



## Policy 3.7 Gift Acceptance Policy

**Responsible Official:** VP for Development & University Relations

**Administering Division/Department:** Gifts

**Effective Date:** August 02, 2016

**Last Revision:** August 17, 2016

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### Overview

Emory University, a nonprofit corporation organized under the laws of the State of Georgia, encourages the solicitation and acceptance of gifts to Emory University (hereinafter, "Emory") for purposes that will help Emory further and fulfill its mission.

*The mission of Emory University is to create, preserve, teach, and apply knowledge in the service of humanity.*

The following policy governs the solicitation and acceptance of gifts made to Emory or for the benefit of any of its programs. It details the types of gifts which may be accepted, who has authority to accept gifts on behalf of Emory, the manner in which Emory may accept physical funds, ethical considerations of accepting gifts, conflicts of interest, and necessary approvals for special situations or exceptions to this policy. It also delineates how funds will be designated, acknowledged as having been received, and accounted for in Emory financial statements.

### Applicability

Staff members and volunteers of Emory University solicit current and deferred gifts from individuals, corporations, and foundations to further and fulfill Emory's mission. This policy shall apply to all charitable gifts received by Emory for any of its many units, programs, and services. If a donor receives benefits in return for his or her gift to Emory, the amount of the benefit he or she receives is deducted from the gift in any receipting, reporting, and gift crediting in accordance with IRS regulations.

### Policy Details

#### TYPES OF GIFTS

Gifts made to Emory may include the following:

- Outright gifts (assignment of income; cash, checks and credit cards; securities - privately traded stocks; securities - publicly traded stocks; publicly traded bonds; mutual funds; partnership interests; real property; tangible personal property; intellectual property; life insurance; retirement plan distributions; and matching gifts);
- Partial Interest gifts (gift subject to life estate or a remainder interest in a home/farm; transfer of an undivided

- interest in an asset; bargain sales/deep discounts; oil, gas, water and mineral interests; timber; and qualified conservation contributions);
- Split-Interest gifts (charitable remainder trusts; charitable gift annuity; pooled income fund; and charitable lead trust);
  - Deferred gifts (bequests; life insurance beneficiary designations; retirement plan beneficiary designations; and payable-on-death/transfer-on-death forms);
  - Commitments (pledges; statements of intent); and
  - Gifts with Associated Benefits

To qualify as a gift to Emory University, the following conditions must be met:

- The transfer of cash or other assets must be unconditional;
- The transfer must be in furtherance of Emory's charitable mission; and,
- The transfer must be non-reciprocal, which means there must be no implicit or explicit statement of exchange, purchase of services, or provision of exclusive information to the donor in exchange for his or her gift.

Procedures related to the acceptance of the above specific types of gifts may be found on SharePoint.

Non-gift transactions, including gifts-in-kind and contributed services, may be accepted if they can be used to advance the mission of Emory and/or any of its affiliates or may be converted readily into cash. These non-gift transactions are subject to special consideration and handling, addressed in this policy on page 6.

#### AUTHORITY TO ACCEPT GIFTS

Gifts that are addressed within the scope of this policy and that do not require special handling are routinely accepted by Emory through gift processing and receiving by the Office of Gift Records (OGR).

Other gifts - including capital projects, real estate, naming rights, endowments, gifts requiring any financial commitment from the university, and those governed by gift agreements - require additional review by designated DAR personnel, Emory's Gift Acceptance Committee, Emory Administration, and/or the Emory Board of Trustees before they may be officially accepted by the institution. Emory's Procedures for Gift Acceptance Policy details the review and approval required for these types of gifts.

#### *Physical Acceptance of Funds*

When an Emory staff member receives a check, cash, or other currency, it is the responsibility of that staff member to transmit the funds to OGR via the gift drop boxes around campus within twenty-four hours. A Gift Transmittal Form or reply form from an approved University solicitation must be attached.

Gifts of cash must be delivered in person to OGR. At the time of delivery an OGR staff member will verify the cash amount with the deliverer. A completed cash acceptance form will be signed by the OGR staff member and the deliverer as verification of the amount delivered and accepted for deposit by OGR.

