Gift Acceptance and Administration

Policy Type: Board of Visitors
Responsible Office: Development and Alumni Relations
Initial Policy Approved: 05/01/1994
Current Revision Approved: 05/18/2021

Policy Statement and Purpose

Virginia Commonwealth University is committed to the success of its fundraising program to develop and enhance programs beyond what is possible with state support and generated revenue. Philanthropic gifts increase access to exceptional education, institutional research and health care.

This policy governs the acceptance of all gifts made to support Virginia Commonwealth University, including cash, publicly traded securities, life insurance, gifts in kind, works of art, gifts of real estate and estate/planned gifts.

- A gift must not be accepted by Virginia Commonwealth University unless there is a reasonable expectation that acceptance of the gift will advance the mission of the university and complies with IRS regulations and applicable state/federal laws.
- The university reserves the right to accept, decline or return a gift. A gift will not be accepted by the university if such acceptance imposes upon the university overly burdensome administrative costs or financial risk.

Should gift criteria become impossible to fulfill or are no longer consistent with the mission of the university, VCU will contact the donor or appointed representatives to alter the gift’s criteria.

Noncompliance with this policy could result in disciplinary action up to and including termination. VCU supports an environment free from retaliation. Retaliation against any employee who brings forth a good faith concern, asks a clarifying question or participates in an investigation is prohibited.

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Who Should Know This Policy

All university employees engaged in activities related to development and alumni relations are responsible for knowing this policy and familiarizing themselves with its contents and provisions.

Definitions

**Affiliated or institutionally-related foundations**
VCU has affiliated philanthropic foundations that are separate 501(c)(3) charitable corporations organized to operate for the support of the university, while operating with self-governed boards and bylaws. They accept and invest gifts made in support of the university.

**CASE**
The Council for Advancement and Support of Education is a global nonprofit association dedicated to educational advancement — alumni relations, communications, development, marketing and advancement services — and shares the goal of championing education to transform lives and society.

**Cash gifts**
These gifts include currency, credit-card commitments, checks, direct deposits made by any department and payroll deduction arrangements. These gifts can be put to immediate use and/or invested by the university or its affiliated foundations.

**Complex gifts**
The IRS defines a complex gift as an item that is not reasonably expected to be used to further the organization’s exempt purpose (beyond the need for funds) and for which there is no ready market to liquidate the contribution and/or the value of the item is highly speculative or difficult to ascertain.

**Current fund**
A type of fund that is expendable in the near future for the purposes of advancing the university. Current funds can be either restricted or unrestricted.

**Endowed fund**
A type of fund containing assets that are invested in perpetuity and can be unrestricted or restricted for a specific purpose, program, or campus unit. In general, there are three types of endowment funds:
- *True endowment funds* are gifts received from a donor with the restriction that the principal is not expendable.
• **Term endowment funds** are gifts for which the donor stipulates that the principal can be expended after a stated period of time or upon the occurrence of a certain event.

• **Quasi-endowment funds, or funds functioning like an endowment**, are internal accounts that have been established by the board to function like an endowment fund but that can be expended at any time at the discretion of the board.

**Expendable Funds**
Either restricted or unrestricted funds that can be spent by the institution.

**Gift**
A charitable contribution for the use of a qualified organization. It is voluntary and is made without receiving, or expecting to receive, anything of equal value in return.

**Gift Acceptance Committee**
A standing committee that confers at the request of the vice president of Development and Alumni Relations to consider and approve the acceptance and/or recognition of complex gifts.

**Gift agreement**
An agreement between the donor(s) and the university or an affiliated foundation that defines the purpose of the gift, the gift amount, a schedule of contributions and other terms deemed appropriate by either party.

