LOYOLA UNIVERSITY MARYLAND

GIFT ACCEPTANCE POLICIES AND PROCEDURES

OFFICE OF ADVANCEMENT

Office of Advancement

Gift Acceptance Policies and Procedures

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Gift Acceptance Policies and Procedures

General Principles

Loyola University Maryland solicits gifts to advance its broad educational purposes. These gift acceptance policies define the considerations and processes through which the University assesses the desirability of accepting a potential gift and determines whether to accept a gift as offered. In addition, these policies specify how particular of types of gifts may be made. These policies assume the proposed gifts have been appropriately reviewed and approved as being consistent with the University's mission and goals.

Loyola University Maryland reserves the right not to accept a gift for any reason. It shall refuse gifts that are offered for purposes that are inconsistent with its educational, research, scholarly activity and service missions. The University shall not accept gifts with restrictions that violate the University's ethical standards or are illegal. Unless the donor has expressly specified one or more restrictions on the use of a gift, all gifts shall be classified as unrestricted.

Most gifts should require little scrutiny under these policies, but major gifts (including those involving naming rights), and gifts of certain non-cash assets (*e.g.*, real estate, tangible personal property, or other non-liquid assets that are not immediately useful to the University in its on-going programs) will be subject to heightened review.

Before a gift may be entered into the University's accounting and gift accounting systems, an appropriately charged officer of the institution must authorize acceptance. [All gifts shall be recorded and receipted according to the standards recommended by the [Council for the Advancement and Support of Education (CASE) and the National Association of College and College Business Officers (NACUBO).]

If a gift is determined to be consistent with the University's mission, the criteria for gift acceptance should focus primarily on the gift's immediate utility to the University (except in the case of planned gifts) or its liquidity. A proposed current gift should either be useful to the University in the short term or convertible to cash.

Examples of gifts of property that are likely to have immediate utility to the institution for its academic, administrative or service activities include real property close or contiguous to the campuses or other University facilities, property of scholarly interest such as papers, books, manuscripts or archival materials, computer software, films, video tapes, DVD's, digital media, and pieces of fine art, gifts of educational, scholarly, scientific or operating supplies, computers, business machines, scientific, athletic or medical equipment, or other equipment useful in the day-to-day operations of the institution.

If the proposed gift cannot be put to use by the institution in its offered form, the donated property should be marketable. If Loyola is not likely to be able to dispose of such property within a reasonable period of time and/or there are potentially adverse consequences to Loyola's

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 officers 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 includes the acceptance of gifts.

The VPFT may consult with members of the Board of Trustees and other University officials on matters of gift acceptance. The VPFT shall decide whether property accepted as a gift will be sold or retained by the University after consultation with the appropriate University officials.

The VPFT shall make regular reports to the Board of Trustees concerning accepted gifts.

The VPFT is responsible for ensuring that the University’s outside financial relationships, whether with donors, prospects, brokers, or other entities, are free of conflicts of interest or the appearance of conflicts of interest.

The Office of Advancement (OA)

OA, through its staff of development officers, is responsible for working with the leaders of departments, schools and campuses to help match their needs with potential donors. Working with the academic and programmatic units, development officers cultivate prospective donors, encouraging them to make useful gifts in support of the institution's priorities and needs. The University encourages its Officials and staff to fundraise on its behalf; however, proper coordination and approval is necessary to avoid conflicts and confusion. Accordingly, any University official or employee soliciting a gift shall inform and consult with OA prior to acceptance.

OA's development officers shall present to a prospective donor the variety of giving devices available to meet a particular need and seek to maximize the attractiveness to the donor of making a gift. Development officers shall be up-to-date on current and planned gift vehicles. However, development officers shall advise all prospective donors to obtain independent legal and financial advice regarding a potential gift.

The University accepts unrestricted gifts. The University also seeks support for particular purposes, and through its development officers, encourages donors who wish to restrict the use to which their gifts may be put to clearly set forth those restrictions in writing at the time of the gift. The University will not accept gifts for purposes that are outside its mission and should consider the scope of any restriction in light of the size of the gift to determine whether the restriction is appropriate. In addition, with respect to gifts that are not currently expendable, and which are directed to be maintained for a significant length of time, all efforts shall be made to include language in the gift instrument permitting the University to modify the purpose of the gift if changed conditions make the designated purpose unnecessary, undesirable, impractical or impossible of fulfillment.

