

# Nebraska Wesleyan University Gift Acceptance Policy

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# I. Introduction

## A. Purpose of Policy

The purpose of the Gift Acceptance Policy is to give guidance and counsel to those individuals within the Nebraska Wesleyan University community concerned with soliciting gifts. All gifts are to be accepted or rejected in accordance with the policies set forth herein.

To prevent misunderstandings and conflicts, the University views these guidelines as flexible and realistic in order to accommodate unpredictable fundraising situations and donor expectations. Such situations and expectations, however, must be consistent with the University's mission and policies and reviewed and approved by the Gift Acceptance Committee.

## B. Guiding Principles

- Nebraska Wesleyan University encourages gifts in support of its mission as a private liberal arts university.
- Nebraska Wesleyan University seeks to implement a gift acceptance policy that will balance:
  - the welfare of Nebraska Wesleyan University and
  - the interests of the donor.
- The University shall conduct gift acceptance practices in ways that are consistent with its status as a non-profit entity as defined by the Internal Revenue Code and related U.S. Treasury regulations.
- The University shall conduct gift acceptance practices in ways that are consistent with the ethical standards of the profession, including the Council for the Advancement and Support of Education's (CASE) "Ethical Guidelines" and "Donor Bill of Rights". (See Appendix 1)
- The University reserves the right not to accept certain gifts, including those from which the University will realize little or no financial gain, those made for purposes that are inconsistent with the University's educational mission, or those with restrictions that violate the University's ethical standards or require discrimination.
- The University retains the right to immediately sell all gifts of stock or property so that it can invest the proceeds in accordance with the University's investment policy.
- Donations of unrestricted gifts are encouraged because of the flexibility they provide in meeting the most pressing needs of Nebraska Wesleyan University.
- The University shall acknowledge all gifts and donations in an appropriate manner.
- NWU supports donors consulting with their own personal advisors (accountants, certified estate or financial planners, attorneys, investment brokers, etc.) prior to making a significant gift to the University.
- In accepting a gift, the University also accepts a responsibility to steward that gift. This includes administering the gift properly, and, when appropriate, reporting to the donor about the use of the funds.
- For accounting purposes, gifts will be recorded in accordance with the standards described in Financial Accounting Standards Board (FASB) rules. For valuing and crediting purposes, gifts will be recorded in accordance with the standards described in the Council for the Advancement and Support of Education (CASE) Reporting Standards and Management Guidelines.
- No employee or officer of the University may serve as personal representative/executor or trustee when the University has an interest in the estate or trust unless the Decedent or settlor of the trust was an immediate family member (meaning a parent, spouse or child of the employee/officer).

## **C. Policy Development**

This policy was developed by the Gift Policy Task Force, which includes the Director of Development, Director of Planned Giving, Manager of Information Systems for Advancement and the Manager of Donor Relations, and approved by the President, the Vice President for Advancement and the Vice President for Finance and Administration.

## **D. Gift Acceptance Committee (GAC)**

The GAC shall be chaired by the Vice President for Advancement and include:

- Vice President for Finance and Administration
- Provost
- Assistant Vice President and Controller
- Director of Development
- Director of Planned Giving
- Manager of Information Systems for Advancement

The GAC shall exercise the oversight and responsibilities specified herein. When gifts are not clearly allowed under the current policy, and therefore require review by the GAC, the GAC will review the information that has been presented by staff and will make a determination regarding the acceptance of the gift. The GAC will endeavor to respond promptly in such cases so that gifts can be completed in a timely manner or refused in an appropriate manner.

## **E. Policy Amendment and Review**

This Policy shall be reviewed by the Gift Policy Task Force at least once every three years, whenever situations arise that merit review, or whenever it becomes inconsistent with U.S. Treasury regulations or other applicable state or federal laws. To amend these guidelines, a written amendment shall be prepared by the Gift Policy Task Force and submitted to the GAC for review and approval.

# **II. Professional Advisors**

No Nebraska Wesleyan University employee or agent of Nebraska Wesleyan University may serve as an advisor or counsel to donors or prospective donors on matters related to contributions to the University.

## **A. Donor's Use of Professional Advisors**

The University supports each donor in consulting independent tax and/or legal counsel prior to making a contribution to the University. It is the donor's responsibility to directly employ and compensate independent legal and tax counsel in these transactions.

## **B. Nebraska Wesleyan University's Use of Professional Advisors**

The University retains the right to engage its own legal counsel, appraisers, or financial advisors in any gift acceptance decision.

### **III. Gift Acceptance Guidelines**

#### **A. Asset Acceptance vs. Designation Acceptance**

This policy addresses the acceptance of assets and giving vehicles for gifts and pledges to Nebraska Wesleyan University. Implicit in the acceptance of an asset or gift vehicle is an agreement between the University and the donor that the University will expend or invest the gift in accordance with the donor's designation(s), if any. No asset can be accepted for a gift or pledge when the donor's preferred designation is not approved by the University.

