



# Gift Acceptance Policy and Guidelines



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## **Eastern New Mexico University-Ruidoso Foundation, Inc.**

### Gift Acceptance Policies and Guidelines

ADOPTED: April 8, 2011

RESOLVED, that the Board of Trustees of the Eastern New Mexico ENMURF-Ruidoso Foundation, Inc. ("ENMURF") hereby adopts the following policies, guidelines and procedures relating to the acceptance and handling of gifts:

### **Executive Summary**

The Eastern New Mexico University-Ruidoso Foundation, Inc. (hereinafter referred to as "the Foundation"), a nonprofit organization incorporated under the laws of the State of New Mexico, encourages the solicitation and acceptance of gifts to support the mission and goals of the Eastern New Mexico University-Ruidoso Branch Community College (hereinafter referred to as "ENMU-Ruidoso"). The gift acceptance policies and guidelines contained in this document have three over-arching purposes: (1) to govern the acceptance of gifts made to the Foundation or for the benefit of any of ENMU-Ruidoso's programs or services; (2) to define, focus, and strengthen the Foundation's role in gift administration; and (3) to provide guidance to prospective donors and their advisors when making gifts to the Foundation. In addition, these policies and guidelines are designed to:

- provide direction to the Foundation and ENMU-Ruidoso regarding all aspects of gift/grant acceptance, including the kinds of gifts/grants that may be accepted and for what purposes;
- articulate who officially accepts gifts and grants on behalf of ENMU-Ruidoso;
- outline requirements for the acceptance of real estate and tangible personal property;
- provide instructions for the official recording of gifts and grants;
- provide instructions for the proper crediting of donors and grant makers; and
- assist the Foundation and ENMU-Ruidoso to maintain a well-coordinated and effective approach to raising and utilizing donations of all kinds.

These policies and guidelines will help ensure the proper acceptance of gifts/grants that have real value and are in keeping with the strategic plan and priorities of ENMU-Ruidoso. They will also ensure that gifts or grants not meeting the immediate and/or priority needs of ENMU-Ruidoso are carefully reviewed before a decision on their acceptance or rejection is made. This document also addresses the acceptance and crediting of gifts/grants during periods when the Foundation is, or is not, engaged in a formal fundraising campaign.

The gift acceptance policies set forth in this document adhere to the guidelines established by the Council for the Advancement and Support of Education (CASE) for the crediting of gifts and grants for colleges and universities. Because CASE guidelines may change, these policies will be periodically reviewed to determine if any changes are needed in the Foundation's acceptance of gifts and grants. The final decision to accept or reject a gift or grant rests with the Board of Trustees of the Eastern New Mexico University-Ruidoso Foundation. To assist with this function, the Board of Trustees relies on the expertise of development professionals, the ENMU-Ruidoso

President, and the Foundation's Gift Acceptance Committee whose role is to review certain prospective gifts/grants and to determine whether to accept or reject them, or to send them to the full Board for their final determination.

## **Section I: Definition of Gifts and Grants**

In general, a gift is defined as a voluntary contribution from an individual or private, non-governmental organization for which the donor receives no consideration or compensation other than legitimate income tax deductions, permissible income from deferred gifts as determined by the IRS, and appropriate recognition and stewardship. A philanthropic grant, like a gift, is defined as a voluntary contribution that carries no expectation of compensation or consideration to the donor or granting organization, although there may be a specific budget, timeline, and set of outcomes associated with it. Gifts or grants may be contributed by individuals, corporations, foundations, and other private, non-governmental organizations.

The Foundation and/or ENMU-Ruidoso may receive non-philanthropic grants from government agencies or municipalities but these grants will be counted separately from philanthropic grants awarded by private, non-governmental sources. Gifts and grants are thus distinguished from contracts for services, with the latter carrying specific *quid pro quo* obligations between ENMU-Ruidoso and the contracting organization. Contracts will not be counted in campaign gift revenue totals and will not be reviewed by the Foundation's Gift Acceptance Committee.

