

CSUB FOUNDATION

Campaign Gift Acceptance and Crediting Policy

Adopted: July 21, 2022



CAMPAIGN GIFT ACCEPTANCE, CREDIT, AND RECOGNITION POLICIES

June 2022

1. Purpose of This Policy Statement

This policy statement shall give guidance and counsel to individuals concerned with the solicitation, receipt, acceptance, application, and disposition solely of campaign gifts to California State University – Bakersfield (CSUB). It should be noted that this document is not intended to provide detailed descriptions of various giving instruments or offer advice to prospective donors regarding the most effective means of achieving their philanthropic goals.

Specifically, the policies contained herein will provide guidelines for CSUB to:

- a. accept Campaign gifts and pledges that are made using a range of the most common giving instruments;
- b. credit/account for gifts and pledges made to the Campaign;
- c. recognize donors who contribute to the Campaign; and
- d. inform decisions made on matters related to gifts made or pledged to the campaign.

2. Guiding Principles

The following are important guiding principles used in developing these policies:

- a. These policies are informed by established industry guidelines for “best practices” in Campaign fundraising. These guidelines include Generally Accepted Accounting Principles (GAAP) and standards approved by the Financial Accounting Standards Board (FASB) and the Council for the Advancement and Support of Education (CASE), among other organizations.
- b. The “campaign total” or “total funds raised” at a given point during or after the campaign is a tally of acceptable gifts that have been documented as well as appropriately valued gift commitments (i.e., pledges and deferred gifts).
- c. It is assumed that CSUB and its representatives will endeavor, at all times, to faithfully implement the stated and/or written philanthropic goals of donors.

- d. Persons acting on behalf of CSUB shall encourage donors to discuss proposed gifts with independent legal, financial and/or tax advisors and shall stress the importance of such counsel when gifts in question are structured and irrevocable.
- e. The leadership of CSUB, henceforth "CSUB's leadership," shall refer to the CSUB President, the Vice President for University Advancement, the Vice President for Business and Administrative Services / Chief Financial Officer, and members of the Cabinet.
- f. Campaign policies are subject to additional guidance and restrictions from the California State University system and their current policies on the subject matter discussed below.
- g. **Gift Acceptance Committee**

Donations to the University require varying levels of review prior to acceptance depending on the amount of risk presented by the gift. The Gift Acceptance Committee (GAC) is responsible for reviewing and making recommendations regarding the of acceptance of trust gifts, charitable gift annuities, bargain sales and gifts of assets which are not readily marketable. These types of gifts can be considered High-Risk Gifts and include:

- All gifts of real property, whether outright, bequest, bargain sale or in CRT that have a likelihood of being problematic: environmental; land use, etc.
- Gifts of personal property or artwork with FMV exceeding \$100,000
- Closely held securities, S-Corp stock, interests in limited liability companies or partnership interests and restricted stock.
- Life insurance
- Real estate
- Life estates
- All pledges with non-standard contingencies or requirements
- Oil, gas or mineral rights or interests
- Copyrights, patents or other intellectual property ownership or licenses
- Items that are unusual or of questionable value

The Gift Acceptance Committee in accordance with this policy must approve any gift received that falls under this policy in advance of acceptance. It is the responsibility of any development officer, other University administrators, and faculty presented with a gift or estate opportunity, to bring all gifts subject to this policy to the committee prior to their acceptance.

Committee members are the Vice President for University Advancement, Provost/Vice President for Academic Affairs, and Vice President for Business and Administrative Services/Chief Financial Officer. The Gift Acceptance Committee may request review by the President of the University, University counsel, Foundation counsel, and/or the Finance Sub-Committee of the Foundation Board for certain types of gifts.

Inclusion Statement

The Californian State University, Bakersfield Foundation encourages the solicitation and acceptance of gifts that qualify it to fulfill its purpose of academic instruction, scholarship, and community service. These gifts help to create and maintain working and learning environments that are inclusive, equitable and welcoming. The Foundation cannot accept gifts which involve discrimination based upon race, sex, age, national origin, color, handicap, or any other basis prohibited by federal, state, and local laws, and regulations.

3. *Acceptance and Counting of Gifts and Pledges to the Campaign, Generally*

For purposes of the Comprehensive Campaign, all gifts during the campaign timeframe will be counted towards the campaign.