The Office of Planned Giving

Through education, technical advice, and active solicitation, the Office of Planned Giving assists the University's development officers in their efforts to ensure that the appropriate deferred giving devices are available to meet the particular needs of specific donors. In addition, the Director of Planned Giving also serves as the primary Development Officer for Planned Gifts and works with donors independently, and with other development officers, to encourage donors to make deferred gifts in support of the institution's priorities and needs. The Director of Planned Giving chairs the Gift Acceptance Committee and is responsible for defining and ensuring that the necessary reviews are undertaken by the Committee to assess the acceptability of property offered as a gift. The Director of Planned Giving will convey the recommendation of the Gift Acceptance Committee to the VPFT who has final authority to accept or reject a gift.

The Office of Planned Giving also monitors the distribution of assets through probate and from trusts. Therefore, promptly upon receipt by any University official, all notices,

documents, or other papers relating to the probate of an estate or distribution from a trust must be forwarded to the Office of Planned Giving. As appropriate, the Office of Planned Giving will seek the assistance of the University Counsel.

The University Counsel (Gallagher, Evelius and Jones)

By providing advice concerning the impact of the tax and other laws, the University Counsel assists development officers to structure specific gifts in such a way as to best meet the needs of the University and of the donor. Development officers must nonetheless strongly encourage donors to seek counsel from their own legal and financial advisors. In addition, upon request of the Office of Planned Giving, the University Counsel provides advice and legal representation concerning the University's interest in estates in probate and distributions from trusts. The University Counsel also is available to the Gift Acceptance Committee to provide it with legal advice concerning the acceptability of particular gifts.

The Gift Acceptance Committee

1. The Vice President for Finance and Treasurer, the Director of Planned Giving, the Vice President for Advancement, the Vice President for Administration, the Vice President for Academic Affairs, the Vice President for Student Development and Dean of Students, the Assistant Vice President for Financial Services, the Director of Resource Management, the Controller, a member of the Faculty, and others assigned as appropriate, or their representatives, constitute the Gift Acceptance Committee. This Committee is responsible for reviewing gift proposals and determining whether to accept a gift. With the advice of other Committee members, the VPFT has the authority to make exceptions as special situations may warrant.

2. The Director of Planned Giving shall serve as Chair of the Gift Acceptance Committee. He or she will establish the practices of the Committee, determine the frequency of meetings, and designate staff to oversee its operations as needed.

3. As Chair, the Director of Planned Giving is responsible for communicating to the VPFT and appropriate University officials the recommendations of the Gift Acceptance Committee. The VPFT has ultimate authority to accept or reject a gift and the recommendation of the Gift Acceptable Committee shall not be binding on the VPFT.

4. The Committee will convene as needed. However, the Director of Planned Giving shall ensure that gift proposals are reviewed promptly, preferably within 10 business days of submission to the Committee.

5. The Office of Planned Giving will prepare for presentation all proposals submitted to the Gift Acceptance Committee.

Gift Acceptance Procedures

Outright Gifts

1. 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 restrictions, including the term thereof.

3. Checks should be made payable to "Loyola University Maryland" and sent to:

   Office of Advancement
   Loyola University Maryland
   4501 North Charles Street
   Baltimore, MD 21210

4. Funds received from the governments of foreign countries shall be classified according to the purpose and designation as stated in writing by the donor government. The possible designations are philanthropy, sponsored research, contract research, service, product development, or other. If such funds are philanthropic, they will be accepted, recorded, and acknowledged as any other outright gift.

Pledges (defined as "Promises to Give" under F.A.S.B. 116)

1. Pledges should be recorded in accordance with relevant F.A.S.B. rules and regulations.

2. Pledges must be in writing, include the amount of the pledge and the payment schedule, and be signed by the donor and a representative of the University. In addition, the written pledge must contain a statement of any restrictions on use.

3. Pledge periods should not exceed five years, except with the approval of the VPFT.

4. Pledge commitments should contain language that will permit Loyola to modify the purpose of the gift if changed conditions make the designated purpose unnecessary, undesirable, impractical or impossible of fulfillment.

Gifts of Foreign Currency

1. Gifts made in foreign currencies will be valued at the USD equivalent on the date the gift is received. This value is determined by the daily currency conversion rates listed

in the *Wall Street Journal.*

2. The OVPFT is responsible for currency conversion transactions, and for informing OA/Gift Accounting of the U.S. dollar amount of the gift.

