**Gift Acceptance Policy**

PR #03.00.03

**Authority:** Chancellor

**History:** First Issued:February 5, 2020

**Related Policies:**

* [UNCP POL 03.00.01 – Facility and Program Naming Policy](https://www.uncp.edu/about-uncp/administration/policies-and-regulations/all-policies/pol-030001-facility-and-program-naming-policy)
* [UNC Policy Manual 600.2.5.2 [R] – Required Elements of University Associated Entity Relationship](http://www.northcarolina.edu/apps/policy/index.php?pg=vs&id=430&added=1)
* UNC Policy Manual 600.1.1

**Additional References**:

* [Internal Revenue Service – Exemption Requirements: 501 (c)(3)](https://www.irs.gov/charities-non-profits/charitable-organizations/exemption-requirements-section-501-c-3-organizations)
* NCGS Section 116-36

**Contact Info:** Vice Chancellor of Advancement, Office of Advancement 910.521.6184

**1. Purpose**

1.1 The University actively encourages the solicitation and acceptance of private gifts from individuals, corporations, foundations and associations that enable it to advance its mission of teaching, research, extension, and engagement. This Policy is intended: (a) to provide guidance to The University of North Carolina at Pembroke (UNCP) community and the general public regarding the acceptance of gifts; (b) to ensure that private gifts to the UNCP are properly recorded and administered using appropriate internal controls and sound financial business practices; and (c) to ensure that the acceptance, management, and reporting of gifts are handled in compliance with external regulations, national standards, and the University’s fiduciary obligations to donors.

1.2 This document sets forth the University’s procedures for acceptance of gifts received by the university. All employees of UNCP must adhere to the following procedures pertaining to the proper processing of private donations. Failure to do so may subject the employee to disciplinary action, up to and including dismissal, and/or personal liability.

1.3 This document does not apply to sponsored contracts, grants and cooperative agreements for research purposes.

**2. COORDINATION OF FUNDRAISING ACTIVITIES**

2.1 The UNCP Office of Advancement is charged by the chancellor to increase private giving in support of the University’s missions, to collect and maintain donor information on all gifts, and to provide donors with the appropriate receipt for income tax filing purposes.

2.2 UNCP recognizes the vital importance of private support. Gifts of real and personal property often allow us to accomplish objectives that would otherwise be impossible due to absence or shortage of resources. University employees or groups who wish to solicit contributions are encouraged to do so but must receive written approval from the Office of Advancement prior to any solicitation of non-governmental or in-kind gifts. This includes the solicitation of alumni, friends, organizations, businesses, corporations, or private foundations for any University-related purpose or establishment, whether pending or currently in existence. Sponsorships are also covered by this policy.

2.3 The coordination of solicitations through the Office of Advancement is necessary to avoid duplicate solicitations, to protect donor confidentiality, to prevent over-solicitation of specific major donor prospects and companies, to ensure state funds and property are not misused, and to be certain UNCP remains within its legal bounds in all fundraising and solicitation efforts.

2.4 The Office of Advancement maintains the official database of record for the storing of all gifts, pledges, and other data collected in support of Advancement activities. This information is deemed highly confidential and reflects what is referred to as “trade secrets” in the legal profession. Use of this information for any purpose other than the performance of required functions is prohibited. As such, access to this information is restricted to those individuals and offices that require such access in order to perform their prescribed duties and responsibilities. Any individual or office outside the sphere of Advancement desiring access to any data maintained in this system must go through the UNCP Office of Advancement for approval and forwarding of the request.

2.5 In soliciting and accepting gifts, accounting for funds received, and reporting fundraising totals, the Board, staff and volunteers of UNCP endeavor to enhance the well-being of UNCP and to treat all donors with respect and care. It is our mission to provide careful and professional stewardship for each donor and each gift.