## **Section II: Responsibility for the Acquisition of Gift and Grant Income**

The primary responsibility for generating gift/grant income for the Foundation rests with the Foundation's Board of Trustees, with the assistance of the ENMU-Ruidoso President and designated professionals. The solicitation of all gift/grant requests must be coordinated through the Board of Trustees, and to the Gift Acceptance Committee by appropriate delegation, to ensure full adherence to the Foundation's policies for gift/grant acceptance. These policies will serve to:

- designate types of gifts or grants that are acceptable;
- identify acceptable sources of potential gifts or grants;
- establish procedures for the review and approval of unusual gifts or grants;
- establish procedures for the review and acceptance of restricted gifts or grants;
- designate individuals who can accept gifts or grants on behalf of ENMU-Ruidoso; and
- provide instructions for the crediting of gifts and grants for reporting purposes.

In all cases, the decision to accept or reject a major gift from an individual will be based, initially, on whether or not it is in the best interest of the donor to make the gift. Consideration will next be given to whether or not the gift fits with the strategic plan and priorities of ENMU-Ruidoso.

## **Section III: Types of Gifts Accepted**

The Foundation will accept the following types of gifts, whether made directly to the Foundation, or to the Foundation through ENMU-Ruidoso:

- Cash and checks
- Securities
- Real estate
- Other tangible personal property
- Gifts-in-kind
- Planned/deferred gifts
- Services

## Section IV: Gift Acceptance Committee

The Eastern New Mexico University-Ruidoso Foundation will accept gifts and grants for specific programs and purposes consistent with its stated mission, purpose, and priorities. And the Foundation’s Gift Acceptance Committee will steward this important process. Generally, the acceptance of these gifts or grants is perfunctory unless there are unusual restrictions placed upon the gift/grant or the asset contributed is unusual in nature. Restricted gifts, including those which would violate the terms of the corporate charter, gifts that are too difficult to administer, or gifts that are for purposes outside the mission and priorities of the Foundation or ENMU-Ruidoso, will not be accepted. Final acceptance or refusal decisions on restrictive gifts will be made by the Foundation’s Gift Acceptance Committee, and, if necessary, with additional approval from the Foundation’s entire Board of Trustees or the ENMU-Ruidoso President.

## Section V: Methods of Giving and Criteria Governing the Acceptance of Gifts

The Foundation and ENMU-Ruidoso actively seeks gifts of all forms that will enable the institution to develop new programs, carry-out quality education and public service initiatives, respond on a timely basis to the needs of its community, and achieve the goals and purposes characteristic of an excellent comprehensive community college.

There are a variety of ways in which donors may make gifts directly to the Foundation or to ENMU-Ruidoso through the Foundation, which will always follow the Internal Revenue Service requirements when crediting donors with charitable gifts for tax purposes. Donors will receive receipts in a timely manner indicating the charitable value of gifts made to the Foundation. Summarized below are the various ways to give to the Foundation and the criteria governing the acceptance of each gift form.

- A. **Cash:** Cash is acceptable in any form, including checks which must be made payable to the Eastern New Mexico University-Ruidoso Foundation. Cash and checks are counted as of the date they are postmarked if received by mail, or the date they are delivered by the donor to the Foundation or to a designated ENMU-Ruidoso official/employee.
  
- B. **Tangible Personal Property:** All gifts of tangible personal property—also referred to as “in-kind” gifts—will be examined using the considerations outlined below.
  1. Does the property fulfill the mission of the Foundation?
  2. Can the property be used to fulfill the mission of ENMU-Ruidoso?
  3. Is the property marketable?

4. Are there any undue restrictions on the use, display, or sale of the property?
5. Are there any carrying costs for the property?

These gifts are considered in consultation with the Gift Acceptance Committee. The value of gifts that are accepted is determined by current appraisals of fair market value according to the guidelines established by the Internal Revenue Service. Appraisals are obtained and paid for by donor(s). Any restrictions regarding the sale, maintenance, administration, or display of such personal property must be approved by the Gift Acceptance Committee or, in unusual cases, may be referred to the Foundation's full Board of Trustees prior to accepting the gift.

**C. Securities:** The Foundation will accept both publicly traded securities and closely held securities, if the Gift Acceptance Committee approves the gift.

1. ***Publicly Traded Securities:*** Marketable securities may be transferred to an account maintained at one or more brokerage firms or delivered physically with the transferor's signature or stock power attached. As a general rule, all marketable securities shall be sold immediately upon receipt unless otherwise directed by the Foundation's Gift Acceptance Committee or Investment Committee. The Foundation has printed instructions for donors describing the various ways to transfer stock to the Foundation. For all gifts of this nature:

- a. the gift date will be the day the stock is transferred to the Foundation's brokerage account, the day the stock certificates are surrendered to an ENMU-Ruidoso official or the postmark on the envelope used to mail the certificate;
- b. donors will be credited with the average of the high and low stock price for the date of surrender; and
- c. brokerage fees for the sale of the stock are absorbed by the Foundation as a normal cost of doing business.