3. The transaction fees resulting from converting foreign currency to U.S. dollars will be charged to the University general fund to ensure that the full amount of the gift is applied to the purpose selected by the donor.

Gifts Received Through Wire Transfer

1. Gifts should be wired in U.S. currency. If not, the OVPFT should convert such gifts to dollars, as stated above.

2. Donors wishing to transfer funds by wire should be instructed to send the gift to the ***Bank of America. The bank's ABA (routing) code number is*** 052001633 / 026009593. ***SWIFT # (International Wires Only):*** BOAUS3N.

3. The donor must ask the bank to credit the Loyola College in Maryland account***, account number*** 006065302607.

4. If the donor's wire does not indicate the purpose or designation of the gift, the development officer shall make every effort to contact the donor to determine such purpose and designation, if any, and shall forward that information to the Director of Advancement Services.

5. If the development officer responsible for the gift becomes aware of the wire transfer, he/she shall promptly notify the Director of Advancement Services/OA, who will then notify the Controller of the wire transfer.

6. Fees resulting from wire transfers will be paid from University general funds to ensure that the full amount of the gift is applied to the purpose selected by the donor.

Gifts of Publicly Traded Stock and Securities

1. Securities that are traded on the New York and American Stock Exchanges, as well as other major U.S. and foreign exchanges and the NASDAQ, corporate bonds, government issues and agency securities may be accepted as gifts. In general, such securities shall be sold as soon as possible after their receipt. No University employee may agree to hold, sell through a specific broker or trade on instruction of the donor a particular publicly-traded security without the approval of the Vice President for Advancement. The Gift Acceptance Committee may make exceptions on a case-by-case basis, subject to approval of the VPFT.

2. If the donor possesses the certificates and the security is titled in his/her name:

a. The donor should send the unendorsed certificates to:

The Office of Planned Giving
Loyola University Maryland
Office of Advancement
4501 North Charles Street
Baltimore, MD 21210
(410) 617-2901 or (410)-617-2290

b. The development officer should prepare a transmittal letter for the donor's signature stating the designation of the gift, if any.

c. Under separate cover to the same address, the donor should send a stock/bond power of attorney obtainable from the Office of Planned Giving or the donor's broker. The donor must sign the power with a guaranteed signature. The signature on the stock/bond power must exactly match the name on the certificate.

d. If the certificates have been endorsed, they should be delivered by courier or by hand to the address above.

3. The donor may also inform a development officer of his or her willingness to make a gift of securities by electronic transfer. The development officer should contact the Office of Planned Giving to coordinate the transfer process.

   a. The development officer should prepare a letter for the donor's signature stating the designation of the gift, if any, which letter should be sent to the donor prior to the transfer with a return envelope.

   b. The development officer should follow up with the Director of Advancement Services to confirm that the gift has been received.

4. If the donor of a gift of stock received electronically is not identified, then the following steps shall be taken:

   a. The Office of Advancement Services shall make every reasonable effort to trace the transfer to the brokerage firm that sent it.

   b. If that effort is unsuccessful, the Director of Advancement Services will send out a query to development staff by electronic mail.

   c. If the donor of a stock gift cannot be identified within 10 business days, the gift will be recorded as anonymous and unrestricted, until such time as the donor can be identified.

5. Restricted securities (also known as unregistered securities, investment-letter stock, control stock or private placement stock) may be accepted as gifts. Because of the complexity in transferring ownership and determining the fair market value of restricted stock, such gifts may be accepted only after review and approval by the Gift Acceptance Committee and the VPFT.

Gifts of Real Estate

1. Real property includes improved and unimproved land, residences, condominiums, apartment buildings, rental property, commercial property, and farms. Any gift of real estate must be reviewed by the Gift Acceptance Committee and approved by the VPFT. As with any gift, the University reserves the right to reject any gift of real estate for any reason.

2. In general, the minimum estimated fair market value for an acceptable gift of real estate is $150,000. When real property has an estimated fair market value of less than $150,000, the donor should be encouraged to sell it and donate the proceeds.

3. The donor should be encouraged to seek independent counsel to address any tax or legal issues associated with the transfer of real property.