When a donor's designation preference is not a previously identified and approved University project or program, the designation will be reviewed by GAC for approval or refusal of the gift or pledge.

##### **1. Accepting Gifts without Designation**

When gifts of \$1,000 or more are received without designation, development staff will follow-up with the donor to determine the donor's intention. In cases where it is not possible to follow-up with the donor, designation decisions will be handled in the following manner.

- Gifts under \$5,000 which are received without designation will be considered gifts to the Archway Fund.
- Undesignated gifts between \$5,000 and \$24,999 will be referred to the Ad Council for a decision.
- Undesignated gifts of \$25,000 or more will be referred to the Finance Committee of the Board. *(This information was added on 10-12-2016 so the undesignated gift policy would be reflected in both the current and deferred sections of this document – see Appendix 3: Bequest Language Interpretation #1)*

At the request of the donor and the approval of the University, assets may be accepted without designation.

##### **2. Designation Restrictions for Illiquid Assets**

An asset other than cash or marketable securities is considered illiquid. When illiquid assets are given to the University, the designation selected by the donor will not receive funds until the asset is liquidated.

When donors make illiquid gifts to start new programs or initiatives, the new program or initiative may not be implemented until the asset is liquidated. In these cases, donors can choose to make operating fund gifts to initiate programs until the gifted asset has been liquidated.

There are rare exceptions to this which occur when the University decides to retain an illiquid asset. When the decision to NOT liquidate an asset is made by the University, the University may establish the new program or initiative with other resources.

#### **B. Acceptance of Gifts with Conditions**

The University will not accept any gift with the following conditions:

- Gifts which commit the University to initiate a new program where the gift is potentially revocable in any way;
- Gifts which require the University and its administration to employ a specified person now or at a future date; or
- Gifts which require payments of tuition, fees and/or other costs for a family member or designee of the donor.

#### **C. Fees and Appraisals**

##### **1. Fees**

**Finder's Fees or Commissions:**

No finder's fee or commission of any type will be paid by the University to any party in connection with the completion of a gift to the University without the prior written approval of the Administrative Council.

**Other Related Fees:**

- Fees associated with making a gift, including but not limited to will preparation, trust preparation, deed preparation, attorney fees and accountant fees, are the responsibility of the donor.
- Fees associated with any conditions of gift acceptance are the responsibility of the donor.
- With the exception of electronic transfer fees (such as credit card fees or wire transfer fees), fees associated with the transfer of assets to Nebraska Wesleyan University are the responsibility of the donor.
- Once an asset is transferred to University ownership, however, the University has the sole responsibility to determine the timing and method of sale of non-cash gifts (such as stocks, bonds, collections, etc.). Additionally, professionals handling the sale are selected by the University and fees associated with the sale of non-cash gifts are the responsibility of the University.

**2. Appraisals**

Donors are required by law to secure and pay for their own appraisals to substantiate charitable deduction claims. The University may also secure and pay for appraisals for its own purposes.

**D. Substantiation**

The ultimate responsibility for obtaining substantiation to document an income tax charitable deduction beyond the standard acknowledgement of the gift lies with the donor. However, the University will assist the donor in this regard, i.e., informing the donor when it may be necessary to file Form 8283, so as not to jeopardize a donor's deduction and thus future contributions to the University. Additionally, when the University sells a non-cash asset, the business office will be responsible for preparation and completion of Form 8282.

**IV. Gift Acceptance Details**

**A. Outright Gifts**

**1. Cash and Cash Equivalents**

**a) Policy**

- Cash, checks, and credit card gifts may be accepted regardless of the amount.

**b) Guidelines**

- The value of any cash, check, or credit card gift is its face value. Checks should be made payable to Nebraska Wesleyan University and sent to: *Advancement Office, Smith-Curtis 310, Nebraska Wesleyan University, 5000 Saint Paul Avenue, Lincoln, NE 68504.*
- Funds may also be wire transferred to the University. Donors should consult a representative of their financial institution to make contributions via wire transfer. Donors should also notify the University when such transfers are initiated to ensure appropriate and timely gift acknowledgement and accurate credit to the proper University account.
- Electronic fund transfers (EFTs) may also be used to make gifts to the University. Donors must complete an Electronic Funds Transfer (EFT) Authorization form and provide a blank copy of check to the University's Advancement Services Office before the EFT process can be initiated.

- Gifts of cryptocurrency must be reviewed by GAC, which will determine if the University will accept the gift.
- The University will accept any gift intended as an IRA qualified charitable distribution (QCD) as long as it meets the requirements of the law in making such a gift. The requirements are:
  - The donor must be age 70 ½ or older
  - The maximum annual amount for a QCD is \$100,000 per donor
  - The QCD is made from an IRA
  - The transfer is made directly from the IRA administrator to the University. A check from the IRA administrator payable to the University and delivered to it by the IRA owner is considered a direct payment.