2. ***Closely Held Securities:*** Closely held securities, which include not only debt and equity positions in non-publicly traded companies but also interests in limited partnerships and limited liability companies or other ownership forms, can be accepted with the approval of the Foundation's Gift Acceptance Committee. However, gifts must be reviewed prior to acceptance to determine:

- a. there are no restrictions on the security that would prevent the Foundation from ultimately converting the assets to cash;
- b. the security is marketable; and
- c. the security will not generate any undesirable tax consequences for the Foundation.

**D. Real Estate:** Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest, or other real property interest of value. Prior to acceptance, the Foundation shall require and perform or have performed all due diligence into the condition and suitability of the real property, including, by way of example and not limitation, an initial environmental review of the property to ensure that the property has no environmental damage or liabilities. The cost of the environmental assessment of the real property shall generally be an expense of the donor; however, the Foundation may choose to absorb some or all of this cost in certain circumstances, at the discretion of its

Gift Policy Committee. Similarly, a title binder shall be obtained by the Foundation prior to the acceptance of the real property gift. The cost of this title binder shall generally be at the expense of the donor.

The criteria provided below will be utilized to determine approval of the real estate gift.

1. Is the property useful for the purposes of the Foundation?
2. Is the property useful for the purposes of ENMU-Ruidoso?
3. Is the property marketable?
4. Are there any restrictions, reservations, easements, or other limitations associated with the property?
5. Are there any carrying costs, which may include insurance, property taxes, mortgages, or notes, etc., associated with the property?

**E. Remainder Interests in Property:** The Foundation will accept a remainder interest in a personal residence, farm, or vacation property subject to the evaluation and approval process listed in D. above. The donor or other occupants may continue to occupy the real property for the duration of stated life. At the death of the donor, the Foundation may use the property or sell it for cash. For all gifts of this nature:

1. Expenses for maintenance, real estate taxes, and any property indebtedness are to be paid by the donor or primary beneficiary, for the duration of their residency.
2. Should the donor decide to move from the property prior to the expiration of the established retained life interest, she or he may accelerate the gift and be eligible for an additional charitable deduction.
3. A formal Memorandum of Understanding (MOU) must be signed by donor and the Foundation prior to acceptance of a Retained Life Estate property. The MOU shall specify the determining factors allowing the Foundation the right to sell the property, (i.e. 90 day absence from home). There may be tax factors to consider if a person becomes ill and is unable to return home after the 90 day period. A remaining life estate value would be calculated at the time a person is determined unable to continue living in the home. An economic benefit would then be available to the donor.

**F. Oil, Gas, and Mineral Interests:** The Foundation may accept an oil and gas property interest, when appropriate. Prior to acceptance of an oil and gas interest, the gift shall be approved by the Foundation's Gift Acceptance Committee, and, if necessary, by the Foundation's legal counsel. The criteria for accepting each gift shall include:

1. Gifts of surface rights should have a value of \$20,000 or greater.
2. Oil, gas, and mineral interests should generate at least \$3,000 per year in royalties or other income (as determined by the average of the three years prior to the gift).
3. The property should not have extended liabilities or other considerations that make receipt of the gift inappropriate.
4. A working interest is rarely accepted, but an exception may be made when there is a plan to minimize potential liability and tax consequences.
5. The property should undergo an environmental review to ensure that the Foundation has no current or potential exposure to environmental liability.

**G. Bargain Sales:** The Foundation may enter into a bargain sale arrangement in instances in which the bargain sale furthers the mission and purposes of the Foundation. Bargain sales will be considered only with approval of the Foundation's entire Board of Trustees. Should a donor propose such a gift, the Gift Acceptance Committee and legal counsel will review and present a recommendation to the Board for approval. The criteria for accepting each gift shall include:

1. The Foundation must obtain an independent appraisal substantiating the value of the property.
2. If the Foundation assumes debt with the property, the debt ratio must be less than 50 percent of the appraised market value.
3. The Foundation must determine that it will use the property, or that there is a market for sale of the property, allowing sale within 12 months of receipt.
4. The Foundation must calculate the costs to safeguard, insure, and expense the property (including property tax, if applicable) during the holding period.