- a. Time Period. Only those gifts and pledges actually received or committed during the approved campaign time period (July 1, 2018 through June 30, 2024) will be included in the campaign total. The Campaign Steering Committee will have the discretion to recommend for approval to CSUB's leadership that gifts received or committed before or after the approved campaign time period be counted toward the Campaign total.
- b. One Campaign Only. Gifts and pledges may be counted toward one campaign only. Unless directed by the donor and approved by CSUB's leadership, the balance of a pledge made but not fulfilled during one campaign may not be counted in a new campaign.
- c. Solicited Gifts. Gifts and pledges (including, with qualifications, bequests) that are made as a result of campaign solicitations (regardless of whether solicitations are conducted by CSUB staff, trustees, volunteers, or other representatives) will be counted toward the campaign total.
- d. Unsolicited Gifts. Unsolicited gifts (including, with qualifications, bequests) that are designated by the donor for the Campaign or for projects consistent with the Campaign case for support will be counted toward the Campaign total.
- e. Cancelled or Unfulfilled Pledges. The value of any cancelled or unfulfilled pledge must be subtracted from Campaign totals when it is determined that the pledge will not be realized.

4. *Gift and Pledge Confirmation*

To be counted in the Campaign total, all gifts must be received by CSUB outright or pledged in writing and signed by the donor or the donor's qualified representative.

Acceptable forms of written confirmation include, but are not limited to, a signed: Letter of Intent or pledge form; letter authored by the donor; written agreement (including email); trust document or other legally binding documentation associated with acceptable planned giving instruments; or other legal notification.

For pledges, a schedule of pledge payments will be required and will be used to assist CSUB in financial planning. For all solicited gifts, CSUB's Development Department will provide a Letter of Intent / Gift Agreement to be signed by the donor or the donor's qualified representative.

In exceptional cases, verbal pledges may be counted only with the approval of the Campaign Steering Committee and if a confirmation letter has been delivered to the donor by a member of CSUB's leadership.

5. *Length of Pledges*

Pledged gifts may be fulfilled over a period of up to five years. The Campaign Steering Committee and/or CSUB's leadership can, at its discretion, extend the pledge payment period to accommodate donors' wishes/needs on a case-by-case basis.

6. *Acceptance and Crediting of Outright Gifts*

a. Cash

i. Acceptance of Cash

- Gifts in the form of cash (including checks) shall be accepted regardless of amount unless, as in the case of all gifts, there is a question as to whether donors have sufficient title to gifted funds or are mentally competent to legally transfer funds to CSUB as gifts. All checks should be made payable to CSUB Foundation. In no event should a check be made payable to an employee, agent, or volunteer for the credit of CSUB.

ii. Crediting of Cash

- Cash will be counted as of the date received.

b. Publicly Traded Securities

i. Acceptance of Publicly Traded Securities

- Readily marketable securities shall be accepted. Gifted securities will be sold promptly. In no event shall an employee or volunteer working on behalf of CSUB commit to a donor that a particular security be retained by CSUB unless authorized to do so by CSUB's leadership.
- ii. Crediting of Publicly Traded Securities
- Gifts of publicly traded securities will be credited at the mean market value on the date of surrender by the donor (not the value of the securities on the dates they are sold by CSUB).
- c. Illiquid Securities
- i. Acceptance of Illiquid Securities
- Gifts of illiquid securities include hedge funds, private equity interests, and closely held securities. Typically, it is not possible to sell such securities immediately upon being gifted.
 - Such gifts should be reviewed carefully by the Gift Acceptance Committee before they are accepted. Key considerations include the likelihood that the securities can be sold, whether the nature of the businesses and/or practices of the gifting corporations or funds is consistent with CSUB's mission, and whether CSUB could incur any unrelated business income tax.
- ii. Crediting of Illiquid Securities
- If accepted, gifts of closely held stock that exceed \$10,000 in value should be counted at the fair market value placed on them by a qualified independent appraiser as required by the Internal Revenue Service.
 - Gifts of closely held stock of \$10,000 or less may be valued at the per-share cash purchase price of the most recent transaction. (Normally, this transaction is the redemption of the stock by the gifting corporation). If no redemption has occurred during the reporting period, an independent certified public accountant who maintains the books for that corporation is qualified to value its stock.
- d. Real Estate
- i. Acceptance of Real Estate
- Proposed gifts of real estate will be reviewed and approved by the Gift Acceptance Committee. In general, CSUB will accept gifts of houses, residential condominiums, commercial property, and unimproved land if the properties are unencumbered, owned in fee simple, and the sales of which will yield proceeds sufficient to justify the necessary efforts.