## 2. Foreign Currency

### a) Policy

- Gifts denominated in foreign currencies acceptable to the University are permitted. The minimum gift for non-Canadian foreign currency is \$500.

The cost of conversion cannot exceed the value of the gift.

### b) Guidelines

- Gifts of foreign currency will be valued in U.S. dollar equivalents based on the published exchange rate on the date the gift is received.
- Designations will be credited with the net proceeds from the exchange.

## 3. Securities

As a general policy, the University will immediately sell all contributed securities.

### Publicly Traded Securities

#### a) Policy

- Gifts of publicly traded securities such as stocks for which prices are listed on the record of public exchanges are permitted.
- There is no minimum value of any single security that will be accepted.

**Note:** The acceptance of illiquid securities must be approved by the GAC.

#### b) Guidelines

- The University will sell securities as soon as possible after the securities have been transferred to the University. The value of a gift of securities is the mean (average) of the high and low of the stock(s) or bond(s) on the day the transfer to the University is complete.
- The University will issue a receipt acknowledging the date the University received the securities, the number of shares and the company name. The University will NOT provide a written acknowledgement of the value of the securities; responsibility for determining their value is that of the donor.
- Donors should notify the University about the securities being gifted, the number of shares, the intended gift date and the designation of the gift.

### Mutual Fund Shares

#### a) Policy

- Gifts of publicly traded mutual fund shares are permitted.

#### b) Guidelines

- The fair market value of mutual fund shares contributed is either the net asset value or the average between the high/low value, whichever is listed.
- The University will issue a receipt acknowledging the date the University received the shares, the number of shares and the company name. The University will NOT provide a written acknowledgement of the value of the shares; responsibility for determining their value is that of the donor.

### **Closely Held and Restricted Securities**

#### **a) Policy**

- Closely held and restricted securities may be accepted only after review and approval by the GAC.

### **Unattributed Gifts of Securities**

- If securities shares appear in Nebraska Wesleyan University's accounts without attribution, every reasonable effort to trace the transfer to a donor will be made. In the rare cases when the donor of a stock gift cannot be identified within ten working days of the end of the applicable fiscal year, the gift will be recorded as anonymous and undesignated.

## **4. Real Estate**

### **a) Policy**

- For the purposes of this policy, real estate includes improved and unimproved land, residences, condominiums, apartment buildings, rental properties, commercial properties, and farms.
- The University may accept outright gifts of real estate, both improved and unimproved, valued at \$50,000 or more. Exceptions to the minimum may be made on a case by case basis. All real estate gift proposals require approval by the GAC.

### **b) Guidelines**

- Generally, the University will attempt to sell any property received as a gift at a reasonable price, as reflected by the current market, as soon as possible.
- Donors interested in making outright gifts of real estate will be asked to complete the Real Estate Gift Worksheet and to provide the University with a copy of the title for the property in question. (See Appendix 2)

In addition,

- The University retains the right to refuse a gift during negotiations without incurring cost or liability.
- The University will only accept a full interest in a property unless otherwise approved.
- A donor must pay for any initial appraisal made of the property.
- The University, at its discretion, may secure its own appraisal and at its cost.
- It is the responsibility of the donor to pay all costs incurred in transfer of the property including the cost of compliance with any of the University's requirements.
- Special attention shall be given to a proposed gift of real estate encumbered by any obligations.
- Any sale occurring within three years of the gift date will be reported by the University to the IRS, as required by law.
- The University may require additional information to consider acceptance of a gift of real estate.

### **c) Real Estate Bargain Sales**

- A "bargain sale" is a sale of property to the University for an amount less than the property's current fair market value. The excess of the value over the sales price generally represents a contribution to the University. The University will accept bargain sales only after review and approval by the GAC.

## 5. Tangible Personal Property

### a) Policy

- All proposed gifts of tangible personal property must be reported to the Director of Planned Giving and will be reviewed by the GAC.
- Tangible personal property includes, but is not limited to, books, technical equipment, jewelry, collections, animals, automobiles, furniture, art, manuscripts, firearms, and archival materials.
- Tangible personal property typically falls into two categories: related use gifts and non-related use gifts. The evaluation of assets to determine related use is conducted by the GAC and other appropriate University officials.

For example:

- Archival materials are evaluated by the University Archivist and any appropriate faculty members.
- Works of art are evaluated by Nebraska Wesleyan University Art Department faculty members.

**Related Use Gifts** – When the University is interested in retaining a gifted asset for educational or mission-related purposes, this gift is called a "related use gift."

