LOYOLA UNIVERSITY MARYLAND

GIFT ACCEPTANCE
POLICIES AND PROCEDURES

OFFICE OF ADVANCEMENT

Office of Advancement

Gift Acceptance Policies and Procedures

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owning the donated property prior to sale, the institution may decide to decline the gift. In such cases, however, the prospective donor should be encouraged to consider a gift in an alternative form.

Responsibility

General Considerations

Gift acceptance decisions are a University matter. The Board of Trustees has authorized the Vice President for Finance and Treasurer to accept gifts on behalf of the University. Although University officials soliciting gifts can and should consult with the appropriate offices of the University or outside experts, gift acceptance remains the final responsibility of the Office of the Vice President for Finance and Treasurer.

The University's goal is to inform, guide, and otherwise assist the donor in fulfilling his/her wish to benefit the institution. In the solicitation and acceptance of gifts, the University shall conduct its affairs in a way that is ethical and consistent with its status as a tax exempt organization under Section 501(c)(3) of the Internal Revenue Service.

The Office of the Vice President for Finance and Treasurer (OVPFT or VPFT)

Under University policy, the Office of the Vice President for Finance and Treasurer of the University is responsible for the management and disposal of University property. This

Gift Acceptance Procedures

Outright Gifts

Outright gifts of U.S. currency, checks, wire transfers or payroll deduction usually pose no difficulty for gift acceptance and are credited at actual cash value.

2. To ensure compliance with the donor's wishes and prompt processing, outright gifts should be accompanied by a written statement of purpose, including the University unit for which the gift is intended, if any, and any [illegible]es.

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f. A disclosure statement signed by the potential donor reflecting any and all carrying costs including but not limited to taxes, insurance, association dues, membership fees and transfer charges.

g. A title insurance commitment issued by a reputable title insurance company showing marketable title in the donor free and clear of encumbrances. No gift of real estate may be accepted until all mortgages, deeds of trust, liens and/or other encumbrances have been discharged.

h. An analysis of the marketability of the property.

i. A phase I environmental assessment by a qualified engineer (required for all real estate gifts regardless of type) indicating that ownership will not expose the University to environmental liability.

j. A report of the on-site visual inspection by a qualified campus representative or consultant. This inspection should include observation of the adjacent property and surrounding area.

k. A review of existing leases for commercial property.

l. A structural engineering report where appropriate.

m. Evidence of compliance with the Americans with Disabilities Act, where applicable.

Unless waived by the Vice President for Advancement, the donor shall be responsible for all costs related to the environmental impact study, title search, marketability study, and any and all other required reports. In the event the donor fails to pay such expenses, they shall be deducted from the value of the gift.

The Gift Acceptance Committee shall review this proposal and make a recommendation to the VPA. The VPA shall determine whether the gift should be accepted. If the estimated fair market value of the gift equals or exceeds the consent of the President of the University also shall be required. If a gift of real property is accepted, the VPA shall notify OAA, University Counsel, and the Controller. OAA will record the appraised value of the property as a gift.

University Counsel shall review any documents, deeds, studies or reports related to the proposed gift. In connection with the transfer of real property to the University, the donor shall be required to make the following warranties and representations in writing:

a. He or she is the rightful owner of the property.

b. No violations of state, local or federal law exist on the property.

c. No covenants, restrictions or conditions exist within the title.

d. There are no unrecorded rights of way, easements or encumbrances attached to the property.

e. There are no contractual or other donative commitments to other individuals, corporations or groups attached to the property.

f. The property is neither the subject of nor threatened with litigation.

The development office shall inform the donor of the decision of the V[illegible]T and any required modifications to the proposed gift.

Loyola shall not provide the donor with a value of the gift for IRS reporting purposes. The donor shall be responsible for obtaining a qualified appraisal of the property to attach to the donor's income tax return. When the University receives a Form [illegible]2 from the donor, the Director of Advancement Services is responsible for executing the form.