**H. Life Insurance:** The Foundation must be named as both sole beneficiary and irrevocable owner of an insurance policy before it can be recorded as a gift. The gift is valued at its interpolated terminal service reserve value, or cash surrender value, upon receipt. If the donor contributes future premium payments, the Foundation will include the entire amount of the additional premium payment as a gift in the year that it is made. If the donor does not elect to continue making premium payments on the life insurance policy, the Foundation may:

1. Continue to pay the premiums.
2. Convert the policy to paid-up insurance.
3. Surrender the policy for its current cash value.

**I. Charitable Gift Annuities:** Gift annuities are contractual arrangements between a donor and the Foundation. In exchange for a lump sum payment to the Foundation, a donor or designated beneficiary will receive a percentage of the lump sum annually. Gift annuities obligate the resources of the Foundation for the annual payments to the annuitants. For all gifts of this nature:

1. The Foundation will register, as appropriate and if required, in the states requiring registration before annuities are written for residents of those states.
2. The Foundation intends to follow the annuity rate payment schedule recommended by the American Council on Gift Annuities (ACGA).
3. No more than two life income beneficiaries will be permitted for any gift annuity.
4. Annuitants will have the option of quarterly, semi-annual, or annual payments.
5. Annuitants will be apprised of the face value of their annuity contract and of the charitable deduction the gift annuity allows, wherein the deduction will be based upon the number of annuitants, the age(s) of the annuitant(s) and the payment percentage.
6. Deferred annuities are available for donors electing to postpone the payment of the annuity, which entitles them to a larger charitable deduction as regulated by the IRS.
7. The Foundation will provide the donor with all the data necessary for the donor or her/his accountant to file appropriate income tax forms on an annual basis.
8. The Foundation will not accept real estate, tangible personal property, or any other illiquid asset in exchange for *current* charitable gift annuities.

9. The Foundation may accept real estate, tangible property, or any other illiquid asset in exchange for *deferred* gift annuities so long as there is at least a 5-year period before the commencement of the annuity payment date, the value of the property is reasonably certain, and the Foundation's Gift Acceptance Committee approves the arrangement.
10. Funds contributed in exchange for a gift annuity shall be set aside and invested during the term of annuity payments, when those payments have terminated, the funds representing the remaining principal contributed in exchange for the gift annuity shall be transferred to the Foundation's general endowment funds, or to such specific fund as designated by the donor.

**J. Charitable Remainder Trusts:** The Foundation may accept designation as a remainder beneficiary of a charitable remainder trust with the approval of the Gift Acceptance Committee. Charitable remainder trusts are common vehicles for donors to make a charitable gift of some type of asset while retaining an income stream for a specific period of time, or for life. The income may also benefit more than one life. Remainder trusts are usually in the form of a Unitrust or Annuity trust. A trustee manages the trust for its life, investing the principal of the trust, ensuring that all donor payments are made and trust taxes paid in accordance with the trust documents, and that all required reports are filed.

All gifts of this type are at the donor's discretion and the Foundation may not be aware of the creation of trusts in which it has been named the remainder beneficiary. When the Foundation is involved in assisting the donor in the creation of these trusts, they will be treated on a case-by-case basis. For all gifts of this nature:

1. the Foundation will consider serving as Co-Trustee of a charitable remainder trust only when it has management control of the assets;
2. the income beneficiary(s) must be at least 70 years old to count the gift in a campaign;
3. all such gifts will be counted and reported at both face value and at the present discounted value;
4. trusts involving more than one generation as income beneficiaries will require the approval of the Gift Acceptance Committee in order to be counted in campaign totals;
5. the Foundation will always retain the right to disclaim the assets of any trust in which it is named the remainder beneficiary, especially if the Foundation was not involved with the donor in the creation of the trust; and
6. the Foundation will always encourage donors to consult with their own legal and financial advisors before finalizing the trust.

**K. Charitable Lead Trusts:** This type of trust is often considered the reverse of the remainder trust because the income from the trust goes to the charity and the asset(s) either reverts to the donor or to her or his designated beneficiary. Thus, the assets are preserved for the donor or family and a charitable gift is made that is eligible for income tax deductions. For all gifts of this nature:

1. the Foundation will not serve as trustee, but may serve as co-trustee at the donor's request and the approval of the Gift Acceptance Committee;
2. the gifts will be counted and reported at both face value and at the present discounted value;

3. the Foundation will always retain the right to disclaim the income from any lead trust in which it is named the income beneficiary, especially if the Foundation was not involved with the donor in the creation of the trust; and
4. the Foundation will always encourage the donor to consult with her/his own legal and financial advisors before finalizing the trust.