- There are no minimum gift values for related use gifts.

**Non-Related Use Gifts** – When the asset does not support the University's educational mission, the University will not retain the gifted asset.

- The minimum value of a non-related use gift is \$10,000.
- When the estimated value of any proposed gift is less than \$10,000, donors are encouraged to sell the item(s) themselves and donate the proceeds.
- The University will attempt to sell non-related use gifts at a reasonable current market price as soon as possible after the property is donated.
- All costs associated with the donation of the item(s) are the responsibility of the donor. This includes, but is not limited to, costs of delivery, insurance, assessments, and appraisals.

### b) Guidelines

- Gifts of tangible personal property cannot be accepted if made on the condition that the item(s) will be permanently exhibited or in use.
- Requirements for the review of tangible personal property shall be made by the GAC and may include:
  - A detailed written and photographic description of the property, including physical dimensions and condition.
  - An estimate of any expenses related to the acceptance, retention, and/or sale of the gift, including an estimate of storage and/or transportation costs.
  - An assessment of the possibility of any adverse publicity for the University if the gift is accepted.
  - Details of any special arrangements or stipulations requested by the donor as conditions of the gift.
  - A qualified appraisal supplied by the donor which will be used in the GAC decision and also in valuing the gift for recognition.
  - For a non-related use gift, an assessment of the marketability of the proposed gift and how the gift should be sold to realize its full value.
- An expedited process for review and acceptance may be used in situations where the gift being considered would replace a similar item already owned by the University or where

convening the GAC is impractical or inconvenient. The expedited process shall include the Director of Planned Giving notifying all other members of the GAC by email of the intended gift along with the requirements set forth in the Guidelines immediately above that are known and relevant. The gift shall be accepted upon a majority of the members of the GAC responding by email that they recommend acceptance of the gift.

**c) Disposition of tangible personal property**

The University may sell or otherwise dispose of related-use item(s) once the item(s) are no longer needed to advance the mission of the University. Upon notification that such item(s) are no longer useful, staff in the Advancement office will search the gift records to determine if there is any agreement with the donor regarding retention of the item(s). If no agreement can be found, the business office will handle disposition of the item(s).

**6. Interests in Natural Resources**

**a) Policy**

- The University may accept gifts of interest in natural resources (such as oil, gas, mineral, or timber interests). All such gifts require approval of the GAC.

**7. Gifts of Other Business Assets**

**a) Policy**

- As a general rule, Nebraska Wesleyan University can accept gifts of other business assets, such as partnership and LLC interests, and other intangible interests, such as patents, trademarks, and copyrights. These gifts must all be reviewed carefully by the GAC for acceptance. In most cases, the value of business assets is difficult to determine.

**b) Guidelines**

- The evaluation of gifts of business assets is conducted by the GAC and other appropriate University officials.
- All costs associated with the donation of the assets are the responsibility of the donor. This includes, but is not limited to, costs of assessments, appraisals, insurance, documentation, IRS filing, and legal documentation.
- Gifts of business assets are typically complicated and require significant review by the University before they can be accepted. Donors of business assets should expect a lengthy review process.

**8. Timeshares**

- The University will not accept a timeshare as a gift.

**B. Deferred Gifts**

**1. Bequests**

**a) Description**

- A bequest to the University is made in a donor's will or revocable trust. Donors can bequeath specific assets, specified cash amounts, or percentages or remainders of their estates to Nebraska Wesleyan University.

**b. Policy**

- Direct, unencumbered bequests shall be accepted by the University if the underlying assets are in conformity with the guidelines for Outright Gifts as stated in this Policy.

- All other bequests will be reviewed and approved by the GAC. The University reserves the right to reject gifts from the estates or trusts of deceased donors that are not in conformity with the terms of this Policy or other University policies.

**c) Guidelines**

- For information on how Nebraska Wesleyan University interprets bequest language see **Appendix 3**.

**2. Qualified Retirement Plan Beneficiary Designations**

**a) Policy**

- Nebraska Wesleyan University may be named as the death beneficiary of qualified retirement plans.
- Distributions from qualified retirement plans will be accepted if the asset in question is in conformity with the terms of this Policy or other University policies.

**3. Life Insurance Policies**

All potential gifts of life insurance will be reviewed by the GAC to determine acceptance, including a current illustration.

Life insurance gifts can be made when:

- Nebraska Wesleyan University is named beneficiary of a life insurance policy (and does not own the policy) **or**
- Nebraska Wesleyan University is named beneficiary and owner of the policy.
  - The University must be named both beneficiary and irrevocable owner of an insurance policy before a life insurance policy can be recorded as a gift.
  - Life insurance is valued at the cash surrender value on the date of receipt. Additional premium payments are considered gifts when received by Nebraska Wesleyan University.
  - In instances where the University is named beneficiary, but not the owner of an insurance policy, the full amount of the insurance company's settlement at the death of the insured will be reported as a gift on the date the University receives the proceeds.