4. It is the University's general policy to dispose of all gifts of real estate as expeditiously as possible. This policy will be communicated to a donor when a development officer receives notification of the donor's intent to make a gift of real estate. If the real property is sold within two years of the date gifted, the Director of Advancement Services (upon receipt of the sale information from the VPFT) shall prepare and file IRS Form 8282 and forward a copy of the same to the Controller's office.

5. The development officer and the Office of Planned Giving shall prepare a summary of the proposed gift for consideration by the Gift Acceptance Committee. Specifically, the summary shall include the following information:

    a. Donor's name and address.

    b. Loyola degrees and schools attended, if any.

    c. Gift designation, if any.

    d. Description of proposed gift vehicle: an outright gift, planned gift (*e.g.*, retained life estate, charitable gift annuity), endowment gift, etc.

    e. An MAI appraisal of the property, conducted by a qualified appraiser in accordance with IRS guidelines, and not older than 60 days. This cost of this appraisal must be paid for by the donor.

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.

6. The Gift Acceptance Committee shall review this proposal and make a recommendation to the VPFT. The VPFT shall determine whether the gift should be accepted. If the estimated fair market value of the gift equals or exceeds $1,000,000, the consent of the President of the University also shall be required. If a gift of real property is accepted, the VPFT shall notify OA, University Counsel, and the Controller. OA will record the appraised value of the property as a gift.

7. 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 comments, 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.

8. The development officer shall inform the donor of the decision of the VPFT and any required modifications to the proposed gift.

9. 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 8283 from the donor, the Director of Advancement Services is responsible for executing the form.

Gifts of Tangible Personal Property

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

   - Books
   - Jewelry
   - Automobiles
   - Films, video tapes, DVD's 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 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 officer to

inform the donor whether the University plans to retain the property and, if so, the use to which it will be put. Whether the property has a "related use" will have an impact on the amount of the donor's income tax charitable deduction. Donors should be told to consult with their tax advisors regarding the availability and amount of such deduction.

3. Without the written approval of the VPFT, no gift of tangible property shall be accepted if made on the condition or expectation that the University will own and/or exhibit the property in perpetuity.

4. The development officer shall inform the Vice President for Advancement of any potential gift of tangible personal property.

5. The minimum value of a gift of tangible personal property intended to be sold should be $5,000. When the estimated value of the proposed gift is less than $5,000, the donor should be encouraged to sell the property and donate the proceeds.

6. If the proposed gift items are of special interest to the University, the minimum gift value of $5,000 may be waived.

7. The development officer shall contact one of the following University officials to determine whether the property is of a kind that the University would retain and put to a use related to its exempt purposes:

    a. The Director of Planned Giving.

    b. If the proposed gift of personal property involves archival material on the University, manuscripts, films, videotapes or rare books, the University Archivist or University Librarian, Loyola/Notre Dame Library

    c. If the proposed gift involves art, antiques, furniture, furnishings, jewelry or clothing, the Curator, University Collection

    d. The dean or director of the University program in which the property may be used.

8. If the appropriate University official determines that the proposed items are of interest to the University, then the development officer, with the assistance of such official, will submit a proposal to the Vice President of Advancement and the Gift Acceptance Committee for review.

9. This proposal will contain at least the following information:

    a. A description of the proposed property to be gifted, including its physical dimensions.

b. An estimate of storage costs and any other expenses related to accepting the proposed gift. No perishable property or property that would require special facilities or security to be properly safeguarded shall be accepted without the prior review and approval of the VPFT.

c. A brief statement of its educational value.

d. The endorsement of the determining University official.

e. An assessment of the possibility of any adverse publicity for the University if the gift is accepted.

f. Any special arrangements or stipulations requested by the donor.

g. A qualified appraisal supplied by the donor if the value of the gift is estimated to be over $5,000. If the estimated value is less than $5,000, a knowledgeable University official can provide an estimate.

10. The Gift Acceptance Committee will make a recommendation to the VPFT regarding the gift. The VPFT will decide whether the University will accept the gift and inform the Director of Planned giving of his/her decision.

12. The Director of Planned Giving will notify OA, the University Counsel, and the Controller of the gift. Advancement Services will record the appraised value of the gift.

