deduction property” means any donated property (other than money and publicly traded securities) if the value claimed by the donor exceeds \$5,000 per item or group of similar items donated by the donor to one or more donee organizations (e.g., the property listed in Section B on Form 8283). The University shall file this form within 125 days of the date of sale or disposition of the asset. Acknowledgement of all gifts made to the University and compliance with the current IRS requirements in acknowledgement of such gifts shall be the responsibility of the GAC.

**Gift Acceptance and Acknowledgement:** Upon receipt of a gift and/or any gift related documents, the Development Office will record gift and acknowledge donor. A complete record of every individual donor’s contributions will be maintained. Restricted gifts will be recorded by the use of account codes. Once a gift is accepted a written acknowledgement of the gift will be mailed within 48 hours. Written acknowledgements are to be in full compliance with Internal Revenue Service regulations.

**Changes to or Deviations from the Policy:** This Policy has been reviewed and accepted by the University’s GAC, which has the sole power to change this Policy. In addition, the GAC [or Development Committee] must approve in writing any deviations from this Policy.

**Donor Recognition:** Donors will be advised at the time of each gift that the University will publicly recognize donors, unless requested otherwise by the donor. Requests declining public recognition will be documented and retained in the permanent files of the University. Recognition of donors will be made on the basis of the value of the gift(s) made to the University. The specific value of individual gifts will not be disclosed publicly, unless agreed to in writing by the donor and the University. The value of gifts for public recognition will be categorized by ranges of value as determined by the Chief Development Officer. Only irrevocable gifts will be recognized. Gifts will be recognized at values eligible for a charitable deduction from income for federal income-tax purposes. Recognition that includes naming of a facility, department, program, faculty chair, professorship, fellowship or other specific naming opportunity in honor of a donor will be made in accordance with the University’s Naming Policy. (See University Naming Policy for duration, removal and recognition levels and plaques.)

**Changes to Gift Acceptance Policies:** These policies do not anticipate all possible gift situations and will be reviewed each year and amended if necessary. These policies and guidelines have been reviewed and accepted by the Board of Trustees of William Jessup University. The Board of Trustees must approve any changes to, or deviations from, these policies.