

Gift Acceptance Procedure

**University Procedure 600**

**Section 1. Purpose**

This procedure provides operational direction for the implementation of University Policy 6000. It is the purpose of this procedure to describe how private gifts and grants are accepted by the Metropolitan State University Foundation in support of Metropolitan State University.

No officer may solicit or accept a gift in violation of Minnesota Statute 43A.38

<https://mn.gov/mmb/employee-relations/labor-relations/resources-for-agencies/code-of-ethics.jsp>

**Section 2. Definitions**

**University Foundation** – The Metropolitan State University Foundation, an independent 501(c)(3), whose purpose is to raise funds to fulfill the goals set out by the administration of Metropolitan State University.

**Gift** – any transfer of personal or real property made voluntarily and without consideration or exchange of value returned to the donor. Transfer may be outright, through an arrangement in which the donor retains a partial interest, or by bequest.

**Grant** – a transfer of funds from federal, state or local government agencies or public or private foundations, in response to an application which includes a detailed statement of work, a specified period of performance and a line-item budget which obligates and restricts the uses of the funds.

**Outright Gifts** - Outright gifts are those placed at the immediate disposal of Metropolitan State University Foundation and in which the donor retains no interest. They may be either restricted or unrestricted in purpose.

**Corporate Matching Gifts** – A transfer of funds or property from a corporate entity, typically an employer, to match the amount already given by an individual donor.

**Non-gifts** – Payments made to the Foundation for goods or services or that are not tax-deductible to the donor under U.S. Federal tax law. Transfers of personal or real property are not tax deductible if the donor retains the right to direct the use of the funds or will benefit from the funds.

**Gift Acceptance** – The process for determining whether a gift meets the criteria established by the Foundation board and the University president, for transfer to the control of the Foundation and documenting the value and providing evidence of the gift transfer.

**Naming Opportunities** – Physical locations or assets of the University to which a name may be attached in honor of a donor.

## Section 3. Procedure

### 1. Gift Receipt

- 1.1. All gifts to Metropolitan State University from private sources must be directed through the Metropolitan State University Foundation/University Advancement Office where they are recorded and acknowledged. When cash, or checks, are sent to the Foundation from another campus office for gift processing, they must be accompanied by a memo with the following information: foundation account name and number, if known; name of person to whom acknowledgement should be sent, in the case of corporate gifts contact information for a specific employee of the corporate entity; and copies of all correspondence relating to the gift. All cash gifts must be sent to the Foundation for gift processing immediately.
- 1.2. The following information is required to process Gifts-in-Kind: the donor's name and full contact details; letterhead or other standard documentation such as a catalogue or published price list giving the value and description of the equipment or products, usually including product identification numbers; any terms limiting use of the donation; and a packing slip or other paperwork to verify receipt of the gift. A qualified appraisal must be submitted for any gift-in-kind whose claimed value is \$5,000 or more. For all gifts-in-kind, the physical location of the item must be indicated.
- 1.3. Checks should be made payable to Metropolitan State University Foundation. Title to gifts of securities and real property should be transferred to Metropolitan State University, with transfer evidenced by the appropriate legal documentation.
- 1.4. The University is legally obligated to adhere to the terms and conditions attached to every gift. For this reason, no gift will be accepted until the terms of each gift have been considered to ensure that the Foundation can meet the terms, that the terms do not unduly hamper the usefulness and desirability of the gift, and they are in conformity with Metropolitan State University gift acceptance policy.

The Vice President for University Advancement may convene an ad hoc gift acceptance team when the circumstances surrounding a specific gift raise significant institutional issues. The gift acceptance team, at the request of the Vice President for University Advancement, is responsible for reviewing and making recommendations regarding gifts in which present and/or future encumbrances may be incurred and in cases involving certain types of unusual non-cash gifts. Team members will be chosen by the Vice President, in consultation with the University President, based on their expertise to evaluate the acceptance of the gift upon the university's operations, finances or reputation.

2. Gift valuation will follow the guidelines from the National Association of College and University Business Officers, as they may be amended and are maintained in the University Foundation's operations handbook.
  - 2.1. Cash - Gifts of cash are valued at their U.S. monetary worth. Checks should be made payable to "Metropolitan State University Foundation".
  - 2.2. Securities - Gifts of securities are credited at the mean of their market value on the date the donor relinquishes control to Metropolitan State University Foundation. Neither losses nor gains realized by the sale of the securities after their receipt affect the gift value credited to the donor. Any brokerage fees incurred and changes in value resulting from liquidation are considered gains, losses or operating expenses or earnings of programs benefiting from the gift.
  - 2.3. Real and Personal Property - Major gifts of real and personal property with an apparent worth of \$5,000 or more -- such as land, houses, paintings, antiques, and rare books -- are recorded at the fair market value placed upon them by an independent, expert appraiser. The donor values small gifts of real and personal property -- such as rare books, prints, etc., with an apparent worth of less than \$5,000 -- and their informal valuation is used for internal reporting purposes.