13. 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 8283 from the donor, the Director of Advancement Services is responsible for executing the form. If the property is sold within two years of the date gifted, the Director of Advancement Services (upon receipt of the sale information from the VPFT) shall prepare and file IRS Form 8282 and forward a copy of the same to the Controller's office.

14. If the estimated value of property the University does not intend to retain is greater than $50,000 and/or if there are special concerns regarding Loyola's ability to sell the property or maintain it prior to sale, then the development officer shall submit a proposal to the Gift Acceptance Committee, similar to the one described above, assessing the desirability of the property, but which shall also include an assessment of the marketability of the property.

Gifts of Other Assets

Other assets include:

- Promissory notes
- Intellectual property (*e.g.*, 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 VPFT will review the marketability of the gift, the potential carrying costs associated with it and the potential exposure of the University to unearned business income tax liability.

The donor shall be responsible for determining the value of the gift, and, where required, must provide the University with a copy of a qualified appraisal prepared in accordance with IRS requirements.

If the proposed gift is estimated to be worth less than $50,000, the donor should be encouraged to dispose of it and donate the proceeds to Loyola.

If a donor proposes making a gift of one of the classes of assets above, the development officer and the Office of Planned Giving shall prepare a written gift proposal for consideration by the Gift Acceptance Committee. Such presentation shall contain information similar to that required with respect to proposed real estate gifts, with a particular emphasis on value and the prospects for liquidating the asset. In addition, University Counsel should be consulted to determine the legal ramifications of accepting the proposed gift.

The Gift Acceptance Committee will recommend to the VPFT whether to accept the gift and under what conditions. The VPFT will decide whether to accept the gift and report the decision to the Director of Planned Giving. If the gift is accepted, OA will record the appraised value of the gift.

Planned Gifts

Planned (or deferred) gifts are gifts, the benefit of which will not accrue to the University until a later date, usually after the death of the donor and/or one or more named beneficiaries. Prospective donors who are considering planned gifts should consult with the Director of Planned Giving or a member of his/her staff regarding the proper structuring of such a gift. Any planned giving agreement that requires execution by the University

shall first be reviewed and approved as to form and substance by the Vice President for Advancement (or his/her designee) and, if appropriate, the University Counsel.

Types of planned gifts are described below.

1. Bequest in Will

A bequest is a gift made to the University in a donor's will or revocable trust. Bequests may provide for a gift of a specific dollar amount, specific securities or accounts, particular pieces of real or tangible personal property, or a percentage of the residue of the estate (*i.e.*, the balance of the decedent's probate estate after payment of all debts, taxes, expenses and specific bequests).

Bequests may be given as unrestricted or restricted gifts. Unrestricted bequests may be used for the general purposes of the University and can be applied to current needs. At the decedent's direction, bequests may be used to establish a named unrestricted endowment fund. The spendable amount from an unrestricted endowment fund may be used for the University's general purposes or the appropriate official or governing body may designate the purpose and use of such a fund. A restricted bequest supports a certain purpose or program designated by the donor. The restriction should be contained in the Will or Revocable Trust. A bequest also may be made to an existing fund earmarked for a specific need of the University so long as the terms and conditions of the existing fund so permit.

The University may be named as a contingent beneficiary under a Will and, in that event, will receive a bequest only in the event certain events occur or fail to occur. For example, the decedent could provide that in the event he/she is not survived by any descendants, the University shall receive the balance of the estate.

Donors may also establish by will a charitable remainder trust or charitable lead trust (see below).

Gifts may be made to the University through the execution of a new Will or Revocable Trust or by a Codicil or Amendment, respectively, thereto.

2. Charitable Remainder Trusts

A charitable remainder trust is established by an irrevocable gift to a trustee made during the donor's lifetime or following the donor's death. The primary feature of a charitable remainder trust is that it provides for periodic payments of a fixed percentage (not less than 5%) of the value of the trust assets to the donor and/or another person specified by the donor, for life or a specified term of years (not to exceed 20), after which the trust assets pass to the University. The most common forms of charitable remainder trusts are Charitable Remainder Annuity Trusts (CRATs) and Charitable Remainder Unitrusts (CRUTs). The significant difference between a CRAT and a CRUT is that the annual payment from a CRAT is a fixed percentage of the initial value of the trust, while the

payout from a CRUT is calculated by applying the fixed percentage to the value of trust, valued annually.