Additional guidelines:

- The following criteria apply to insurance gifts when Nebraska Wesleyan University is named owner and beneficiary:
  - The University prefers limited pay policies.
  - If the gift is not a limited pay policy, annual premium payments expected to be paid by the donor may not be for more than seven (7) years beyond the date of the gift of the policy to the University.
  - The policy may not be a term life insurance policy.
  - The donor agrees to be responsible for making additional premium payments if the interest rates fall below expectations and additional premium payments are required.
- If the policy is not paid up, the donor must make a contribution equal to the cost of the annual insurance premium to keep the policy in force. In turn, the University will facilitate premium payment to the insurance company. The University will issue a gift receipt to the donor for the amount of the premium.
- If the donor is unable, for any reason, to make the gifts to cover premium payments, the University will decide the future of the policy based upon several factors, which may include age of donor, death benefit, amount of paid-up insurance, amount of premium, number of premiums remaining, etc. The University may decide to:
  - Cease premium payments and consider the policy paid at current level of insurance.
  - Surrender the policy for the cash value.

- c) In rare circumstances, use University resources to pay the insurance premium.
- 4. As owner of a policy, the University reserves the right to cash in a policy at any time.
- 5. No insurance products and no insurance companies or agents are endorsed by the University for use in funding gifts to it. The University does not furnish donor names to third parties for the purpose of marketing life insurance to donors or for any other purpose.
- 6. The GAC will meet at the end of every three years to review the status of each individual insurance policy in which the University is owner and beneficiary.

#### **4. Gifts with Life Income**

##### **Charitable Gift Annuities**

###### **a) Definition**

- Charitable Gift Annuities (CGAs) are contractual agreements between Nebraska Wesleyan University and a donor in which the University guarantees to make fixed payments to one or two individuals in exchange for the donor's gift.

###### **b) Policy**

- Annuity rates offered by the University are consistent with the rates offered by the American Council on Gift Annuities (ACGA). When ACGA revises these rates, University rates are revised accordingly.
- The minimum permissible initial CGA is \$5,000. Additional CGAs set to operate with the same payment dates and for the same annuitants as previously established may be funded with gifts of \$1,000 or more.
- Permissible CGA Forms include:
  - Immediate Gift Annuity
  - Deferred Gift Annuity
  - Flexible Deferred Gift Annuity
  - Commuted Gift Annuity
- With the exception of commuted deferred charitable gift annuities (DCGA), income beneficiaries must be at least age 55 when payments begin.

###### **c) Guidelines**

- Cash, securities or easily liquidated assets can be contributed to fund CGAs.
- CGAs can be funded with credit card gifts, however, the approved annuity rate will be multiplied by the net value of the gift after fees and expenses are deducted.
- The University may be receptive to donor(s) who wish(es) to convert his/her/their income interest in a charitable remainder trust for a charitable gift annuity. Approval from the GAC must be received before offering to pay to the donor(s) a rate higher than the ACGA rate. In such situations, the annual annuity, as a percentage of total trust assets distributed to the University, should not exceed the ACGA rate.

##### **Charitable Remainder Trusts (CRTs)**

###### **a) Description**

- Charitable remainder trusts are separate legal entities that pay income to one or more individuals, operate for a term of years or the lifetime of the income beneficiaries, and at the end of the trust term, pay any assets remaining in the trust to charitable beneficiaries.

###### **b) Policy**

- Individually managed charitable trusts may be established by living donors, or may be established or built with testamentary gifts. When the designation for a CRT gift is a new

program or initiative, the program or initiative will not be implemented until the obligation for payouts has ended.

### **c) Summary Guidelines**

- Trust Structure
  - CRTs shall be established with an outside trustee and name Nebraska Wesleyan University as remainder beneficiary (revocably or irrevocably). NWU will not act as trustee of any CRT.
  - The number of income beneficiaries is unlimited, subject to the IRS 10% and IRS 5% rules mentioned below.
  - CRTs can be established to operate for the life (or lives) of named beneficiaries or for a fixed term of 20 years or less, subject to the IRS 10% rule mentioned below.
  - IRS regulations require that the payout rate for CRTs must be at least 5%.
  - IRS regulations also require that the present value of the charitable remainder interest be no less than 10% of the face value of the gift.

### **Charitable Remainder Annuity Trusts (CRATs)**

- CRATs pay income beneficiaries a fixed income at least annually. The income is calculated as a percentage of the initial face value of the gift that funded the trust.
- Nebraska Wesleyan University strongly suggests that the minimum face value of the gift to establish a new CRAT is \$100,000. No additions may be made to the CRAT after it has been funded.
- Almost any liquid and many illiquid assets may be used to fund a CRAT, subject to the rules set by the trustee of the CRAT. However, because CRATs may not accept additions, and because their payment obligation begins at funding and may not be deferred, CRATs funded with illiquid assets must typically also have liquid assets such as cash with which to make required income payments.
- IRS regulations require that there must be no more than a 5% probability of the CRAT exhausting its assets before its term ends. This requirement will inform the term of the trust and the payout rate.