**3. Definitions**

3.1 **Gift**. A gift is personal property (cash, securities, books, equipment, etc.) or real property provided by a non-governmental donor without expectation of tangible economic (except tax) benefit. A gift may be outright or deferred. The transfer of a gift to the University must imply no responsibility of the University to provide the donor a product, service, technical or scientific report, or intellectual property rights. Providing the donor with the names of recipients of scholarships, awards, etc. or providing a report of how the funds were expended, does not necessarily prevent the contribution from being considered a gift. The donor may specify the general use of the fund or it may be an unrestricted gift for use in meeting needs identified by the University, school, or related support organization. Gifts to the University may be either for the general purposes of the University or for the specific use of one of its constituent schools, departments, institutes, centers, programs, or agencies. For scholarship gifts, the donor may not participate in the final selection of the recipient but may designate specific criteria for selection of recipients.

3.2 **Grant**. A grant, unlike a gift, is normally a written agreement to carry out a specified project and may entail a tangible product, usually a technical report. A grant that requires performance on the part of the University must be processed through established University procedures. A grant that requires no performance on the part of the University, no technical report, and has no provisions for intellectual property and/or publication rights, will be treated as a gift. If an award is made with stipulations on technical reporting, intellectual property or other performance requirements in response to a grant proposal, then the project will be administered by the Office of Sponsored Research and Programs and deposited with the University. Any exceptions must be approved by the vice chancellor for Finance and Administration.

3.3 **Hard credit**. The legal donor’s giving record is credited with the actual amount that is deposited into the account for gifts of cash and securities according to the gift transmittal filed on the gift. For irrevocable planned gifts such as charitable remainder trusts, charitable gift annuities, and retained life estates, the donor’s giving record is hard credited with the charitable deduction allowed by the Internal Revenue Service (IRS) and reflected on the gift transmittal. For gifts of real estate, life insurance and other gifts of property, the donor’s giving record is given proper credit with the allowable charitable deduction.

3.4 **Soft credit**. The donor’s giving record is soft credited when their direct actions result in a gift, but they are not entitled to a charitable deduction for the gift. Examples would include soft crediting an individual for a gift from a charitable gift fund or a community foundation, or a gift that is made by their spouse/partner or their company if they are the principal owner, and any matching funds that UNCP receives because of the individual’s gift.

**4. Types of Outright Gifts**

4.1 Cash gifts

4.1.1 Gifts of cash and cash equivalents, such as checks, credit cards, wire transfers or payroll deductions, are credited to the donor’s giving record at actual cash value and a receipt is issued for the value of the gift.

4.2 Publicly traded securities, mutual funds, and dividend reinvestment accounts

4.2.1 Marketable stocks, bonds, or other securities traded on national exchanges are acceptable as outright gifts, payments toward pledge commitments, and to fund various deferred gifts such as charitable remainder trusts and charitable gift annuities.

4.3 Closely held securities (non-public) or restricted stock

4.3.1 Under certain circumstances the University will accept gifts of securities that are not traded on a public stock exchange or that have restrictions on them. The vice chancellor of Advancement and the vice chancellor for Finance and Administration must approve the acceptance of non-public securities before the shares can be accepted.

4.4 Employer-sponsored matching gifts

4.4.1 A matching gift may be received from a company or a company-funded foundation, matching a gift given to the University by an employee, retired employee, or a director of the company, foundation, or other organization.

4.5 Gifts through Donor Advised Funds and Community Foundations (DAF/CF)

4.5.1 Donor-Advised Funds and Community Foundations are recognized as stand-alone 501(c)(3) tax-exempt charitable organizations. When a donor makes a donation to one of these entities, they receive their income tax deduction for doing so from the DAF/CF.

4.5.2 A donor may recommend that a donor-advised fund or a community foundation make a grant to UNCP from funds the donor has given to the DAF/CF. No receipt will be issued to the original donor, but the donor’s giving record will be soft credited with the value of the gift and it will be noted that the gift was made by the DAF/CF.

4.6 Gifts in-kind of tangible personal property must be useful to the institution in fulfilling the purpose or mission for which the institution was granted tax-exempt status. The value of the gift is declared by the donor. Gifts in-kind with a value of greater than $5,000 must be appraised at a cost to the donor. Gifts of partial interest in a property are not tax deductible according to the IRS. Therefore, no hard credit is recorded for such gifts.

4.7 Gifts in-kind of services include, but are not limited to, such activities as printing of materials, appraisals, and design work, for example. These services provide valuable support to the University. The contribution of services, no matter how valuable to UNCP, is not tax deductible according to the IRS. Therefore, no hard or soft credit is recorded for such gifts.