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 managed and invested by the Trustee. The University may serve as Trustee of a charitable remainder trust if the donor so requests. The University will serve as Trustee only for those charitable remainder trusts with an initial value of at least $200,000 and which irrevocably designate the University as the sole remainderman.

Charitable remainder 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 remainder trust, the donor should be advised to obtain independent professional advice prior to creating such a trust.

3. Pooled Income Fund

The Loyola University Maryland Pooled Income Fund allows donors who are age 50 or older to have their contributions pooled and invested together. Each participant in the fund receives a *pro rata* share of the net income earned during the participant's life. When the participant dies, his/her share in the fund is made available to Loyola.

An initial gift to the Pooled Income Fund may be made with a gift of $5,000 or more. The minimum amount for additional contributions to the Fund is $1,000.

4. Charitable Lead Trust

A charitable lead trust is a trust from which the income or "lead" interest is paid to the University for a set number of years (not to exceed 20), after which the remaining trust assets pass to one or more non-charitable beneficiaries designated by the donor. The amount paid to the University may either be a fixed sum (an "annuity" interest) or a percentage of the trust assets valued each year (a "unitrust" interest). A charitable lead trust can be established during the donor's lifetime or at death pursuant to a Will or Revocable Trust.

A charitable lead trust may be advantageous for donors who have a larger income than they currently need and, in low interest rate environments, may present an opportunity for the donor to transfer assets to heirs at a reduced transfer tax costs. In addition, major gift donors may wish to use a charitable lead trust to fulfill a pledge.

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 $1,500,000.

5. Life Insurance Policies

1. 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 65 years of age, the policy will be counted at the interpolated terminal reserve as a current outright gift, and (ii) if the donor is 65 years of age or older, the policy will be counted at the death benefit value.

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

4. 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 donor's age 65 and older, the policy must have face value of at least $100,000 and, with regular premium payments, be paid up in five years or less. For donors under the age of 65, the policy must have a face value of at least $250,000 and, with regular premium payments, be paid up in five years or less.

c. The University should record as a gift the interpolated terminal reserve of the policy as of the date of the gift, not the policy's face value.

d. If the donor contributes funds to the University to cover future premium payments, such contributions shall be treated as gifts in the year made.

e. If the donor does not continue to make gifts to cover premium payments on the policy, the University may continue to pay the premiums, convert the policy to paid up insurance, or surrender the policy for its current cash value. The Gift Acceptance Committee shall recommend a course of action to the VPFT, who will ultimate decide the matter.

5. In those instances where Loyola is named as the beneficiary only, OA should monitor this arrangement in a way similar to that of bequest intentions.

6. When the death benefit is paid from a policy in which Loyola is named a beneficiary, the difference between the proceeds received and any previously recorded gifts with respect to the policy (including interpolated terminal reserve and premium payments) shall be recorded as an outright gift.

7. The donor should state in writing the purpose or designation of the gift, if any, at the time the policy is donated.

6. Beneficiary Designations

The University may accept amounts it receives as a designated beneficiary (primary or contingent) of a deferred annuity contract, IRA, defined benefit plan, 401(d) plan, profit-sharing plan or other qualified plan. If the University is anything other than an outright beneficiary of such assets, the prior review and approval of the VPFT is required.

7. Charitable Gift Annuities

A Charitable Gift Annuity is a contract between the University and the donor. The University agrees to pay the donor (and/or another person named by the donor) a lifetime annuity in exchange for an irrevocable gift to the University. The annual payment to the donor (or named beneficiary) is fixed and is based on the number and ages of the beneficiaries and the fair market value of the gift.

The minimum amount required to establish a charitable gift annuity at Loyola is $10,000. In addition, a charitable gift annuity may be funded only with cash or publicly traded securities. Exceptions may be made only with the prior approval of the VPFT.

The rates payable to annuitants shall not exceed those recommended by the American Council on Gift Annuities as of the date of contribution. Annuity agreements shall be limited to two (2) lives. [Generally, the minimum age for immediate annuities shall be

____, and ____ for deferred annuities.] Exception may be made only with the prior approval of the VPFT.

8. Gifts with Retained Interests

The University may accept a gift of a personal residence or farm where the donor (and/or another person) retains the right to use the property for a term of years or for the life or lives of the donor and/or another person. Upon the expiration of the retained interest, the University may use or sell the property as it sees fit.