### **Charitable Remainder Unitrusts (CRUTs)**

- CRUTs pay income beneficiaries at least annually. The income is recalculated each year as a fixed percentage of the annually revalued market value of the assets held for the trust.
- Nebraska Wesleyan University strongly recommends that the minimum face value of the gift to establish a new CRUT is \$100,000. Additions may be made to the CRUT subject to the rules set by the trustee.
- Almost any liquid and many illiquid assets may be used to fund a CRUT, subject to the rules set by the trustee of the CRUT.

### **Charitable Lead Trusts (CLTs)**

#### **Policy**

- CLTs make income payments ("lead" payments) to a charity and deliver the remainder to some non-charitable beneficiary.
- CLTs may be set to operate for a term measured by either (a) the lifetime of the individuals living at the time the trust is created or (b) a term of years, or (c) a combination of lives and a term.
- There are two general categories of CLTs – grantor and non-grantor. Nebraska Wesleyan University will accept distributions from any CLT.

## Retained Life Estate

### a) Description

- A gift of real property with a retained life estate (RLE) involves the transfer of the title to a personal residence or farm to the University whereby the donor or another person retains use of the property for a term of years or the life/lives of the donor and/or other person(s).

### b) Policy

- The University may accept a gift of real property with a retained life estate, subject to approval by the GAC.
- The minimum face value of Nebraska Wesleyan University's share of the property must be \$50,000.
- Mortgaged property is eligible for contribution under a retained life estate arrangement; however, donors are obligated to continue paying the mortgage as a condition of their tenancy.
- As with other deferred gifts, new programs will not be initiated until the gift (i.e. the property) is liquidated.

### c) Guidelines

- All guidelines for the gifting of real estate apply.
- The agreement creating the life interest must provide that the donor and/or life tenant shall remain responsible for the payment of mortgages, taxes, insurance, utilities, maintenance/repairs and all other costs associated with the property. Donor(s) shall not violate or allow to be violated any environmental laws/ordinances covering this property.

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## V. Pledges

### A. Pledges to Contribute Easily Liquidated Property

Pledges to contribute cash, cash equivalents, or easily liquidated property (such as publicly-traded stock) will be recorded at face value in keeping with the gift processing policies and procedures at the time.

### B. Pledges of Illiquid Assets

In order for a pledge to be recorded which is contingent upon the realization of an illiquid asset, the donor must execute an irrevocable pledge agreement which states that the donor will back the pledge with a promise to pay using other assets if necessary.

### C. Pledges for Challenge Gifts

In cases where a pledge is used as a challenge to motivate other donors to make pledges, gifts, and/or payments for a capital project or a new program, and where the other donors' payments are made contingent on the fulfillment of the pledge underlying the challenge, the challenge pledge must be established as an enforceable debt for the challenge donor.

### D. Enforceable Pledges

In cases where Nebraska Wesleyan University and the donor intend for the pledge to be enforceable, a pledge letter indicating that must be prepared. This will provide documentation that all parties are in agreement that Nebraska Wesleyan and even others may rely on that donor's promise and also provide the required documentation for Nebraska Wesleyan to account for its receivable. The pledge letter should include the source of the funds which will be utilized to pay the pledge.

## **E. Statement of Intent**

In certain circumstances, it is inadvisable for the donor to create an enforceable pledge. For instance, if a donor knows in advance that they are planning to direct payments from a donor-advised fund or some other third party, the donor cannot make an enforceable pledge. (It is impermissible for a donor-advised fund to pay on a pledge.) In these instances, it is preferable to have the donor sign a letter of intent for documentation sufficient to record the pledge and recognize the donor. This allows the donor greater flexibility.

## **VI. Policy Effective Date**

This policy was approved by the members of the Nebraska Wesleyan University Gift Acceptance Committee (GAC) April 2019.