**Gift in kind**
A noncash donation of materials or long-lived assets other than real and personal property.

**Restricted Funds**
Funds that contain gifts provided to the university and are subject to legally binding limitations on their use. These limitations are outlined through a gift agreement or institutional award letter. If the university accepts such assets, it must abide by these limitations. Restricted funds are usually classified in one of two ways:

- **Expendable restricted funds**: Restricted current funds that allow the asset to be spent in the normal course of meeting the restriction.
- **Non-expendable endowed funds**: Funds that require that the donated assets be retained for investment purposes in perpetuity. The income from these investments can be designated to a school or unit and can be unrestricted or restricted in purpose.

**Restricted Quasi-Endowment Funds**: These are expendable restricted funds containing assets designated by the board for long-term investment. The income from these investments is restricted to operating purposes specified by the donor. The board can, at any time, approve expenditure of these invested funds in accordance with the specific donor restrictions.

**Unrestricted Funds**: Funds containing assets received by the university with no donor restriction on their use and are, therefore, can be spent for any lawful university purpose. The process for fund allocation can be at the discretion of the senior vice president and chief financial officer and appropriate members of the president’s cabinet.
Unrestricted Quasi-Endowment Funds: Unrestricted funds containing assets designated by the board for long-term investment. The income from these investments is for unrestricted purposes. The board can, at any time, approve expenditures of these invested funds for unrestricted use.

Contacts

The Office of Development and Alumni Relations (DAR) officially interprets this policy. The Office of Development and Alumni Relations is responsible for obtaining approval for any revisions as required by the policy “Creating and Maintaining Policies and Procedures” through the appropriate governance structures.

Please direct policy questions to the Office of Development and Alumni Relations’ Office of Gifts and Records Management.

Policy Specifics and Procedures

1. Gift Acceptance

The university generally accepts all gifts provided to the university, as long as the terms and conditions comply with the law, regulations and contractual agreements made with foundations, and align with the mission, vision, and values of the university.

Gift Acceptance Committee

Gift Acceptance Committee: purpose, composition, and mandate

The university maintains a standing Gift Acceptance Committee. The committee meets as needed, at the request of the vice president of Development and Alumni Relations to consider and approve the acceptance and/or naming of complex gifts. All complex gifts must be approved by the committee, in consultation with the administering unit, before presentation to the Board of Visitors for final approval. The Gift Acceptance Committee is appointed by the university president or their designee, is staffed by the vice president of DAR and has members from the following offices:

- Vice President for Finance
- Vice President for Academic Affairs
- VCU Integrity and Compliance
- VCU General Counsel
- Development Administration and Operations

Gifts that must be reviewed by the Gift Acceptance Committee
Gifts that meet IRS rules and CASE standards can be accepted by the Office of Development and Alumni Relations at the discretion of the vice president for Development and Alumni Relations, or their designee.

Gifts that fall outside of IRS rules, CASE standards or as described below could create risk and must be reviewed and approved by the GAC before acceptance of the gift is communicated to the donor by a university representative. In general, the university will not accept gifts that fall outside of IRS rules.

**Minimal risk:** these gifts are presented to the GAC only at the discretion of the vice president of Development and Alumni Relations or their designee.
- a. Gifts paid over more than five years
- b. Gifts that could expose the university to adverse publicity
- c. Gifts with restrictive conditions
- d. Planned or testamentary gifts that include life insurance or tangible personal property

**Moderate risk**
- a. Gifts that fall outside CASE guidelines for campaign counting
- b. Gifts with provisions that require the return of the gift under certain circumstances (other than unspent funds for a specific project)
- c. Gifts with restrictions that are not straightforward (e.g. difficult to award criteria)
- d. Gifts requiring donor control
- e. Gifts that do not meet minimums for expected outcomes
- f. Gifts that are related to the appointment or retention of a specific individual
- g. Gifts that could have real or apparent conflicts of interest for the donor, university officers, or employees
- h. Gifts of real estate that do not include restrictions on use or disposal

**Material risk**
- a. Gifts (or gifts in kind) valued above $100,000 that require approval by a vice president of Research, Health Sciences, or Academic Affairs, or gifts that have the potential to influence academic decision-making
- b. Gifts of $1 million or more that impose a university obligation, excluding gifts for scholarships or academic aid
- c. Gifts of art
- d. Gifts from unknown or unaffiliated foreign entities
- e. Gifts with potential for immediate or future financial and/or administrative burden
- f. Gifts of closely held or nonpublic traded securities
- g. Gifts of ownership in a private business
- h. Gifts of real estate that include restrictions on use or disposal

