



# Cleveland State University Foundation

## **Gift Acceptance Guidelines For The Cleveland State University Foundation**

*Reviewed and Approved by Finance Committee on May 14, 2015  
Reviewed and Approved by Full Board on June 2, 2015*

### **Table of Contents**

- I. General Guidelines**
  - a. Cleveland State University Foundation Gift Acceptance Philosophy
  - b. Statement regarding Donor Intent
  - c. Statement regarding Discrimination
  - d. Confidentiality
  - e. Conflicts of Interest and Legal/Professional Counsel
  - f. Gift Acceptance
  - g. Acknowledgment, Reporting and Valuation of Gifts
  - h. Naming Opportunities
  
- II. Gift Acceptance and Crediting Procedure**
  - a. Gifts of Cash
  - b. Gifts of Tangible Personal Property
  - c. Gifts of Intangible Personal Property
  - d. Stock/Partnership Interests
    - i. Publicly Traded Stock
    - ii. Closely-Held or Thinly-Traded Stock, Partnership Interests and Limited Liability Companies
  - e. Bonds
    - i. Bonds
    - ii. Savings Bonds
  - f. Real Estate and Property-Based Gifts
    - i. Gifts of Real Estate
    - ii. Retained Life Estate
    - iii. Oil, Gas and Mineral Interests
    - iv. Bargain Sales
    - v. Time Share Units
  - g. Life Insurance
  - h. Realized Bequests
  
- III. Planned and Deferred Gifts**
  - a. Charitable Trusts
    - i. Charitable Remainder Trusts
    - ii. Charitable Lead Trusts
  - b. Charitable Gift Annuities
  - c. Bequests
  - d. Beneficiary Designations - Retirement Plans, IRA's, bank accounts

## I. General Guidelines

### a. **Cleveland State University Foundation Gift Acceptance Philosophy**

The Cleveland State University Foundation (the Foundation) welcomes gifts of all sizes from donors of diverse backgrounds and means. The Foundation strives to maintain the highest levels of professional integrity, to abide by regulations set forth by the Internal Revenue Service, by state legislature—including the Uniform Prudent Management of Institutional Funds Act (UPMIFA)—and by other regulatory agencies in accepting, receipting and administering gifts, to provide a quality giving experience for donors and to follow the Association of Fundraising Professionals Donor Bill of Rights (see attachment A).

### b. **Statement Regarding Donor Intent**

As a donor-centered organization, the Foundation is responsible for ensuring that gifts are used in accordance with donor intent. Gifts creating endowed or other restricted funds are generally documented with a gift agreement between the donor and the Foundation. The Foundation generally uses non-binding statements of intent to document gift commitments. A letter of intent signed by the donor setting forth a payment schedule is required for pledges.

In the absence of a written agreement, donor intent can be demonstrated by:

- The donor returning a solicitation brochure with his or her gift;
- The donor sending a letter or email to the Foundation or Foundation staff; or
- Informal notes or recordings made by Foundation or University staff regarding donor contact, i.e. notes referencing donor intent based on specific meetings or phone calls.

### c. **Statement Regarding Discrimination**

It is the policy of Cleveland State University (hereinafter CSU or the University) to prohibit discrimination/harassment toward individuals of the university community based on race, sex (including pregnancy), religion, color, age, national origin, veteran and/or military status, genetic information, disability, sexual orientation, gender identity and/or expression, marital status or parental status. The University conducts its programs, services and activities in accordance with applicable federal (including Title IX of the Educational Amendments of 1972), state and local laws, regulations and orders and in conformance with University policies. The University shall not tolerate discrimination/harassment of its faculty, staff or students by persons conducting business with or visiting the University, even though such persons are not directly affiliated with the University. This University policy also applies to scholarship and other gift funds established by private third parties that are administered by CSU or the Foundation.

### d. **Confidentiality**

Any information provided to CSU or the Foundation by donors and prospective donors remains in the strictest of confidence. The Foundation does not sell donor information and will take reasonable steps to safeguard the identity of donors who request anonymity. The Foundation recognizes donors in an Annual Report (and in other University publications), within gift ranges unless a donor requests otherwise. Donors' names, their exact gift amounts, or the structure of a particular gift are not publicized unless previously agreed upon between the Foundation and the donor, unless the Foundation is compelled to do so pursuant to R.C. 149.43, Ohio's Public Records Act.

### e. **Conflicts of Interest and Legal/Professional Counsel**

Employees of the Foundation must avoid personal conflicts of interest. No Foundation employee may knowingly serve as trustee, conservator, or executor for a donor or prospective donor. Employees receive no commissions on any gift, grant, or commitment.

The Foundation encourages all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences. While Foundation employees cannot provide legal or tax advice, the Foundation will endeavor to assist a donor's professional advisors by identifying relevant tax issues and providing available information including gift timing, available tax

deduction(s), taxation of gain on sale of property (if applicable), and the requirement of filing Form 8283 with the donor's tax returns (if applicable). The Foundation will comply with the Model Standards of Practice for the Charitable Gift Planner developed by the Partnership for Philanthropic Planning (see attachment B).