## **VII. Appendix 1: CASE Ethics Guidelines and Donor Bill of Rights**

### **CASE Statement of Ethics**

- Institutional advancement professionals, by virtue of their responsibilities within the academic community, represent their colleges, universities, and schools to the larger society. They have, therefore, a special duty to exemplify the best qualities of their institutions and to observe the highest standards of personal and professional conduct.
- In so doing, they promote the merits of their institutions, and of education generally, without disparaging other colleges and schools.
- Their words and actions embody respect for truth, fairness, free inquiry, and the opinions of others.
- They respect all individuals without regard to race, color, sex, sexual orientation, marital status, creed, ethnic or national identity, handicap, or age.
- They uphold the professional reputation of other advancement officers and give credit for ideas, words, or images originated by others.
- They safeguard privacy rights and confidential information.
- They do not grant or accept favors for personal gain, nor do they solicit or accept favors for their institutions where a higher public interest would be violated.
- They avoid actual or apparent conflicts of interest and, if in doubt, seek guidance from appropriate authorities.
- They follow the letter and spirit of laws and regulations affecting institutional advancement.
- They observe these standards and others that apply to their professions and actively encourage colleagues to join them in supporting the highest standards of conduct.

*The CASE Board of Trustees adopted this Statement of Ethics to guide and reinforce our professional conduct in all areas of institutional advancement. The statement is also intended to stimulate awareness and discussion of ethical issues that may arise in our professional activities. The Board adopted the final text in Toronto on July 11, 1982, after a year of deliberation by national and district leaders and by countless volunteers throughout the membership.*

## **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 assure 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:
  1. 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.
  2. To be informed of the identity of those serving on the organization's governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities.
  3. To have access to the organization's most recent financial statements.
  4. To be assured their gifts will be used for the purposes for which they were given.
  5. To receive appropriate acknowledgment and recognition.
  6. To be assured that information about their donations is handled with respect and with confidentiality to the extent provided by law.
  7. To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.
  8. To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.
  9. To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.
  10. To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.

*The text of this statement in its entirety was developed by the American Association of Fund-Raising Counsel (AAFRC), Association for Healthcare Philanthropy (AHP), Council for Advancement and Support of Education (CASE), and the Association of Fundraising Professionals (AFP), and adopted in November 1993.*

**VIII. Appendix 2: Real Estate Gift Worksheet**

***Real Estate Gift Worksheet***

Donor(s) \_\_\_\_\_

Legal Owner(s) of the property \_\_\_\_\_

Mailing Address \_\_\_\_\_

Daytime Phone Number ( ) \_\_\_\_\_ Email \_\_\_\_\_

Relationship of Donor to NWU (if any) \_\_\_\_\_

How long has Donor owned the property? \_\_\_\_\_

Percentage of ownership/type of ownership \_\_\_\_\_

Address/Location of Property \_\_\_\_\_

Legal description of Property \_\_\_\_\_

Brief description of Property \_\_\_\_\_

Land area (acres or square feet) \_\_\_\_\_ Building area (square feet) \_\_\_\_\_

Current use(s) of the property \_\_\_\_\_

Abutting property uses \_\_\_\_\_

Is there title insurance on the property? \_\_\_\_ Yes \_\_\_\_ No

Are taxes on the property paid to date? \_\_\_\_ Yes \_\_\_\_ No

Are there any special assessments to the property? \_\_\_\_ Yes \_\_\_\_ No

Are there any improvements to the property such as wells, pivots, fences, ponds, crops, etc.? If yes, please describe on an attached sheet.

How is the property zoned? \_\_\_\_\_

Any use restrictions, enforcement violations, or pending or proposed condemnation?

\_\_\_\_\_ If yes, please describe on an attached sheet.

Is the property located within a flood plain, wetlands area or other ecologically sensitive area? \_\_\_\_\_ If yes, please describe on an attached sheet.

Are there any environmental hazards associated with the property or abutting properties? \_\_\_\_\_ If yes, please describe on an attached sheet.

Has the property ever been used in the production, storage or disposal of toxic materials? \_\_\_\_\_ If yes, please describe on an attached sheet.

Does the property appear on any federal, state or other environmental agency list of sites identified for environmental investigation or clean up? \_\_\_\_\_ If yes, please describe on an attached sheet.

Is there any possibility of hazardous exposure? \_\_\_\_\_ If yes, please describe on an attached sheet.

Are there any existing environmental assessments? \_\_\_\_\_ If yes, please attach copies.

Estimated current fair market value of property - \$ \_\_\_\_\_

Assessed value of the property - \$ \_\_\_\_\_

Are there any recent appraisals? \_\_\_\_\_ If yes, please attach a copy.

Has the property recently been listed for sale? \_\_\_\_\_ If yes, for what list price, with whom listed, details of listing agreement? \$ \_\_\_\_\_

Is there any mortgage or other debt currently on the property? \_\_\_\_\_

If yes, what is the current balance of the debt, interest rate and repayment terms? \_\_\_\_\_

What will be done concerning the debt? \_\_\_\_\_

Are there any other liens or encumbrances on the property? \_\_\_\_\_ If yes, describe on an attached sheet.

Are there any easements associated with the property? \_\_\_\_\_ If yes, please describe on an attached sheet.