Such gifts are subject to the conditions and guidelines applicable to gifts of real estate.

The gift is accomplished by the execution of a Deed to the University, pursuant to which the retained interest is expressly reserved. In addition, the donor must enter into a Retained Life Estate Agreement (RLEA) which provides that the donor and/or the life tenant shall remain responsible for maintenance, taxes, utilities, insurance and other costs associated with the property, unless other arrangements, approved by the VPFT, are made for the payment of these expenses.

The value of the gift is the fair market value of the University's remainder interest in the property at the time of the contribution, determined actuarially, after making any appropriate adjustment for depreciation or depletion.

Gifts-In-Kind

All gifts of equipment and other tangible goods must be reported to the OVPFT for inclusion in the University's records for management purposes.
All such gifts must be reported to OA/Advancement Services for inclusion in the donor's gift record and for the purposes of acknowledgement and stewardship.
For items not covered by the section *Gifts of Tangible Personal Property* (see above) OA/Advancement Services will follow the Council for Advancement and Support of Education (CASE) Management and Reporting Standards for recording and acknowledging GIK including, but not limited to, the following:

- Any item(s) must support and/or further the mission of Loyola College to be accepted.
- Determining the value of a GIK is the donor's responsibility; all GIK acknowledgements provided by Loyola College shall only include a detailed description of the donated item and will never state an amount.
- In order for a donor to receive credit in the College's donor records at a dollar amount equal to the gift's value, sufficient documentation must be provided to substantiate this value. A legitimate GIK without documentation to substantiate value will be booked in the College's donor records for $1.

- In situations where the College could purchase a comparable item at wholesale or educational discount, the discounted cost will be credited as the gift amount (e.g. software, computer equipment, textbooks etc.).
- Gifts of service, while appreciated, are not tax deductible gifts and will not be receipted. Recognition credit may be issued at the discretion of OA.

Gifts-In-Kind In Support of Events

Goods given in support of Loyola fund-raising events (regardless of whether such goods will be sold or otherwise used in support of the event) shall be treated as gifts of tangible personal property that will not be put to a use related to the exempt purposes of the University. As a result, in most cases the donor's deduction will be limited to the donor's cost basis in donated goods. A gift of a partial interest in property (*e.g.*, free table/chair rental) is not a deductible gift.

Donor-Sponsored Events

A donor may receive gift credit for sponsoring an event for Loyola. The University shall pay all costs associated with the event for which the donor wishes to obtain credit. The donor shall make an outright gift of cash equal to the cost of the event and state that the purpose of the gift is to pay for the costs of the event.

Gift Guidelines

The time and effort needed to accept and process gifts ultimately diminish the financial gain realized from a gift. To ensure that every gift makes a contribution to the University, the following are recommended thresholds for gifts:

Cash/Marketable Securities:	None
Real Estate:	$150,000
Tangible Personal Property:	$50,000[1]
Life Insurance:	Paid-up policies: no minimum. If the policy is not paid up: $100,000 for insureds age 65 and older; $250,000 for insureds under age 65[2]

[1] This threshold applies only to gifts of tangible personal property that will not be put to a related use.

[2] The additional requirements regarding years until the policy is paid up also apply.

Other assets:	$50,000
Planned Gift Minimums:	
Charitable Remainder Trusts:	$200,000
Pooled Income Funds:	Initial Gift: $5,000 Additional Gifts: $1,000
Gift Annuities:	$10,000
Charitable Lead Trusts:	$1,500,000

Naming Opportunities

Opportunities for naming new or renovated facilities shall be determined and approved by OA and the VPFT. 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/or moral underpinnings of the University.

Stewardship

All gifts will be acknowledged within a reasonable period of time and in accordance with IRS regulations regarding gift substantiation. All gift acknowledgments will come from OA.

Names of donors will not be sold by the University to other organizations for marketing or fundraising purposes, and may be omitted upon specific request of the donor.

Periodic Review and Revision of Policies and Procedures

The University President has approved this document. In developing these policies, the Office of Advancement has sought the review and comment of the Vice President for Finance and Treasurer, the University Counsel, the Director of Planned Giving, the Vice President for Advancement, the Vice President for Administration, the Vice President for Academic Affairs, the Vice President for Student Development and Dean of Students, the Assistant Vice President for Financial Services, the Director of Resource Management, the Controller and a member of the Faculty.

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.