Gifts of Tangible Personal Property

Tangible personal property includes, but is not limited to, such items as:

- Books
- Jewelry
- Automobiles
- Films, videotapes, DVDs and digital media
- Boats
- Firearms
- Computer equipment
- Biomaterials
- Animals
- Furniture
- Works of Art and Antiques
- Manuscripts and Archival Materials

2. A gift of tangible personal property should be accepted only when a review indicates that the property is readily marketable or can be used by the University in a manner related to its exempt purposes. For example, if a proposed gift is of scholarly interest or of other educational use to the University, it may be accepted and retained as part of the University's collection. Gifts of little educational value or those lacking in historical, literary or scientific significance should be discouraged. If a gift of tangible personal property is accepted but the property is not of interest or use to the University, the property will promptly be sold. It is the responsibility of the development office to

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e An assessment of the possi ility of any adve se pu licity fo the Unive sity if the ift is accepted

f Any special a an ements o stipulations equested y the dono

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Gifts of Other Assets

Other assets include

- Promissory notes
- Intellectual property, i.e. patents, royalties, trademarks and copyrights
- Professional practices (medical or legal)
- Partnership interests
- Stock in closely held or private corporations

The difficulty inherent in establishing the acceptability of this class of assets places additional importance on a thorough review of such gift proposals by the Gift Acceptance Committee. In particular, the VPT will review the marketability of the gift, the potential sh ll f st e ev ewed nd pp oved s to fo nd su st nce y the V ce es dent fo Adv nce ent o h s he des nee nd f pp op te the Un ve s ty Counsel

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1. Bequest in Will

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2. Charitable Remainder Trusts

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A charitable remainder trust may be funded with cash, appreciated securities, or a combination of both. Additional contributions may be made to a CRUT, but no additional contributions may be made to a CRAT.

During the donor's lifetime the trust assets are m

A charitable lead trust may be funded with cash, appreciated securities, or a combination of both. The University will not serve as the trustee of a charitable lead trust.

Charitable lead trusts shall not be accepted without the prior review and approval of the trust agreement by the Vice President for Advancement and, if appropriate, University Counsel. Given the complex tax and legal issues related to the establishment of a charitable lead trust, the donor should be advised to obtain independent professional advice prior to creating such a trust.

To receive credit for a gift to a charitable lead trust benefiting Loyola, the trust must be funded with at least [illegible].

5. Life Insurance Policies

Development officers who learn of proposed gifts of life insurance policies should inform the Vice President of OA and the Director of Planned Giving.

2. For a gift of life insurance to be accepted by the University, the following criteria must be met:

   a. Loyola University Maryland must be designated irrevocable owner *and* beneficiary of the policy.

   b. The policy is not a term policy in whole or in part.

   c. The policy should insure only the life of the donor, the donor's spouse, or another person roughly the same age as the donor, and should be paid-up policies.

   d. If the policy is paid up at the date of gift, the University should record the gift as follows: (i) if the donor is less than [illegible] years of age, the policy will be counted at the interpolated terminal reserve (as current outright gift); and (ii) if the donor is [illegible] years of age or older, the policy will be counted at the death benefit value.

Paid up whole life policies of any amount may be donated.

If the policy is not paid up at the date of the gift, the following requirements apply:

a. The policy must be whole life or universal.

b. For donors age [illegible] and older, the policy must have a face value of at least [illegible] and with equal premium payments to be paid up in five years or less. For donors under the age of [illegible], the policy must have a face value of at least 2[illegible] and with equal premium payments to be paid up in five years or less.

Other Assets

Planned Gift Mechanisms

Charitable Remainder Trusts 2

Pooled Income Funds — Initial Gift; Additional Gifts

Gift Annuities

Charitable Lead Trusts

Naming Opportunities

Opportunities for naming new or renovated facilities shall be determined and approved by OA and the VP. The University shall reserve the right to refuse a naming request or remove the donor's name from a previously named facility if the naming would reflect negatively on the University's public image or otherwise conflict with the ethical, educational, and moral underpinnings of the University's mission.

The members of the Gift Acceptance Committee may submit to the Committee such revisions and refinements to these policies as they deem necessary. Any proposed changes will be reviewed by the entire Gift Acceptance Committee and must be approved by a majority vote of the members.

The Vice President for Advancement shall be responsible for disseminating and reviewing this policy periodically within OA.

The Director of Planned Giving will be responsible for disseminating and reviewing this policy periodically with appropriate University officials outside OA.

It is recommended that such reviews occur no less than every two years.