Re: Gifts

Policy

The University shall apply sound and prudent judgment in the solicitation, receipt, and administration of gifts. The fiduciary responsibility of the University requires maximum protection of gift funds and strict adherence to terms and conditions.

Background

The University solicits and receives donations to support its programs. Gift funds may be restricted or unrestricted, endowment, or expendable. Endowment and restricted funds are accepted with terms and conditions. The University must adhere to the terms and conditions that are agreed upon at the time of receipt.
Standard

Finance: Gifts        Effective Date: August 13, 2010
Previous Date: May 1, 2002

Re: General

Standard

The University shall establish an appropriate program for the solicitation, acceptance, acknowledgment, and administration of gifts that support the programs and activities of the University and protects the gifts and intents of the donor.

Background

Gifts may be unrestricted or restricted. Restricted gifts must be administered according to specific terms and conditions as identified by the donor.

Procedure

1. All gifts are processed by Advancement.
2. New accounts are requested and processed by Advancement for those funds that are to be segregated.
3. Advancement prepares appreciation or recognition to each donor.
4. Donor requirements are followed in the expenditure of the gifts and the gifts are used for the highest priority needs of the University.
5. All contributions are invested and managed in accordance with University policies and guidelines.
6. A summary shall be prepared for the Board by Advancement as requested, or annually.
7. University employees shall not deposit any gifts intended for the University or its affiliated organizations in off-campus accounts. Such action is not permitted. Such action may be subject to disciplinary action.
8. All solicitations are to be coordinated with Advancement.
9. Faculty and program directors may use the University’s name in their gift or grant proposals after receiving approval from the Office of the President, Advancement, or designee. Requests for approval are made through Advancement for gifts and grants sought from private sources. Similar approval shall be requested through the Office of Sponsored Programs for grants from public sources or for contracts with public or private sources.

Responsibilities

1. Advancement accepts all gifts.
2. Chief Financial Officer or designee reviews agreements and all non-cash gifts prior to acceptance and receipt.
References

Advancement
Administration
Office of Sponsored Programs
Standard

Finance: Gifts  
Effective Date: August 13, 2010  
Previous Date: May 1, 2002  

Re: Acceptance

Standard

The University solicits and receives donations that further its mission of education, research, and public service. The President, Advancement, or designee, accepts all gifts on behalf of the Board of Trustees. No gift funds may be accepted under terms that require prohibited discrimination or are in conflict with federal or state law or University policy.

Background

University Advancement solicits, receives, and records gifts on behalf of the University. Advancement processes official receipts to donors. If necessary, Advancement coordinates with Administration or Finance the review of any gifts of property or other non-cash items to the University before acceptance. The Chief Financial Officer, or designee, should be consulted before gifts such as stock, real estate, bequests from estates, and other similar gifts are accepted and processed by Advancement.

Procedure

1. All gifts are to be directed to Advancement for processing.

Responsibilities

1. Advancement accepts all gifts.
2. Chief Financial Officer, or designee, reviews agreements and all non-cash gifts, prior to acceptance and receipt.

References

Advancement  
Administration
Standard

Finance: Gifts    
Effective Date: August 13, 2010
Previous Date: May 1, 2002

Re: Processing

The University shall establish an appropriate program for the administration and protection of gifts.

Background

Gifts may be unrestricted or restricted. Expenditures of restricted gifts must comply with specific terms and conditions as identified by the donor.

It is very important to use the funds for the purposes intended. If there is a potential conflict in account usage, a new account should be established instead of mixing funds within the account. An account function may also be revised by submitting a revised application or memorandum requesting the revision, as long as the funds are protected as to their original intention. The Chief Financial Officer (CFO), or designee, must approve revisions to account descriptions or conditions.

Procedure

1. Submit a complete package to Advancement.
2. The donor check(s) are made payable to Charles Drew University.
3. Complete a "Gift Transmittal Form."
4. Forward all related correspondence, terms and conditions.
5. Attach documentation on matching funds, if applicable.
6. Keep copies of all information for your records.
7. Send or hand-deliver the package to Advancement.