It is the donor's responsibility to retain independent counsel for estate planning, tax and financial matters. The Foundation will not retain counsel for donors in any circumstances, nor pay for appraisals for gifts of property or real estate. The Foundation may retain its own counsel or independent appraisal to evaluate the validity, integrity and value of gifts for the benefit of the University and the Foundation.

**f. Gift Acceptance**

It is recognized that certain gifts, including but not limited to those involving unusual funding arrangements, should not be routinely processed, but should be reviewed on a case-by-case basis by the Executive Director of the Foundation in consultation with the University President and others as appropriate.

The Foundation, in consultation with University leadership, reserves the right to decline gifts. A gift may be declined if it: is too restrictive in nature; conflicts with the University's or Foundation's mission; would require an undue financial burden on the University or Foundation; funds items that deviate too far from institutional priorities; or violates University or Foundation policies or applicable law.

It is the responsibility of employees of the Foundation to bring all gifts that may be subject to special review to the attention of the Foundation Executive Director prior to accepting such gifts. The development officer will work with the Foundation Executive Director to summarize the potential gift and to gather relevant information relating to the gift to present to the President and others as appropriate.

**g. Acknowledgment, Reporting and Valuation of Gifts**

**Gift Acknowledgment:** Acknowledgment of gifts made to the Foundation shall be the responsibility of the Office of University Advancement and shall be in compliance with current IRS requirements, including IRS Publication 561 *Determining the Value of Donated Property* and IRS Publication 52 *Charitable Contributions*. For donor's records, gifts are dated at the time they leave the donor's possession. Gifts of cash, securities, and paid insurance policies are accepted immediately upon receipt. Deferred gifts, such as bequests, trusts, annuities, and life estates are counted at the time of the gift, discounted as necessary. Revocable gifts will be acknowledged and may be counted toward fundraising goals (e.g., campaign reports) according to generally accepted practices but will not be booked as income to the Foundation until realized.

**Gift Reporting and Counting:** For outright gifts, the Foundation shall follow the Council for Advancement and Support of Education (CASE) *Reporting Standards and Management Guidelines for Educational Institutions*. For future gifts, the Foundation shall follow the Partnership for Philanthropic Planning's (PPP) *Guidelines for Reporting and Counting Charitable Gifts*. Any exceptions to these standards shall be made by the Gift Acceptance Committee.

**Gift Valuation:** The Foundation shall follow the CASE or PPP guidelines, as appropriate, for gift valuation. All exceptions to these standards shall be reviewed and approved by the Gift Acceptance Committee.

**h. Naming Opportunities**

The Foundation abides by guidelines adopted by the University Board of Trustees relating to naming rights and the minimum gift requirements for naming rights.

## II. Gift Acceptance and Crediting Procedure

### a. Gifts of cash

- Checks should be made payable to **Cleveland State University Foundation**. They may be hand-delivered to the University Advancement Office or sent via the US Postal Service to 2121 Euclid Avenue, UN 501, Cleveland, Ohio 44115-2214.
- The Foundation accepts gifts payable by **Visa, MasterCard, Discover and American Express**.
- The Foundation accepts wire transfers of cash. Transfer instructions are available through the Foundation's Advancement Office.
- Gifts sent by specialty carrier (UPS, FedEx, etc.) are to be sent to:  
The Cleveland State University Foundation  
2121 Euclid Avenue, UN 546  
Cleveland, Ohio 44115-2214

The Foundation abides by the guidelines set forth by the Internal Revenue Service when accepting and processing gifts, including providing required receipts and statements concerning "quid pro quo" benefits. The IRS rules apply as follows to cash and credit card gifts:

**Cash Gifts:** Gifts sent via the US Postal Service are complete on the date the envelope is mailed by the donor (generally the postmarked date) as long as the gift is in the form of cash or a check. Gifts sent by specialty carrier are not complete until the day they are received by the Foundation.

**Credit Card Gifts:** A credit card gift is complete the day the transaction is processed by the donor's bank. The mailing date does not apply to credit card gifts.

### b. Gifts of Tangible Personal Property (Gifts in-kind)

Gifts in-kind include physical assets, such as personal collections, equipment, books, art, musical instruments, company product, and other personal property given to CSU for its use or for liquidation. Colleges and departments receiving gifts in-kind must contact the Foundation to insure proper gift acceptance procedures are followed. The Foundation provides gift receipting services for gifts in-kind received by CSU personnel upon completion of a gift in-kind acceptance form by the appropriate department or division.

All gifts of tangible personal property shall be examined in light of the following criteria:

- i) Does the property relate to the educational mission of the University (an example is artwork that can be displayed and used in the instruction of students)?
- ii) Is the property marketable?
- iii) Are there any undue restrictions on the use, display, or sale of the property?
- iv) Are there any carrying costs for the property?