- Unless stated otherwise by Gift Acceptance Committee, gifts of real estate will be accepted with the intent that they will be sold as soon as possible.
- Prior to accepting any gift of real estate, CSUB will obtain an appraisal from a qualified appraiser. It is preferable that the cost of the appraisal be borne by the donor (who may be able to receive a charitable deduction for doing so); however, the appraiser should have no business or other standing relationship with the donor. Due diligence concerning environmental issues shall be considered before CSUB accepts any gift of real estate. This may involve conducting an environmental audit.

ii. Crediting of Real Estate

- Gifts of real estate will be credited and recognized at their appraised value at the time they are gifted (not the sale price).

e. Tangible Personal Property

i. Acceptance of Tangible Personal Property

- Gifts of high-value tangible personal property may be accepted by CSUB if the Gift Acceptance Committee deems that sales of such property may (i) be affected without undue burden, and (ii) realize significant proceeds for CSUB.
- The donor shall obtain an appraisal from a qualified appraiser who has no business or relationship with the donor. CSUB will only accept a gift of tangible personal property with an appraised value of \$5,000 or more.

ii. Crediting of Tangible Personal Property:

- Gifts of tangible personal property will be credited and recognized at their appraised value at the time they are gifted (not the sale price).

f. Other Property

i. Acceptance of Other Property

- Other types of property such as mortgages, notes, copyrights, royalties and easements shall only be accepted at the recommendation of the Gift Acceptance Committee.

ii. Crediting of Other Property

- Gifts of other property will be credited and recognized at their appraised value at the time they are gifted (not the sale price).

g. Gifts-in-Kind

i. Acceptance of Gifts-in-Kind

- Gifts-in-kind will be considered for acceptance and recognition if such gifts are eligible for charitable tax deductions under Internal Revenue Service standards.

ii. Crediting of Gifts-in-Kind

- In general, the monetary value of gifts-in-kind will only be credited toward the campaign total if CSUB's Gift Acceptance Committee determines that such gifts can be converted to cash within a 90-day period or used by CSUB in such a way that they liberate additional funds that are applied to the project or projects outlined in the Campaign case for support.
- Deep discounts or bargain sales can be credited to the campaign if an individual or company provides a bill of sale clearly indicating the normal retail price that CSUB would have paid the individual or company for the product (the "normal price" would reflect any discounts typically provided to CSUB), less the charitable contribution of the discounted amount, and a net cost.
- The value of gifts of "time" in the form of donated professional services will not be credited to the Campaign. A donor who wishes to donate professional services should be encouraged to bill CSUB for services rendered, and then make a gift in the amount in which they are paid by CSUB.

7. Acceptance and Crediting of Deferred and/or Planned Gifts

Acceptance and crediting policies regarding some of the most common deferred giving instruments are outlined below. As a general rule, deferred gifts that mature during the campaign time period (see Policy 3.a) will be credited at full value.

a. Bequests (Generally)

i. Acceptance of Bequests

- Gifts in the form of bequests will be accepted and counted toward the campaign total subject to the guidelines set forth in Policies 3.c and 3.d (regarding solicited, unsolicited, designated and undesignated gifts) and other policies included in this section.
- Suggested language for leaving a bequest to CSUB and designating it for the campaign: *"I, [Donor Name], bequeath to CSUB, located at 9001 Stockdale Hwy, Bakersfield, CA 93311 [the sum of ___ / ___ percent of the rest, residue, and remainder of my estate]. This bequest should be designated in support of the Runners on the Rise Campaign for CSUB."*

- In cases in which donors making testamentary gifts do not reference the “official” title of the Campaign or the precise names of projects central to the case for support, Campaign designation shall be determined by the Gift Acceptance Committee.

b. Irrevocable Bequests

i. Acceptance of Irrevocable Bequests

- Gifts in the form of irrevocable bequests will be accepted and credited subject to the guidelines set forth immediately below.

ii. Crediting of Irrevocable Bequests

- Gifts in the form of irrevocable bequests from donors who are 65 years of age or older by June 30, 2024 and provide supporting documentation will receive campaign credit at the full value of their bequest provisions.
- Gifts in the form of irrevocable bequests from donors who are 55 years of age or younger by June 30, 2024 and provide supporting documentation will be accepted, but not credited toward the Campaign.
- In the case of joint, second to die irrevocable bequests, all age requirements stipulated above shall pertain to the younger of the two donors.
- Documentation supporting the irrevocability of the bequest must be provided to receive credit towards a naming opportunity.