**L. Retirement Plan Beneficiary Designations:** Donors and supporters of the Foundation will be encouraged to name the Foundation as beneficiary of their retirement plans. Such designations will not be recorded as gifts to the Foundation until such time as the gift is irrevocable. When the gift becomes irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

**M. Bequests:** Donors and supporters of the Foundation will be encouraged to make bequests to the Foundation under their wills and trusts. Such bequests will not be recorded as gifts to the Foundation until such time as the gift is irrevocable. When the gift is irrevocable, but not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

**N. Life Insurance Beneficiary Designations:** Donors and supporters of the Foundation will be encouraged to name the Foundation as beneficiary or contingent beneficiary of their life insurance policies. Such designations shall not be recorded as gifts to the Foundation until such time as the gift is irrevocable. Where the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable. Life insurance income, including both paid-up and new agreements in which the Foundation is both owner and irrevocable beneficiary, will be accepted and counted according to the following conditions:

1. While the Foundation will not place a value on the contribution of the policy for IRS purposes, the face value and the cash surrender value of the policy will be used for donor acknowledgement and fund-raising accounting.
2. For campaign purposes, all policies transferred by donors who are at least 70 years of age by the end of the campaign counting period will be counted at both the face (or death benefit) value and at the current cash surrender value.
3. For gifts of two-life policies, both insured donors must be at least 70 years of age.
4. For donors younger than 70 years of age, life insurance will be counted at the surrender value for paid-up policies and at present discounted value for new policies.
5. Premium payments may be counted as current gifts; however, to be credited to campaign totals, life insurance policies must be underwritten by companies meeting criteria comparable to those that establish the minimum ratings noted below:
  - a. A.M. Best Company rating of A (excellent)
  - b. Standard and Poor's rating of AA
  - c. Duff and Phelps Credit Rating Company rating of AA
  - d. Moody's Investors Service rating of AA
6. A pledge form for any outstanding premium payments and a copy of the insurance policy must be provided to the Foundation.

7. For death benefits realized during the campaign period, the difference between prior fund-raising credit or previously credited premiums and the insurance company's settlement will be counted toward the fund-raising totals.

**O. Artwork and Other Collectibles:** The Foundation may accept gifts in the form of special artwork and other collectibles, based on the nature of the proposed gift item(s) and the value to ENMU-Ruidoso. For all gifts of this nature:

1. A qualified appraisal (if value is at or near \$5,000) will be provided by the donor and dated within 60 days of the proposed contribution date.
2. Acceptance will presuppose that ENMU-Ruidoso will retain item(s) for at least two years and a day in order to avoid filing IRS Form 8282.
3. Donors will be apprised of the two-year holding period and that ENMU-Ruidoso may choose to sell or in other ways dispose of the contributed item(s) at some future date;
4. ENMU-Ruidoso will ensure that there is a viable plan to securely display or store the item(s) contributed.
5. ENMU-Ruidoso will provide adequate insurance for the contributed item(s).
6. ENMU-Ruidoso will negotiate with the donor for the safe delivery of the item(s) to the display or storage site, which will include mode of transportation and cost to ship.

## **Section VI: Pledges and Pledge Payments**

**A. Pledges and Pledge Payments of Current/Cash Gifts:** The Foundation will accept pledges and pledge payment of current/cash gifts with the following conditions or requirements:

1. The pledges and pledge payments are to be made to the Foundation itself.
2. The pledges are properly documented through written pledge agreements that explain in detail the total amount pledged, the payment method, the time frame to fulfill the pledge, and the donor's signature.
3. Annual fund pledges are payable within the fiscal year in which the pledge is made.
4. Single year annual fund pledges will not be carried forward on the Foundation's books;
5. Unfulfilled pledges will be written off at the close of each fiscal year.
6. Pledges for major gifts may be payable over as many as five years from the date of documentation, provided they are properly documented with written pledge agreements that explain in detail the total amount pledged, the payment method, the time frame to fulfill pledge and donor signature.
7. Under special circumstances, the Foundation's Gift Acceptance Committee may extend the pledge period, which may require a reduction from face value to present value of the future payments that are carried beyond five years.