The use of campus or interoffice mail to transmit funds to OGR is not permitted. Acceptable means of transmission include hand-delivery and courier delivery.

If an Emory staff member receives funds while traveling on University business, she or he shall transmit the funds to OGR within twenty four hours after her or his return.

No Emory staff member may take physical possession of any non-cash item prior to acceptance by the Gift Acceptance Committee (GAC) where such is required. If GAC acceptance is not required for a non-cash item, the staff member shall follow the acceptance procedures as outlined in the applicable Office of Development and Alumni Relations gift acceptance procedures document.

#### *Legal Counsel*

Emory University shall seek the advice of legal counsel in matters relating to acceptance of gifts where appropriate.

#### GIFTS FROM FACULTY AND STAFF

Faculty members and staff may make tax-deductible gifts to the University as long as they derive no personal benefit from the gift and do not directly control the gifted funds. In order to ensure appropriate oversight of the use of, and ensure the tax-deductibility of, these gifts, all gifts from faculty and staff must be credited to accounts that are controlled by an individual other than the donor. If immediate family members also work at the University, this prohibition extends to any accounts that are controlled by immediate family members.

For example, if faculty gifts are deposited into an account that funds the research of the faculty member/donor (assuming the donor does not have control over that account), those funds could support lab supplies, equipment, or post-docs, but not personal travel expenses of the faculty member/donor.

## ACCOUNTING

Emory accounts for all gifts in its financial statements in accordance with Financial Standards Accounting Board (FASB) Rules 116 and 117, which require the classification of gifts into three categories,

- 1) gifts that are permanently restricted by the donor;
- 2) gifts that are temporarily restricted by the donor; and,
- 3) gifts with no donor-imposed restrictions.

These same reporting classifications are recorded in the Emory development database, AWA.

Fundraising amounts represented in Emory's financial statements follow FASB guidelines, which discount the face value of gifts and pledges based on IRS discounting methodologies for determining the present value of future receipts. This is not a measure of fundraising effort, but a measure of the future value of a gift.

### Counting and Reporting

"Counting" and "reporting" are terms used by development offices to track all of the gifts, pledges, and deferred gifts received during a specified period towards a specific fundraising goal. The intent of counting and reporting is to reflect the total impact of fundraising efforts by representing all gifts, pledges and deferred gifts at their face value.

Emory receives funds supporting externally sponsored agreements which are processed by the Office of Sponsored Programs. When these funds are determined to be donative in nature, they will be reported as contributions by the Office of Development and Alumni Relations. Funds are considered donative in nature if no requirement exists for a quid pro quo exchange, unexpended funds are not required to be returned to the granting organization, and the deliverable of the project is not a marketable product of value intended for the exclusive use of the granting organization.

### Conflicts of Interest

All prospective donors shall be strongly urged to seek the assistance of personal legal and financial advisors in matters relating to their gifts and the resulting tax and/or estate planning consequences.

At no time should any Emory staff member or volunteer involved in the solicitation of a gift serve as professional legal, tax, or financial advisor to a donor or prospect in matters relating to a gift.

Only Attorneys-at-Law, licensed to practice in the State of Georgia and serving Emory University in the Office of the General Counsel or as outside counsel on behalf of Emory shall be authorized to offer legal opinions on matters related to gift solicitation, acceptance, and disposition.

### Ethical Considerations

Emory University is committed to ethical engagement. All solicitations on behalf of Emory or any unit or program thereof shall comport with the standards in the *Donor Bill of Rights*, as developed by Council for Advancement and Support of Education (CASE) and other national organizations. Additionally, all fundraising staff shall adhere to the *Model Standards of Practice for the Charitable Gift Planner*, as adopted by the Partnership for Philanthropic Planning, when soliciting planned gifts.

## **Emory University Gift Acceptance Committee**

### Purpose

The purpose of the Emory University Gift Acceptance Committee shall be to:

- Review complex gifts to ensure compliance with all legal and financial standards.
- Ensure that proposed gifts will not unduly restrict Emory if accepted.
- Review any gift that requires the use of Emory resources to either accept or maintain.
- Permit flexibility in the application of the Gift Acceptance Policies and Procedures.
- Approve certain naming and other special recognition decisions<sup>1</sup>.