#### Irrevocable Trusts, Annuities, Life Estates, Insurance

- 2.3.1. Charitable Remainder Trusts, Pooled Income Funds and Gift Annuities. Gifts made to establish charitable remainder trusts, contributions to pooled income funds and gift annuities are credited at fair market value (i.e. the full amount of the assets given, as determined by an independent, expert appraisal). Gift recognition credit is given for the full fair market value.
- 2.3.2. Charitable Lead Trusts. In recording the value of a charitable lead trust, only the income received from it each year during the period of the operation of the trust is included in gift totals.
- 2.3.3. Life Estates. Gifts of remainder interest in a personal residence or farm will be credited at the fair market value. Gift recognition credit is given for fair market value.
- 2.3.4. Trusts Administered by Others. The value of the assets of gifts in trust that the University or the donor has chosen to have administered by an independent entity, such as a bank or other fiduciary, is recorded as a gift at the time the trust is established (or at the time the institution is informed of the gift), provided the gift is irrevocable. The income derived from such trusts is treated as similar to or like, but not as endowment income and is not included in annual gift totals.
- 2.3.5. Insurance. Only in cases where Metropolitan State University Foundation is both beneficiary and irrevocable owner of a whole life insurance policy is the policy recorded as a gift. The cash surrender value of the policy is recorded, rather than its face value, as the amount of the gift. If the donor pays further premiums on the policy, the donor will receive gift credit at full value of the premium. In those

cases where Metropolitan State University Foundation receives the proceeds of an insurance policy in which it was named beneficiary but not owner, the full amount received is reported as a gift on the date delivered.

### 3. Acknowledging and Recognizing Donors

- 3.1. A formal tax receipt for cash gifts is sent to each donor upon acceptance of the gift.
- 3.2. Tax receipts are not issued for non-cash contributions. Metropolitan State University Foundation will formally acknowledge non-cash gifts in a letter containing a description of the donated item and a donor declared statement of the fair market value.

Most donors are interested in the progress of the activity they have supported. Therefore, it is highly recommended that follow-up letters be sent by the area of designation to donors to inform them of the progress being made by the use of their gift. A liaison between the account administrator and the actual signatory on the account (e.g. faculty member or University administrator and the University advancement officer) is necessary for this form of stewardship.

- 3.3. Memorial gifts and gifts in honor of others are acknowledged to the donor, and a list of donors (but not individual gift amounts) is provided to the donor by University Advancement. When such gifts are transmitted by departments, they should indicate that the gift is a memorial or in-honor gift, who it is in memory or honor of, and the name and address of donors to be notified.

### 4. Gifts

#### 4.1. Endowment

4.1.1. Responsibility. Metropolitan State University Foundation has been delegated the responsibility for implementing policies for endowments to benefit Metropolitan State University programs. These policies are established and maintained by the University Advancement Division. The management and distribution of endowment assets is the responsibility of the Foundation's Finance and Audit Committee.

- Gifts totaling a minimum of \$50,000 are required to establish an endowment fund. Gifts to endow a fund may be given over a period of one to five years.
- Endowed funds may be "named."
- Every endowment shall have specific guidelines detailing the purpose of the endowment and distribution criteria. Such guidelines shall be reviewed and approved by the Foundation Executive Director. The donor shall sign the final document prior to signature by the President. See sample of Endowed Scholarship Fund Agreement included in the appendix.

- Metropolitan State University Foundation will seek changes through Probate to any bequeathed endowment guidelines that are in violation of any statutory regulations.
- UA will ensure continued use of the earnings according to the specific donor guidelines.
- Endowment funds investment policies and practices are developed and maintained by the Foundation through the actions of its Foundation Board of Trustees in accordance with the laws of the State of Minnesota, which provides principles for the investment of endowments. Donors are not permitted to have control over the investment of endowment funds or the use of the earnings beyond the initial restrictions.

#### 4.1.2. Annual and pass through gifts.

These are gifts received annually by the foundation such as gifts to the Metro Fund, general student scholarship fund or a specific scholarship. Administrative fees are charged to process all restricted gifts

### **Section 4. Authority**

This procedure is issued pursuant to the operating authority granted to the University's President by the Board of Trustees of the Minnesota State system (Proc. 1A.2.2, "Delegation of Authority").

Metropolitan State University Foundation has the authority to receive such gifts, grants, conveyances, devices and bequests, whether real or personal property, in trust or otherwise, for the designated or undesignated use or benefit of Metropolitan State University.

### **Section 5. Effective Date**

The Vice President for University Advancement/Foundation Executive Director is responsible for implementation of this procedure. The Vice President for University Advancement, pursuant to the authority delegated by the University President, further delegates the authority to accept gifts (subject to the policies and procedures) to the following agents of the University:

1. University Advancement Staff
2. Provost and Executive Vice President for Academic and Student Affairs

### **Section 6. Responsibility**

This regulation shall become effective upon signature by the President, and shall remain in effect until modified or expressly revoked.

### **Section 7. Review**

This procedure will be reviewed on a biennial basis or as needed.

## **Section 8. Signature**

Issued on this date: February 12, 2021

Virginia "Ginny" Arthur, JD  
President

Date of Implementation: 02/12/2021

Date of Last Review: 02/12/2021

Date and Subject of Amendments:

Additional History and/or Revision Dates: