



Gift Acceptance Policy

Holy Family University, a ministry of the Sisters of the Holy Family of Nazareth, offers education in the liberal arts and professions through graduate, undergraduate, and non-degree programs. As a Catholic University, Holy Family seeks direction and inspiration from the life and teaching of Jesus Christ, affirms the values of the Judeo-Christian tradition, and witnesses to the dignity of each person and the oneness of the human family. The University educates students to assume lifelong responsibilities towards God, society, and self.

Holy Family University, a tax-exempt organization as determined by the Internal Revenue Service (IRS), solicits and accepts gifts that are consistent with its mission and values. These policies are intended as guidelines. The University will seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. All prospective donors are urged to seek the assistance of personal legal and financial advisors in matters relating to their gifts, including the resulting tax and estate planning consequences.

General Guidelines

- Commitments to the University may be made through outright gifts or pledges over a five-year period and may include:
 - Cash and cash equivalents (e.g. check, credit card, or wire transfer)
 - Securities or other types of appreciated assets
 - Charitable remainder and lead trusts
 - Insurance policies (with Holy Family University as owner/beneficiary and a guaranteed death benefit; Pledge period cannot exceed ten years)
 - Documented bequest provisions subject to the age of the donor (age 70 or older)
 - Real and personal property, equipment, art work, and other gifts-in-kind
 - Corporate, federal, state, and private matching funds
- Pledges documented in writing and scheduled for payment in full no later than five years from the date of the pledge will be recognized in full at the time of the pledge.

- All non-standard contributions, such as rare works of art, books or manuscripts, or closely held stock, must be reviewed and approved by the Office of University Advancement, in consultation with the Office of Finance and Administration. As defined by the IRS, non-standard contributions include items that are not reasonably expected to be used by the University to further its mission, are not readily marketable, and the value of which are highly speculative or difficult to ascertain.
- The University will accept gifts from private foundations and donor advised funds, but such gifts cannot be used to satisfy a pledge from a donor.
- Investment earnings on gifts are excluded from gift counting and credit.

Commitment Documentation

- All multi-year pledges and planned gifts to the University require written documentation in the form of a gift agreement (for outright gifts), Bequest Intention Form, pledge form, testamentary gift agreement, contract, or copies of trust/estate/gift documents (for planned gifts). Pledges will not be credited without proper documentation. All gifts and pledges will be recorded in compliance with IRS regulations and Association of International Certified Professional Accountants' guidance, as well as standards from the Council for the Advancement and Support of Education and the National Association of Charitable Gift Planners.

Ethical Considerations and Conflict of Interest

- All University employees shall, in all dealings with donors, institutions, and other professionals, act with fairness, honesty, integrity, and openness. Employees, including consultants and advisors, shall be paid a salary, wage, or fee by the University and shall not be compensated with a commission on such gifts.
- The University will not knowingly accept gifts that result in an unethical or illegal advantage to the donor or to a third party. In situations where employees, advisors, or consultants retained by the University prepare documents or render advice in any form to a potential donor, it shall be disclosed to the donor that the professional involved is employed by the University and is not acting on behalf of the donor.

- In keeping with the teachings of the Catholic Church, concern for moral values and social justice guides the University in designing programs and activities.
- Certain gift circumstances may require additional review, and the final decision to accept or decline a gift rests with the University President in consultation with members of Senior Administration and, if applicable, the University's Board of Trustees and the President of CSFN Mission & Ministry, Inc.

Gift Crediting Policies

- **Cash and Cash Equivalents**

Upon receipt, all charitable gifts contributed in the form of cash, checks, money orders, electronic fund transfers, and credit or debit card transactions will be credited to the donor at full current value.

- **Publicly-Traded Securities**

Gifts of readily marketable securities will be credited at the full fair market value based on the average of the high and low quoted selling price on the day the donor relinquishes control of the asset to the University. Shares of mutual funds will be credited at the net asset value of the shares on the gift date. Securities are liquidated as soon as practicable by the University's broker unless otherwise directed by the Vice President for Finance and Administration. No employee or volunteer may make a commitment to a donor that a particular security will be held by the University, unless otherwise authorized by the Vice President for Finance and Administration.

- **Closely-Held Securities**

Gifts of securities that are not publicly traded will be accepted at the discretion of the University on a case-by-case evaluation of the conditions affecting the eventual sale of the securities by the University. Such gifts will be credited at fair market value as determined by a qualified, independent appraiser secured and compensated by the donor. If restrictions are placed on the securities by the donor or by the terms of the securities themselves, acceptance of the gift shall be subject to prior approval by the University.

- **Matching Gifts**

Matching gifts received from organizations and corporations will be credited to the organization or company that makes the matching gift. The individual recommending the matching gift will also receive recognition. Payments from matching gift organizations may be applied as payment toward an individual's pledge only if allowed by the matching organization. The matching gift will be used for the same purpose as the recommending donor's original gift, unless that use is prohibited by the matching gift organization's guidelines.