## Composition

The Gift Acceptance Committee shall include the following voting members:

- Associate Vice President for Development, Academic Programs
- Associate Vice President for Development, Development Programs
- Vice President for Development, Health Sciences
- Executive Director, Office of Gift Planning
- Associate Vice President, DAR Operations
- Vice President for Finance

Additionally, the individuals listed below may be called upon on an *ad hoc* basis to provide advice and counsel. They are non-voting members of the Gift Acceptance Committee. These individuals shall not vote on Gift Acceptance Committee decisions and their participation in discussions and meetings, although permitted, is not required.

- Assistant Vice President for Research and Real Estate
- Chief Operating Officer, Emory Investment Management
- Associate Vice President, Campus Planning, Design & Construction
- A representative from the Office of the General Counsel

Finally, the Senior Vice President, Development and Alumni Relations will serve on the Gift Acceptance Committee but will not be required to vote on every gift proposed. Rather, he or she shall retain a discretionary veto right. Additionally, either the President of the University or the Chair of the Board of Trustees may, at any time, overturn any decision of the Gift Acceptance Committee or the Senior Vice President. (See "Process" section below for details.)

<sup>1</sup>Certain naming opportunities require approval of the Inscription and Naming Committee, which is a subcommittee of the Real Estate, Buildings and Grounds Committee of the Emory University Board of Trustees. Considerations by the Gift Acceptance Committee shall not substitute for approval by the Inscription and Naming Committee, where such is required.

## Purview of the Gift Acceptance Committee

The following types of gifts must be approved by the Gift Acceptance Committee *prior to acceptance*:

- Any gift that is a non-cash asset with a fair market value in excess of \$5,000 that cannot be readily liquidated;
- Any security with sale restrictions or stipulations;
- Any gift of real property, regardless of its estimated fair market value;
- Any gift that is a non-cash asset with a fair market value in excess of \$5,000 where the asset will not be liquidated, but instead used by any college, school, unit, program, or employee of Emory;
- Any trust where Emory is named Trustee; or
- Any gift or challenge grant that will require an outlay of Emory resources to either accept, maintain, or provide any exposure to liability.

All proposed gifts of real property require the approval of the Emory Board of Trustees. Accordingly, the Gift Acceptance Committee will coordinate with the Office of Real Estate Services on all proposed gifts of real property.

## Process

- 1) An Emory staff member involved in the solicitation of a gift requiring prior approval of the Gift Acceptance Committee shall submit information regarding the proposed gift to the Office of Gift Planning.
- 2) The Executive Director, Gift Planning (the "Executive Director") or his or her designee shall review the submission and follow up with the staff member to ensure that all relevant information has been gathered. It shall be the responsibility of the submitting staff member to obtain all information.
- 3) The Executive Director shall transmit the proposed gift information to all members of the Gift Acceptance Committee via email. Each member shall reply with his or her vote. Members of the Gift Acceptance Committee may use email to discuss and debate the issues that the gift presents, if any. Each member shall recommend one of the following:

- Accept
- Deny
- Table, pending discussion

4) A simple majority of votes of the Committee cast shall be required to accept, deny or table a gift. The Senior Vice President, Development and Alumni Relations shall break any tie.

5) Additionally, the Senior Vice President, Development and Alumni Relations maintains a discretionary veto power over acceptance and denial decisions. If he or she wishes to overturn the decision of the Gift Acceptance

Committee, he or she may do so by notifying the President of Emory University of his or her decision within three business days of the Gift Acceptance Committee's decision.

6) Either the President or the Chair of the Board of Trustees may overturn either a decision of the Gift Acceptance Committee or a decision of the Senior Vice President, Development and Alumni Relations at his or her discretion within three business days after the Gift Acceptance Committee's acceptance or within three business days after the Senior Vice President's veto of said decision.

7) If no veto power is exercised, the Office of Gift Planning shall notify the submitting staff member of the Gift Acceptance Committee's decision.