4.8 Gifts of Real Property include improved and unimproved land, residences, condominiums, apartment buildings, rental property, commercial property, woodlands, and farms. Gifts of real property can be valuable assets for furthering the mission of UNCP by enhancing the delivery of high-quality teaching, research, and extension and engagement activities and programs. However, gifts of real property can create financial, legal and logistical obligations for the University, particularly if the gift is provided with the expectation or condition that the University retains the gift for extended periods, for specific purposes, or in a specific condition.

**5. Deferred Gifts**

5.1 Deferred gifts will benefit the University at some point in the future. Generally, these gifts are either revocable (can be changed by the donor at any time) or irrevocable (cannot be changed by the donor once the gift is made). The benefits to the donor depend on both the type of gift and if the donor retains the right to modify the gift. Types of deferred gifts include simple bequests, charitable gift annuities, charitable remainder trusts, charitable lead trusts, life insurance, retained life estates, or naming a UNCP entity as the beneficiary of a retirement plan.

**6. Gifts and Benefits**

6.1 Whenever the donor is provided something in exchange for a gift such as tickets for a dinner, concert, or other event, the portion of the gift that reflects the value of the benefit is not tax-deductible. The Office of Advancement is responsible for providing the donor with the fair market value associated with the benefit so the amount can be noted in the donor’s receipt. It is the responsibility of the office sponsoring the event to retain the records proving the value of the ticket, dinner, or other tangible benefit for IRS purposes. Failure to keep the information could result in fines and potential loss of tax-exempt status.

**7. Gifts that warrant further review and approval by the Vice Chancellors**

7.1 Gifts of personal property if they are not to be used by the University;

7.2 All gifts of real or personal property subject to donor restrictions regarding the disposal of such property;

7.3 Any bargain sale of property where a gift element is associated with the acquisition of property by the University or university associated entity below its fair market value;

7.4 Cash gifts with significant donor restrictions;

7.5 All gifts of unusual items or gifts of questionable value; and

7.6 All gifts that require additional expenditures by the University.

7.6.1 Development officers should contact Foundation Operations for assistance with gifts in this category as all will require prior approval by the vice chancellors of Advancement and Finance and Administration.

**8. GIFT ACCEPTANCE PRINCIPLES**

8.1 The University will assess the financial desirability of receiving assets as private gifts from potential donors and determine whether to accept a gift as offered.

8.2 The University reserves the right to refuse any gift including gifts that are too restrictive in purpose, require expenditures beyond their resources or that compromise the academic freedom of the University community.

8.3 The University cannot accept gifts that involve unlawful discrimination based on race, religion, sex, age, national origin, color, handicap, or any other basis prohibited by federal, state, and local laws and regulations.

8.4 While valuable benefits, particularly tax and financial considerations, may accrue to donors in certain circumstances, the donor must have a donative intent as a primary motive for making a gift to the University directly or to an associated entity. Donative intent is the intention to give away something of value for the benefit of the university. Funds received by the University or by an associated entity for the benefit of the University shall only be accounted for as gifts where such donative intent is present. Amounts received in exchange for services or property shall not be accounted for as gifts. Amounts received that result in tangible benefits to the donor in the form of recognition items, tickets to events, and similar forms of thank-you gifts will be accepted, processed and receipted in accordance with applicable IRS regulations.

8.5 A donor may not retain any explicit or implicit control over a gift after acceptance by the University. A donor may certainly suggest or restrict the gift to a particular area of the University. For a gift to be considered a gift, no further involvement on the part of the donor is appropriate upon gift acceptance.

**9. REGULATIONS, RULES, AND STANDARD OPERATING PROCEDURES**

9.1 The chancellor or chancellor’s designee may adopt procedures for the acceptance of gifts to ensure that private gifts to the University are properly recorded and administered using appropriate internal controls and sound financial business practices; and to ensure that the acceptance and management of gifts are handled in compliance with external regulations and the University’s fiduciary obligations to donors. Such procedures must comply with applicable federal and state laws and be consistent with this policy and other applicable university administrative regulations.