- **Gifts-in-Kind/Tangible Personal Property**

The University welcomes gifts of tangible personal property and gifts-in-kind, which can include works of art, books, or equipment.

The University has the discretion to accept or decline gifts of tangible personal property or gifts-in-kind, based on their relevance to the University's mission, restrictions on retention or sale, anticipated difficulties in displaying, storing, or archiving the items, or other factors.

If the donor gives a piece of tangible property with the intention that it be sold immediately, IRS regulations limit the charitable deduction to cost basis.

- **Gifts of Real Estate**

The University will accept gifts of real estate subject to the approval of the University's Board of Trustees. Donors can make an outright gift of real estate, giving the University either their entire ownership or a portion of it. Donors can transfer the property in a part-sale/part-donation format called a charitable bargain sale or donate their home or farm, reserving the right to continue to live there for the balance of their lives (a retained life estate).

Donors of real estate will receive gift credit for the full fair market value of the property, as determined by a qualified, independent appraiser, secured and paid for by the donor, according to IRS regulations. Donors who transfer real estate through a charitable bargain sale will receive gift credit in the amount of the discount they took between market value and the sale price to the University. Donors of a retained life estate will receive gift credit for the fair market value of their property, reduced by the value of their life tenancy.

The University's Board of Trustees will review all proposed gifts of real estate, and the University has the discretion to accept or decline them based on the condition and marketability of the property and its relevance to the University's mission and long-term investment and financial objectives. Retained life estates will be accepted subject to additional discussions with the donor about responsibility for maintenance of the property and contingencies should the donor/tenant become unable or unwilling to continue to live there.

Philanthropic Planning Crediting Policies

- **Estate Distributions**

Distributions from estates and trusts that are received by the University will be credited at full value on the date that funds are received by the University.

Undesignated bequests and trust distributions will be allocated to the Blue & White Fund (Annual Fund) unless otherwise directed by the President.

- **Charitable Trusts**

Charitable Remainder Trusts (CRT): Established by donors and managed by them or a third-party, a remainder trust is one of the most flexible life-income gifts. A remainder trust holds a gift of cash, securities, or, in some instances, real estate; pays the donor/beneficiaries income for lifetime or a term of years (up to 20), then distributes the remaining balance to the University. Funds from a remainder trust become available to the University when the term ends.

The IRS requires that the present value of Holy Family University's remainder interest in a remainder trust be at least 10 percent of the total value of the gift. The University will work with donors and their advisors to ensure that proposed remainder trusts meet this requirement and other tax and investment standards.

Revocable Charitable Trust Agreements: Some donors may choose to establish remainder trusts or other charitable trusts in which they reserve the right to change the designation of the University as the beneficiary of the trust. Donors will receive gift credit in accordance with the policies for bequest intentions.

Charitable Lead Trusts (CLT): A lead trust is the only planned gift that provides an immediate income stream to the University. The lead trust makes an annual payment to the University for the donor's lifetime or a term of years, then terminates and pays the remaining principal to the donor's beneficiaries, usually his/her children. When the

income received by the University is paid as an annuity amount the trust is called a Charitable Lead Annuity Trust (CLAT) and where the income is paid as a percentage of the annual value of the trust, the trust is called a Charitable Lead Unitrust (CLUT). The aggregate amount of the anticipated annuity payments to be received by the University over the first five years of the CLAT shall be counted at full value. Anticipated annuity payments to be received in year six and beyond shall be counted at their discounted present value. The aggregate amount of the anticipated CLUT payments to be received over the first five years of the trust, after applying the Applicable Federal Rate for the month the trust was established as an anticipated income return, shall be credited at full value. Anticipated payments to be received in year six and beyond shall be credited at their discounted present value. There is no minimum age for a CLAT or CLUT.

- **Life Insurance**

Owner and Beneficiary: A donor may purchase a new life insurance policy and name Holy Family University as the owner and beneficiary. The donor will receive an income tax charitable deduction equal to the amount of the premium payments, which will be made to the University. The University, as policy owner, will make the premium payments. The donor will receive gift credit in the amount of the guaranteed death benefit, regardless of age. The pledge period is up to ten years for all life insurance policies. A donor may also assign the University as the owner and beneficiary of an existing life insurance policy. In this case the donor should receive an income tax deduction for the appraised value of the policy. If additional premium payments are to be made, the donor will make deductible charitable donations equal to the premium payments to the University, and the University will pay the premiums. The donor will receive gift credit in the amount of the guaranteed death benefit, regardless of age.

Beneficiary Designation: When a donor makes the University the beneficiary of a life insurance policy, the donor must be age 70 or older for this gift to be credited. It will be credited at face value, usually the same as the death benefit, of the policy. If the donor is not age 70 or older, they will be recognized as members of the *Teneor Votis* Society (recognizes Holy Family's planned giving donors), but will not receive gift credit until their 70th birthday.