c. Revocable Bequests

i. Acceptance and Crediting of Revocable Bequests

- As a general rule, the acceptance and crediting of campaign gifts in the form of revocable bequests will be subject to the judgement of the Gift Acceptance Committee, who will, to the best of their ability, look for and be guided by evidence of the following two factors: (1) a significant and established relationship between the donor and CSUB such that would warrant a high degree of trust in a given donor’s inclination to fulfill his or her bequest intention, and (2) clear indication of a given donor’s financial ability to fulfill his or her bequest intention.

d. Retirement Plans

i. Acceptance and Crediting of Retirement Plans

- Because of their revocable nature, gifts made in the form of retirement plans will be evaluated on a case-by-case basis when considering credit toward the Campaign.

e. Charitable Gift Annuities

i. Acceptance of Charitable Gift Annuities

- With the qualifications set forth herein, charitable gift annuities will be accepted and credited to the Campaign. All charitable gift annuities entered into shall comply with state and federal regulations governing these types of charitable gifts. Each charitable gift annuity must constitute an irrevocable gift.
- CSUB will not enter into an immediate annuity agreement in which any income beneficiary is less than 55 years old and will not enter into a deferred annuity agreement in which any income beneficiary is less than 55 years old when payments begin.

ii. Crediting of Charitable Gift Annuities

- CSUB will credit to the campaign an irrevocable gift of \$10,000 or more (paid in cash or marketable securities) made in exchange for a guaranteed fixed income for life.
- Donors who establish charitable gift annuities who are at least 79 years of age will be credited at the full value of the funds transferred to CSUB. Donors who are between 65 and 78 years of age shall be credited at the charitable remainder value of the assets given.

f. Charitable Remainder Trusts

i. Acceptance of Charitable Remainder Trusts

- With the qualifications set forth herein, charitable remainder trusts will be accepted and credited to the campaign. All charitable remainder trusts entered into shall comply with state and federal regulations governing these types of charitable gifts. Each charitable remainder trust must constitute an irrevocable gift.
- The two most common forms of charitable remainder trusts are (1) charitable remainder annuity trusts and (2) charitable remainder unitrusts (unitrusts can have several variations, including "standard," "net income," "net income with make-up provision," and "flip" trusts). Each of these instruments, with qualifications, can be used to make gifts that will be credited to the campaign.

- CSUB will not, in general, act as trustee or co-trustee of charitable remainder trusts.
- When CSUB must act as a trustee or co-trustee and sole remainderman, there will be a minimum of \$100,000 face value on all unitrusts and a \$50,000 minimum on annuity trusts. In cases in which CSUB is not the sole remainderman, the minimum on all trusts will be \$200,000. There must be a 20% expected remainder (present value of the future remainder interest) to CSUB for any trust in which CSUB agrees to act as trustee or co-trustee.
- When CSUB acts as trustee or co-trustee, the maximum expected term for a trust should not exceed 25 years. Trusts in which CSUB serves as trustee or co-trustee should not provide for annual income distributions of more than 8% of principal (exceptions may be considered).
- A 7% fee will be allocated from the remainder of all charitable remainder trust proceeds in which CSUB has acted as trustee or co-trustee, in order to offset future trust administration costs.
- Qualified real estate (see Policy 6.d) may be used to establish charitable remainder unitrusts (but not annuity trusts). In such cases, the type of unitrust preferred is either a "net income," "net income with make-up," or a "flip" trust. Donors retain the trusteeship on the trusts until such time as properties are sold. CSUB will proceed with the initial creation of the trusts as if it is to act as initial trustee, responsible for providing all other administration services associated with the trusts and assuming trusteeship or co-trusteeship upon completion of the sale of the properties.
- Legal fees that may arise from the creation of trusts that are generated by donors' attorneys will be borne by donors.

ii. Crediting of Charitable Remainder Trusts

- With regard to minimum ages and amounts at which to be credited, annuity trusts and unitrusts shall be credited to the campaign in the same manner as charitable gift annuities (as outlined in Policy 7.e).

g. Life Insurance

i. Acceptance of Life Insurance

- With qualifications set forth herein, gifts of life insurance will be accepted by CSUB and credited to the Campaign. Such a gift may be affected by transferring all indicia of ownership over the policy to CSUB.