**Referring gifts to the Gift Acceptance Committee**
Questions concerning gift acceptability should be referred to the DAR Office of Gifts and Records Management, which, when necessary and in consultation with the vice president for Development and Alumni Relations, will convene the GAC for review of the proposed gift. All complex or nonstandard gifts must be reviewed by the GAC and with the administering unit, for oversight and acceptance. Any requests for special consideration of a gift or exceptional circumstances must be presented to the vice president for Development and Alumni Relations, or their designee, who will convene the GAC.

2. Gift documentation

All gift documents (e.g. checks, wills, deferred-giving documents) must name Virginia Commonwealth University, or the VCU Foundation, the Medical College of Virginia Foundation, the VCU School of Business Foundation, the VCU College of Engineering Foundation, the VCU Real Estate Foundation or another university affiliated foundation, named endowment fund, school or department as the recipient for the benefit of Virginia Commonwealth University or the VCU Health System.

Gifts of any amount that establish an endowed fund, or are restricted to a specific use, require a gift agreement or award letter. Campus partners must use gift agreement templates approved by the vice president for Development and Alumni Relations. Gift agreement guidelines and templates are available from the DAR office or one of the university affiliated foundations.

Gift credits

Cash gifts are credited at full value as of the date deposited by the university or foundation. Gifts of foreign currency are reported at the exchange rate on the gift credit date. Gifts made by credit card, even though considered cash gifts, are credited at the time they are processed and are applied to the donor’s card account. For gifts mailed to the university or an university affiliated foundation, the legal date of transfer is the postmark date. In accordance with gift-processing procedures, however, gifts are credited on the date they are deposited, with the only exceptions being the end of the calendar year (December 31) and the end of the fiscal year (June 30).

Receipt of gifts and gift processing

All gifts, whether gifts are solicited by a campus partner or DAR, must be processed through the Office of Gifts and Records Management to ensure accurate recording, receipting and reporting.

To ensure proper recording, receipting, and reporting:
- All solicitations must have the remittance address as the GRM campus box.
- All gifts agreements and contributions should be sent to the GRM campus box.
- Gifts mailed to a university unit/department must be hand-delivered to GRM or dropped in one of the GRM drop boxes within 24 hours of receipt.

GRM produces the official tax receipts on behalf of the university and the university affiliated foundations. Thank you letters and gift acknowledgements sent by campus partners should not include a dollar value as the donor could misconstrue such letters as tax receipts. The university ensures that separate identifiable accounts are established in the university’s database of record to record each type of fund. The university documents the limitations on restricted funds at the time they are received.
Forms

Gift agreement templates are available to development personnel with access to the DAR intranet on www.support.vcu.edu, from one of the university affiliated foundations, or by email at giftagreement@vcu.edu.

Related Documents

1. VCU Policy: Cash Receipting
2. VCU Policy Relationships with University Related Foundations
3. VCU Policy: Development and Alumni Relations’ Activities
4. VCU Policy: Art on Campus
5. The Donor Bill of Rights (External Link)
6. Quasi-Endowment Funds and the Investment of Funds Information

Revision History

This policy supersedes the following archived policies:

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<thead>
<tr>
<th>Approval/revision date</th>
<th>Title</th>
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<tbody>
<tr>
<td>March 1994</td>
<td>Acceptance and Administration of Contributions</td>
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<tr>
<td>Feb. 22, 2007</td>
<td>Acceptance and Administration of Contributions</td>
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<tr>
<td>May 6, 2009</td>
<td>General Policy Statement on Gift Acceptance</td>
</tr>
<tr>
<td>Sept. 7, 2016</td>
<td>Acceptance and Administration of Gifts</td>
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FAQ

There are no FAQ associated with this policy and procedures.