**B. Testamentary Pledges:** Testamentary pledges that are properly documented will be accepted and credited by the Foundation with the following provisions:

1. The pledges will be treated as expectancies with the Foundation tracking the commitments and acknowledging the donors in an appropriate manner.

2. In order to count testamentary pledges in a campaign, the donor(s) must be at least 70 years of age by the end of a campaign counting period.
3. In all cases, only testamentary commitments that state a specified dollar amount or percentage of an estate with an established minimum dollar figure will be counted toward a campaign goal—wherein commitments defined as a percentage must be accompanied by documentation supporting a conservative estimate of the value of the commitment on or about the date the commitment is disclosed.
4. Contingent testamentary pledges will not be counted toward any fund-raising goals.
5. A contingent pledge will be considered a bequest or other commitment that arises only if a specified event occurs (e.g. other beneficiaries predecease the donor, prior bequests fail or are disclaimed, etc.).

The *value of the pledge*, for campaign accounting purposes, will be credited at face value by the Foundation, and for donor acknowledgement and reporting. In exceptional circumstances, where a present value calculation more accurately reflects the value of the commitment to ENMU-Ruidoso, the calculation may be only at present value. This is generally done when pledge payments will extend beyond the normal three- to five-year period. The determination to count a pledge at less than face value will be made in consultation with the donor.

The Financial Accounting Standards Board (FASB) requires, for business purposes, that the Foundation discount to present value all multi-year pledges and remainder interests in charitable trusts. Except where noted above, the Foundation will count multi-year pledges at face value.

## **Section VII: Endowment Funds**

The Eastern New Mexico University-Ruidoso Foundation administers two types of endowment funds: general (unrestricted) endowments funds; and specific (restricted) endowment funds. These two types of funds are summarized below, along with the guidelines for making endowment gifts.

- A. **Unrestricted Endowment Funds**: Income from the investment of unrestricted endowment funds is available for general use. Unrestricted endowment funds are pooled for investment by the Foundation, and income is distributed in accordance with the Foundation's investment and spending policies.
- B. **Restricted Endowment Funds**: Earnings from a restricted endowment fund support a specific purpose, program, department, and/or activity, according to the wishes of the donor. Purposes and giving levels of specific endowment funds are available in a variety of options designed to appeal to a broad range of donors. Additional endowment funds may be established in consultation with the Foundation's Board of Trustees, especially its Gift Acceptance Committee, or the ENMU-Ruidoso President.
- C. **Guidelines for Making Endowment Gifts**: In order for gifts to be placed in the Foundation's permanent endowment(s), there must be written direction from the donor. This direction can take place through a number of ways including by will, by trust or annuity document, or through correspondence with officials from the Foundation or ENMU-Ruidoso. Donors and/or their families will receive annual reports regarding the

financial status of the fund and award recipients. For all gifts of this nature, in addition to the written documentation, there must be:

1. consultation with the department or program that will benefit by the creation of the endowment to ensure the value to ENMU-Ruidoso;
2. the creation of an endowment agreement signed by the President of the Foundation's Board of Trustees or the President of ENMU-Ruidoso, and the donor(s);
3. clear language regarding the use of the endowment;
4. realistic restrictions that allow for flexibility in awarding of the funds; and
5. a minimum of \$5,000 is required to establish an endowed fund.

## Section VIII: Crediting Planned Gifts

- A. **Bequests**: Bequests that mature will be counted at full market value. Any portion previously entered into fund-raising totals as an expectancy will be subtracted from what is credited to the fund-raising totals.
- B. **Testamentary Pledges**: See provisions outlined in Section VI, Part B, above.
- C. **Irrevocable life-income agreements**: These gifts made to establish trusts and annuities and are counted at both face value and at the present discounted value of the gifted assets. Where the donor retains the right in the trust or gift documents to remove the Foundation as charitable beneficiary or to change the Foundation's share of the gift, the gift may be treated as a testamentary pledge for campaign credit purposes. This is at the discretion of the Foundation's Gift Acceptance Committee.
- D. **Trusts**: Trusts administered by others, and in which the Foundation has an irrevocable right, will be counted at face value and at present discounted value. Where the donor retains the right to remove the Foundation as charitable beneficiary or to change the Foundation's share of the gift, the gift may be treated as a testamentary pledge for fund-raising crediting purposes. This is at the discretion of the Gift Acceptance Committee.
- E. **Remainder interest in a residence or farm**: These gifts, which have a retained life or term estate, will be counted at the current market value of the real estate and at the present discounted value. The value will be determined by a qualified appraisal. In all such cases, the gift must comply with the Foundation's real estate gift policies.
- F. **Charitable lead trust**: Income from a charitable lead trust will be counted at full face value and the present discounted value of that portion of the total income to be received after the first five years of the trust.
- G. **Real estate gifts**: These gifts will be counted at the fair market value on the date of the gift as determined by a qualified independent appraisal. The selling costs may be taken into consideration when determining the "gift value."