- If a donor transfers all indicia of ownership over a policy to CSUB and premium payments are outstanding, said donor will be expected to provide for the payment of the annual premium. Donors will be asked to contribute the amount of the premium payments to CSUB and CSUB will, in turn, pay the premium to the insurer. This is consistent with current Internal Revenue Service regulations authorizing such payments as tax- deductible contributions.
 - If a policy is abandoned by a donor with premium payments outstanding, CSUB reserves the right to cash in the policy.
- ii. Crediting of Life Insurance
- If a donor transfers ownership of a policy to CSUB, he/she will be credited in the same manner as an irrevocable bequest (as outlined in Policy 7.b).
 - If a donor names CSUB the beneficiary of a policy, the gift will be accepted but not credited to the campaign.
- h. Charitable Lead Trusts
- i. Acceptance of Charitable Lead Trusts
- CSUB will credit and recognize campaign gifts of income-producing assets that are placed in trust for the benefit of CSUB for a fixed period of time.
- ii. Crediting of Charitable Lead Trusts
- The sum of all annual payments made by donors establishing lead trusts during the campaign time period (see Policy 3.a) and during the five-year pledge period following the campaign time period will be credited to the campaign.

8. Recognition of Campaign Gifts

- a. Gift Acknowledgments. Gifts and pledges will be acknowledged with letters from CSUB's leadership and Campaign volunteers. Written acknowledgment will be mailed within five business days of gift or pledge receipt.
- b. Naming Opportunities.
- i. The Campaign Steering Committee and CSUB's leadership must approve a schedule of gift levels for Campaign naming opportunities.
 - ii. Unless special dispensation is provided by the Campaign Steering Committee or CSUB's leadership, a naming opportunity will be confirmed once a gift agreement is signed and CSUB receives a minimum of 50% payment against the committed gift total.

- iii. Gift Designation and Naming. Because of the importance of available gifts for capital projects, outright and deferred gifts (subject to policies 7.a-g) may name existing spaces, scholarship endowments, endowed program funds, or endowed faculty chairs. Only outright gifts and pledges that begin payments immediately may be used to name new spaces.
- iv. Naming opportunity funding levels are outlined in the Campaign Naming and Recognition Policy.
- v. Termination of Naming. In addition to any rights and remedies available at law, the Campaign Steering Committee or CSUB's leadership may terminate the naming:
 - In the event of any default in payment, or
 - In the unlikely event that CSUB's leadership determines that circumstances have changed such that the naming chosen by the donor would adversely impact the reputation, image, mission, or integrity of CSUB.

Upon any such termination of the naming, CSUB shall have no further obligation or liability to the donor and are not required to return any portion of the gift already paid. CSUB leadership, however, may determine an alternative recognition for the portion of the gift already received.

- c. Matching Gifts. Matching gifts will be credited toward donors' recognition levels.

9. Declining and Returning Gifts

The Gift Acceptance Committee may decline or return gifts under certain conditions including, but not limited to, the following:

- a. Gifts that are restricted and would require support from other resources that are unavailable, inadequate, or may be needed for other institutional purposes.
- b. Gifts that are restricted and would support purposes or programs peripheral to existing principal purposes of CSUB or create or perpetuate programs or obligations which would dissipate resources or deflect energies from other programs or purposes.
- c. Gifts that could injure the reputation or standing of CSUB or cause it to enter into activities that are in conflict with its mission.
- d. Gifts that could put at risk CSUB's tax-exempt status or trigger negative tax situations, such as unrelated business income tax.
- e. Gifts may be returned to donors under certain conditions including, but not limited to, the following:

- i. Cases in which gifts are accepted but, upon further review by CSUB's leadership, are subject to the concerns set forth in Policies 9.a-d.
- ii. Cases in which CSUB is unable to (or donors perceive that CSUB is unable to) fulfill donors' philanthropic intentions.

10. *Interface Between the Campaign and Annual Fundraising Programs*

CSUB will continue its annual fundraising programs throughout the duration of the Campaign and integrate fundraising strategies into the Campaign planning and solicitation activities. It is recommended that all Campaign donors be asked to maintain annual support at the time of Campaign solicitation. The *Runners on the Rise Campaign for CSUB* is a comprehensive campaign and will count all gifts to CSUB during the time period noted in Policy 3.a.

11. *Policy Exceptions, Changes, and Additions*

Any exception, change, or addition to approved Campaign policies must be approved by the Gift Acceptance Committee CSUB's leadership. Such exceptions, changes, and/or additions may include policies regarding the acceptance and crediting of gifts and gift instruments not outlined in this policy statement.