Are there any mineral rights to the property? \_\_\_\_\_ Yes \_\_\_\_\_ No

Is the property currently leased? \_\_\_\_\_ If yes, please describe the lease payments, lease term and other pertinent terms of the lease on an attached sheet.

Date of acquisition/inheritance of property \_\_\_\_\_

Estimated current cost basis (include improvements) \$ \_\_\_\_\_

**If available, please attach a photo of the property and one or more maps showing location and relation to abutting properties.**

Date: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_, Donor

(Print Name)

\_\_\_\_\_

\_\_\_\_\_, Donor

(Print Name)

## IX. Appendix 3: Bequest Language Interpretation

While University staff attempt to educate donors about language for bequests which will ensure that the donor's intentions will be understood, it is common for the University to receive bequests with vague language about designations. The following is common language found in bequests and explanations of how bequests with this language will be interpreted by the University.

### 1) Undesignated Bequests

- “... I bequeath \$xxx,xxx (or some percentage of the estate) to **Nebraska Wesleyan University.**”
  - Gifts of \$4,999 or less are credited to the Archway Fund.
  - Gifts from \$5,000 to \$24,999 will be referred to the Administrative Council for a decision regarding designation of the gift.
  - Gifts of \$25,000 or more will be referred to the Finance Committee of the Nebraska Wesleyan University Board of Governors for their review and recommendation to the full Board of Governors.

### 2) General Use and Purposes

- “... I bequeath \$xxx,xxx (or some percentage of the estate) to **Nebraska Wesleyan University for its general uses and purposes.**”
- Gifts up to \$24,999 are credited to the Archway Fund.
  - Gifts over \$25,000 are credited to the general endowment

### 3) Scholarships

- “... I bequeath \$xxx,xxx (or some percentage of the estate) to **Nebraska Wesleyan University for the John Doe Endowed Scholarship Fund.**”
  - Regardless of the dollar amount, an endowed scholarship fund must be created as indicated by the terms of the will.
- “...I bequeath \$xxx,xxx (or some percentage of the estate) to **Nebraska Wesleyan University for endowed scholarships.**”
  - Gifts up to \$24,999 are reviewed for donor intent; if none is found, the funds are credited to the General Endowed Scholarship Fund and no named fund is established.
  - Gifts of \$25,000 or more are reviewed for donor intent; if none is found, the funds are credited to the General Endowed Scholarship Fund and a named fund is established.
- “... I bequeath \$xxx,xxx (or some percentage of the estate) to **Nebraska Wesleyan University for scholarships/scholarship funds.**”
  - Gifts of \$4,999 or less are credited to the Archway Fund for scholarships.
  - Gifts from \$5,000 to \$24,999 are reviewed for donor intent; if none is found, the funds are credited to the General Endowed Scholarship Fund and no named fund is established.
  - Gifts of \$25,000 or more will allow for the creation of a named fund to be established.

## **X. Appendix 4: Asset Type Gift Minimums Chart**

The time and effort needed to accept and process gifts ultimately diminishes the financial gain realized from a gift. To ensure that every gift makes a contribution to the University, it is necessary to establish thresholds for gifts:

### **Gift Form Minimum Value**

#### **Outright gifts:**

Credit Cards:	No minimum
Cash or Checks:	No minimum
Non-Canadian Foreign Currency:	\$500
Publicly Traded Securities:	No minimum
Mutual Fund Shares:	No minimum
Closely Held/Restricted Securities:	\$10,000
Tangible Personal Property:	\$10,000
Non-public securities:	\$10,000
Real Estate:	\$50,000

### **Planned and Deferred Gifts:**

#### **Bequests:**

Qualified Retirement Plan Beneficiary Designations:	No minimum
Life Insurance Beneficiary Designations:	No minimum

### **Gift Annuities:**

Initial Gift	\$5,000
Additional Gifts	\$1,000

### **Individual Charitable Remainder Trusts:**

Unitrusts (initial gift):	\$100,000
Annuity trusts (initial gift; no additions permitted)	\$100,000

## **XI. Glossary**

### **Immediate Gift Annuity**

- With an Immediate Gift Annuity, the annuitant(s) start(s) receiving payments at the end of the payment period immediately following the contribution.

### **Deferred Gift Annuity**

- With a Deferred Gift Annuity, the annuitant(s) start(s) receiving payments at a future time, the date chosen by the donor, which must be more than one year after the date of the contribution.

### **Flexible Deferred Gift Annuity**

- A flexible Deferred Gift Annuity means that the donor does not have to choose the payment starting date at the time of the contribution.

### **Commuted Gift Annuity**

- A Commuted Gift Annuity is a deferred gift annuity but prior to the annuity starting date, the annuitant(s) commute the lifetime of payments to a fixed number of payments of equivalent value.

### **College Annuity**

- Another name for a commuted gift annuity because they are used by donors to help pay tuition for a child or grandchild.