8) The Gift Acceptance Committee shall at all times be bound by all bylaws, policies and procedures of the Emory University Board of Trustees.

## Definitions

### DESIGNATION

Gifts received by Emory may be designated as Expendable, Endowed, or Capital.

Expendable Funds may be in the form of Expendable Gifts or Expendable Pledge Commitments

Expendable Gift: an outright gift to Emory that is expendable for operations. These gifts are not held in perpetuity for the purposes of producing an income stream. Expendable gifts are non-endowed gifts. Expendable gifts may be unrestricted (no restrictions more specific than the general use of the school or department) or restricted (any restriction that is placed on the use of the gift by the donor for a specific purpose, such as scholarship, faculty support, research, etc.).

Expendable Pledge Commitment: a promise to give Emory a gift in the future that is expendable for operations. Gift payments that satisfy expendable pledges are not held in perpetuity for the purposes of producing an income stream. An expendable pledge commitment is not for an endowment. Expendable pledge commitments may be unrestricted or restricted.

Endowed Funds may be in the form of Endowment Gifts or Endowment Pledges.

Endowment Gift: an outright gift to Emory that is to be held in perpetuity for the purposes of producing an income stream which may be expended for unrestricted (restricted by the donor for endowment, but for which no restriction has been placed by the donor regarding the use of the income produced by the endowment) or restricted (restricted by the donor for endowment in which the income from the endowment is limited for specific purpose or use, such as scholarship, professorship, research, etc.) purposes.

Endowment Pledge: a promise to give Emory a gift in the future that is to be held in perpetuity for the purposes of producing an income stream which may be expended for unrestricted or restricted purposes.

Capital Funds, in the form of Gifts or Pledges, are for the construction of new facilities or the renovation of existing facilities.

### Special Considerations

Unrestricted planned gifts, or planned gifts where the donor's intent regarding the use of the gift is incomplete or nonexistent, will be designated by Emory as unrestricted to the school, unit or program that the donor primarily supported. Exceptions to this policy may only be made by University Leadership.

Emory may establish Quasi-Endowed Funds which function as endowment funds, but which may be totally expended at any time at the discretion of University management. With an unrestricted quasi-endowment fund, income produced by the endowment is unrestricted since the original gift or gifts are unrestricted. A restricted quasi-endowment fund may be established by Emory with unrestricted or restricted gifts, but the income produced by a restricted quasi-endowment must be used for the same original purpose designated by the donor(s) if the endowment is established from restricted gifts.

## Related Links

- Current Version of This Policy: <http://policies.emory.edu/3.7>
- [Full policy with gift acceptance process for all gifts can be found at:](#)  
(<http://development.emory.edu/policies/Pages/Home.aspx>)
- [Policy Addendum Procedures](#)  
([http://policies.emory.edu/uploads/2016\\_07\\_01\\_Gift%20Acceptance%20Policy\\_Addendum\\_Procedures.pdf](http://policies.emory.edu/uploads/2016_07_01_Gift%20Acceptance%20Policy_Addendum_Procedures.pdf))
- [Donor Bill of Rights](#)  
([http://policies.emory.edu/uploads/2016\\_08\\_02\\_Gift%20Acceptance%20Policy\\_Addendum\\_Donor%20Bill%20of%20Rights.pdf](http://policies.emory.edu/uploads/2016_08_02_Gift%20Acceptance%20Policy_Addendum_Donor%20Bill%20of%20Rights.pdf))

### Contact Information

Subject	Contact	Phone	Email
Clarification of Policy	Josh Greenbaum	404.712.2020	jgree2@emory.edu

### Revision History

- Version Published on: Nov 30, 2011
- Version Published on: Nov 30, 2011
- Version Published on: Nov 11, 2008
- Version Published on: Apr 15, 2008
- Version Published on: Mar 29, 2007 (*Original Publication*)

*Emory University policies are subject to change at any time. If you are reading this policy in paper or PDF format, you are strongly encouraged to visit [policies.emory.edu](http://policies.emory.edu) to ensure that you are relying on the current version.*