Responsibilities

1. Advancement accepts all gifts.
2. The CFO, or designee, reviews agreements and all non-cash gifts, prior to acceptance and receipt.

References

Advancement
Administration

12-03-01
Re: Gifts versus Sponsored Programs

Standard

Gift funds shall be distinguished from sponsored program funds.

Background

There are many types of gift and sponsored program funds.

Gifts are contributions made to the University for which the provider receives no direct benefit and requires nothing in exchange beyond a general assurance that the intent of the contribution will be honored.

Current funds are economic resources immediately available for expenditure to carry out the primary missions of the University (instruction, research and public service).

Current funds – unrestricted are resources received by the institution that have no limitations or stipulations placed on them by external agencies or donors, and that have not been set aside for endowment or annuity or life income purposes.

Current funds – restricted funds are resources provided to the institution that have externally imposed limitations or stipulations placed on their use, but are intended for current purposes.

Endowments are funds where principal resources are invested to provide income in perpetuity.

True (permanent) endowments are funds that have been contributed with donor-specified restrictions that the principal be invested in perpetuity. Income from the investments may also be restricted by donors.

Term endowments are similar to a true endowment, except that at some future time or upon the occurrence of a specified future event, the resources originally contributed become available for unrestricted or purpose-restricted use by the entity (for example, if the donor allows principal an/or net income use).

Quasi-endowments are resources designated by the University to be retained and invested for specified purposes for an unspecified period.
Sponsored activities (Office of Sponsored Programs) are activities undertaken by the University with support provided by an external entity which expects an outcome that either directly benefits the provider or a public purpose. At a minimum, the provider requires the University to report on how the funds were spent and/or what progress has been made in accomplishing the goals of the activity.

Gifts require no specific work to be performed. Sponsored activities have a detailed scope of work to be done.

Gift providers are called donor, patron, benefactor, or giver. Sponsored activities are funded by sponsor, contractor, or grantor.

Gifts have few terms or conditions. Sponsored activities may have stipulated terms and conditions, or pre-established terms.

Gifts normally do not require extensive reports. Sponsored activities normally require technical or progress reports.

Gifts do not have budgets. Sponsored activities usually have budgets.

**Procedure**

1. Review documentation.
2. Determine funds type.

**Responsibilities**

1. Chief Financial Officer, Controller or designee, in coordination with Advancement and Office of Sponsored Programs, will determine funds type.

**References**

Advancement
Administration
Office of Sponsored Programs

12-04-02
Re: Charitable Contributions - Board of Trustees Expenses

Standard

Reasonable and non-reimbursed expenses that are incurred by members of the Board of Trustees as a direct result of their participation on the Board may be deductible on their personal income tax returns to the extent that the expenses exceed the value of any goods, services, or benefits received.

Background

Members of the Board render services to Charles Drew University, a qualified nonprofit organization as determined by the Internal Revenue Service (IRS). From time to time, Board members incur out-of-pocket expenses, such as travel, directly resulting from their volunteer services, for which they receive no benefits and no reimbursement. The IRS has determined that, subject to certain conditions and limitations, volunteer expenses may be deducted as Charitable Contributions on individual tax returns, Schedule A.

Procedure

1. Board member submits completed travel/mileage forms with copies of all receipts to Finance Department – Chief Financial Officer, within 30 days of activity.
2. Finance Department processes forms and composes acknowledgment letter to Board member. Letter is forwarded to Board Office, President’s Office or designated office, for distribution.

Responsibilities

1. Board members must maintain adequate records to support tax deductions, including receipts, descriptions, dates, etc.
2. Board members should consult their accountants for specific conditions, practices and limitations to this charitable contribution deduction.

References

IRS Publication 526 (Mar 1998), Cat. No. 15050A, Charitable Contributions
IRS Publication 463 (1998), Cat. No. 11081L, Travel and Car Expenses