## Section IX: Crediting Personal Gifts

Personal gift commitments are made by individuals or their families, usually through a vehicle of the individual or family such as a fund/foundation or through a business entity controlled by the individual or family. Personal Gifts will be credited in the manner outlined below.

- A. Gifts from an entity controlled by an individual or family must, by IRS ruling, be credited to the entity which makes the gift (signs the check). In such cases, the entity will receive "hard" credit for the gift and the individual or family will receive "soft" credit. Soft credit totals are reflected in donor gift histories. In campaigns the individual or family is recognized as having made the gift.
- B. Corporate or business gifts obtained by an individual who does not have ownership in the corporation or business are not credited to that individual.
- C. Gifts given in honor or recognition of an individual are not credited to that individual.
- D. Corporate gifts over which the individual may have only allocation discretion are not credited to that individual. Corporate matching gifts are an exception. In such cases, the individual receives soft credit for the match while the corporation receives hard credit.
- E. In all cases, the Foundation will follow the donor's wishes if she or he prefers to have credit for a corporate or business gift remain only with that entity.
- F. Individual donors will be recognized for the combined hard and soft credit total of their personal gifts and related corporate matching gifts. The hard credit for the corporate match will, however, always remain with the corporation.

### **Section X: Restrictions on Gifts**

Donors may, subject to the acceptability of same to the Foundation, restricted funds/gifts for specific purposes that meet the strategic plan and priorities of ENMU-Ruidoso. Donors are encouraged to make any such restrictions as broad and flexible as possible. The language used in creating such a gift should be flexible enough to apply the gift to some other purpose should the designated purpose cease to exist or no longer be feasible. Other key provisions for gift restrictions are outlined below.

- A. Gifts restricted to the Foundation's endowment must be designated for that purpose by the donor. Written documentation from the donor is required for any gift to be added to the Foundation's permanent endowment.
- B. Unrestricted gifts may be added to the unrestricted quasi-endowment of the Foundation at the discretion of the Foundation's Board of Trustees.
- C. The Foundation's Gift Acceptance Committee will determine if a prospective restricted gift meets the strategic plan and priorities of ENMU-Ruidoso, and then make a decision on whether to accept or reject the gift based on that determination.

### **Section XI: Documentation of Gifts**

The Foundation requires the documentation listed below for the crediting and accounting of gifts.

- A. Letters of intent, instruments of transfer, or pledge forms will be used to identify the gift arrangement, the asset being given, its intended use, pledge payment schedules (where

applicable) and the donor. Such forms reassure the donor that her or his special goals and circumstances will be observed; and

- B. All gift instruments noted above must be in writing plus dated and signed by the donor, and notarized where necessary
- C. The Foundation will provide gift acknowledgment letters, in accord with the requirements of federal law, as it determines is appropriate.
- D. The Foundation will work cooperatively with any Donor to execute as Donee recipient of gifts of appreciated property which require the submission of special tax forms, such as the IRS Form 8283; provided, however, the Foundation reserves the right to refuse to execute any such document in appropriate circumstance and at its sole discretion.

## **Section XII: Administration of Gifts**

The Foundation will adhere to the guidelines listed below in its administration of gifts.

- A. All documented gifts and pledges will be receipted and acknowledged in writing by the Foundation with appropriate individuals writing and/or signing suitable acknowledgement letters.
- B. Requests for anonymity will be honored unless the IRS or other governmental agencies require reporting of the gift in a specific manner.
- C. Pledge reminders, based upon the donor's desired and stated payment schedule, will be sent by the Foundation unless notified of circumstances which would make pledge reminders inappropriate.
- D. In the case of unspecified payment schedules for multi-year pledges, the pledge reminders will be sent annually and one month prior to the anniversary of the gift.
- E. Gifts accepted by the Foundation will be directed to the purposes designated by donors.