- **Bequest Intentions**

The University is grateful to donors who choose to include the University in their estate. The University will credit the face value of documented bequest intentions for donors who are age 70 or older, and they will be recognized as members of the *Teneor Votis* Society (recognizes Holy Family's planned giving donors).

Gift-in-Kind Acceptance Guidelines

Definition: A Gift-in-Kind is defined as a voluntary non-cash donation of materials, goods or long-lived assets that are directly related to the mission of the University. Generally, the University accepts gifts that have a University-related use, directly supports students, faculty, or staff, or can easily be sold to provide revenue for the University.

Deductible as Charitable Contributions: Examples include, but are not limited to, items such as lab equipment, computer hardware and software, printed materials, and artwork. So long as the items donated are relevant to the University's mission, gift credit will be provided for their full-market value. Total non-cash contributions valued at more than \$5,000 require the donor to obtain a qualified written appraisal according to IRS guidelines.

Special Rules

Specific IRS rules exist for contributions of motor vehicles, boats, and airplanes that may limit the donor's charitable deduction. In addition, the IRS imposes significant additional reporting requirements on the University for these items.

Reporting Requirements

University Reporting Requirements:

- A Gift-in-Kind Acceptance Form must be completed by a University representative (and donor or by a University representative on behalf of the donor).
- For gifts valued in excess of \$5,000 [*IRS Publication 561 (4/2007)*], Determining the Value of Donated Property, the Gift-in-Kind Acceptance Form must be signed by the senior leader of the area to receive the gift (e.g., Dean of a School). As per IRS regulations, the University is required to provide an acknowledgment for non-cash gifts that may include the date and description of the gift, but not the value.
- Gifts valued in excess of \$5,000 [*IRS Publication 561 (4/2007)*]: The donor may request that the University complete the donee portion of *IRS Form 8283, Noncash Charitable Contributions* to confirm receipt of the non-cash gift. Only the Vice President of Finance and Administration, or his/her designee, may complete the donee portion of this form on behalf of the University.

- Vehicles, boats, and airplanes: *IRS Form 1098-C, Contributions of Motor Vehicles, Boats, and Airplanes* must be completed by the University and sent to the donor and the IRS. If the University disposes of a gift-in-kind within three years, the University must file *IRS Form 8282, Donee Information Return (Sale, Exchange or Other Disposition of Donated Property)* with the IRS and send a copy of the form to the original donor.

NOTE: All of these requirements have specific deadlines and equally stringent consequences if the IRS's standards are not met. In addition to jeopardizing donors' charitable tax deductions, failure to comply could lead to University financial penalties up to the value of the donation AND the loss of the University's 501(c)(3) status.

Donor Reporting Requirements:

In addition to inclusion on the donor's IRS Form 1040 when filing a tax return:

- Total non-cash contributions valued at more than \$5,000 require the filing of IRS Form 8283. The donor may have to complete Section A, Section B, or both, depending on the type of property donated and the amount claimed as a deduction.
- Total non-cash contributions valued at more than \$5,000 require the filing of IRS Form 8283, the donor to obtain a qualified written appraisal and the signature of the Vice President of Finance and Administration, or his/her designee.

Not Deductible as Charitable Contributions: The value of a person's or organization's time or service, appraisal fees, or partial interest in property is not allowable as a donation.

- **Time and Service:** The value of a person's or organization's volunteer time or service could include such things as consulting, accounting or legal work, and contractor or design services.
- **Appraisal Fees:** Appraisal fees related to establishing the value of the gift-in-kind donation are not allowable as a donation.
- **Partial Interest in Property:** If the donor maintains partial interest in or ownership of a property, the use of the property cannot be claimed as a donation. Use of a donor's property for a fundraising event or free use of office space in a donor-owned building are examples where the donor maintains at least partial interest. If the donor relinquishes interest or ownership in a building or piece of real estate and donates it to the University, it would qualify as a donation.

NOTE: Because of the complex nature of this type of donation, it is best to consult with the Office of University Advancement prior to receiving any gift-in-kind contribution. The University *cannot* provide tax advice to individuals or companies as to the deductibility of non-cash gifts as charitable contributions.

Special Types of Contributions

Unreimbursed Travel Expense: Volunteers who cover their own travel expenses to carry out formal volunteer duties on behalf of the University can be sent a letter of acknowledgement. The letter should contain the dates and purpose of the volunteer service, but not state a dollar amount.

Bargain Sales: Gift-in-kind credit will be given to restaurants or catering facilities that discount food, beverages, A/V equipment, room, and services for University events. The University will provide an acknowledgement that includes the date and description of the gift, but not the value. As previously stated, the value of services is not deductible as a charitable contribution.

Events: Gifts involving the payment of expenses for an event must be substantiated by both the event receipts and payment documentation to prove who actually paid for the event. The University will provide an acknowledgement that includes the date and description of the gift, but not the dollar value of the expenses paid.

Corporate Services: Gift-in-kind credit will only be given for discounted or donated corporate services. The University will provide an acknowledgement that includes the date and description of the gift, but not the value. The value of services is not deductible as a charitable contribution.