## **Section XIII: Donor Relations**

The Eastern New Mexico University-Ruidoso Foundation will always be firmly committed to cultivating and maintaining the best relations possible with its prospective and actual donors. These relations will require the following efforts:

- A. Donors will be advised of the impact of their gifts on ENMU-Ruidoso programs/services.
- B. Donors of current or endowed funds will receive annual reports indicating the financial status of their endowed fund, which will include book value, market value and the amount of any awards or purchases made in the previous year.
- C. Donors will be urged to have all deferred gift agreements reviewed by their own legal and financial advisors.
- D. The Foundation will always advise donors to obtain a qualified appraisal for establishing the fair market value of gifted assets—and also to recognize it as a very important responsibility of the donor and not of the Foundation or ENMU-Ruidoso.
- E. All gift arrangements for which the donor requests confidentiality and/or anonymity will be so honored unless required to be disclosed by application of federal and state law or other legal authority.

- F. The Foundation will seek to make the giving experience satisfying to the donor through a variety of appropriate appreciation, recognition, and reporting techniques.

## **Section XIV: Individuals Authorized to Receive Gifts and Grants**

The individuals authorized to accept gifts/grants on behalf of the Eastern New Mexico University-Ruidoso Foundation are listed below. Any person authorized to accept gifts may do so only in accordance with the gift acceptance policies outlined in this document.

- A. The President of the Board of Trustees of the ENMU-Ruidoso Foundation
- B. The President of ENMU-Ruidoso
- C. The Chair of the ENMU-Ruidoso College Board
- D. An Executive Committee Member of the ENMU-Ruidoso Foundation's Board of Trustees
- E. The Chair of a Fundraising Campaign Approved by the ENMU-Ruidoso Foundation
- F. The Executive Director of the ENMU-Ruidoso Foundation

## **Section XV: Miscellaneous Provisions**

- A. **Appraisals and Legal Fees for Gifts:** It will be the responsibility of the donor to secure any and all appraisals, and independent legal counsel, where required, for all gifts made to the Foundation.
- B. **Valuation of Gifts for Development Purposes:** The Foundation will record a gift received by the Foundation at its valuation for gift purposes on the date of the gift.
- C. **Responsibility for IRS Filings Upon Sale of Gift Items:** The Foundation is responsible for filing IRS Form 8282 upon the sale or disposition of any asset sold within two years of receipt by the Foundation when the charitable deduction value of the item is more than \$5,000. The Foundation must file this Form within 125 days of the date of sale or disposition of the asset. Form 8282 with Filing Instructions is attached as an appendix to these policies and guidelines.
- D. **Acknowledgement of Gifts:** The Foundation's Board of Trustees is ultimately responsible for acknowledging all gifts made to the Foundation. The Board of Trustees is also responsible for compliance with the current IRS requirements in acknowledgment of such gifts. IRS Publication 561 Determining the Value of Donated Property and IRS Publication 526 Charitable Contributions, are attached to this document as Appendices.
- E. **No Tax Advice:** The Foundation not offer, or purport to offer (and by this document does not provide) tax advice and makes no representations as to the tax consequences of any transaction contemplated by this document. Donors are strongly encouraged to retain independent tax advisors and experts and to rely on their advice in evaluating the tax implications of any transaction. IRS Circular 230 Disclaimer: To comply with the requirements imposed by the IRS, you are hereby advised that any federal tax advice contained in this communication (including attachments), unless specifically stated otherwise, is not intended or written to be used and cannot be used for purposes of (i)

avoiding penalties under the Internal Revenue Code, or (ii) promoting, marketing or recommending to another party any transaction or tax-related matter addressed herein.

## **Section XVI: Changes to Gift Acceptance Policies and Guidelines**

These policies and guidelines have been reviewed and accepted by the Board of Trustees of the Eastern New Mexico University-Ruidoso Foundation. The Board of Trustees must approve any changes to, or deviations from, these policies.

Approved on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

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President, Board of Trustees, Eastern New Mexico University-Ruidoso Foundation

## **Section XVII: Attachments**

- A. Model Standards of Practice of the Charitable Gift Planner
- B. IRS Form 8283 and Instructions
- C. IRS Form 8282 and Instructions
- D. IRS Publication 561 Determining the Value of Donated Property
- E. IRS Publication 526 on Charitable Contributions