In addition to the approval of the Dean or department head, all gifts-in-kind must be reviewed with special care by appropriate University officials to ensure that acceptance will not involve financial commitments in excess of budgeted items or other obligations disproportionate to the usefulness of the gift, such as the cost of maintenance, cataloging, delivery, insurance, installation, display, and any space requirements for use or storage. All gifts of unusual items of questionable value must be reviewed by the Executive Director of the Foundation and the University President prior to acceptance.

The Foundation requires the following information on all gifts in-kind:

Gift In-Kind Acceptance Form

Donor Name, Address, Phone

Description & Value of Gift

Contact person (including phone extension in order to locate a gift)

College/Department and signature of the College Dean and Director, Advancement Services

One gift in-kind form per donated item is required. Advancement Services records the gift in-kind in the development database and issues an acknowledgement letter.

Advancement Services provides a quarterly report of all gifts-in-kind valued at \$250 or more to the Office of Property Control.

These guidelines do not pertain to in-kind gifts that are to be used for University-sanctioned auctions, events or raffles.

Valuation and substantiation:

The gift date of a gift of tangible personal property is the delivery date or the date the property is received by the Foundation.

If a donor claims a charitable deduction of more than \$500 for a gift of tangible personal property, the IRS requires that the donor complete Section A of IRS Form 8283. If a donor claims a deduction of more than \$5,000 for a gift of tangible personal property, the donor must have a qualified personal appraisal dated within 60 days before the donation and complete Section B of IRS Form 8283. IRS guidelines require that the donor pay the appraisal fee. The Foundation will complete Part IV of IRS Form 8283 acknowledging receipt of the gift.

If donated property valued above \$500 is sold within three years of the date of gift, the Foundation must file Form 8282 (Sale, Exchange or Other Disposition of Donated Property) with the IRS (or other equivalent form) and notify the donor of the sale. The Foundation will provide the donor with a copy of Form 8282.

The Foundation may hire its own independent appraiser when deemed appropriate.

**c. Intangible Personal Property**

Intangible Personal Property, which includes property without physical existence such as, but not limited to, patents, inventions, intellectual property rights, royalties, and copyrights which have no intrinsic value, are subject to review by Executive Director of the Foundation, the University President and, if appropriate, academic and administrative departments at CSU.

**d. Gifts of Stock/Partnership Interests**

The Foundation generally accepts gifts of securities only if they are readily marketable, but will consider gifts of closely-held, thinly-traded stock or partnership interests on a case-by-case basis. Stock contributed to the Foundation will generally be sold immediately. The Foundation abides by the guidelines set forth by the Internal Revenue Service when accepting and processing gifts of stock, partnership interests, and other securities.

**i. Publicly Traded Stock**

**Electronic Transfer:**

Stock held by a broker or other financial institution can be transferred to the Foundation electronically. For procedures and other relevant information necessary to complete the transfer, see the Cleveland State University website.

The transfer of securities from a donor's brokerage account to the Foundation may take several days. The donor's gift is valued the day it is received by the Foundation brokerage account. The acknowledged amount of the gift will be determined by the average share price on the day the shares are received in the Foundation account, multiplied by the number of shares.

**Stock Certificates:**

Donors wishing to contribute stock certificates can have them re-titled in the Foundation's name or send them **unendorsed**, by registered mail to: **Cleveland State University Foundation, 2121 Euclid Avenue, UN 501, Cleveland, Ohio 44115-2214**. In a separate envelope to the same address, the donor must send a letter of instruction stating that they wish to contribute the securities to the Foundation, along with a signed, **but otherwise blank**, Irrevocable Stock Power Form for each certificate. Once the stock

certificate, Letter of Instruction, and Irrevocable Stock Power are received by the Foundation, they will be forwarded to the Foundation's broker who will immediately sell the stock and issue a check to the Foundation. The gift will be valued the day the stock certificate(s) or stock power form(s) are received by the Foundation— whichever is later.

ii. **Closely-Held or Thinly-Traded Stock, Partnership Interests and Limited Liability Companies**

Closely-held securities, including debt and equity positions in non-publicly traded companies and interests in LLPs and LLCs or other ownership forms, are subject to review by the Gift Acceptance Committee, which will consider various issues, including:

- Restrictions on the security that would prevent the Foundation from converting the assets to cash;
- Marketability of the security; and
- Undesirable tax consequences for the Foundation or the University relating to the acceptance of the gift.

Prior to acceptance of the gift, the Foundation's legal counsel is to review governing documents for any partnership, limited partnership, limited liability company, closely-held corporation, or other business organization (other than publicly traded companies) of which interests are to be contributed to the Foundation. Except in extraordinary circumstances, the University will not accept gifts of general partnership interests.

It is the Foundation's policy to immediately sell closely-held, thinly-traded stock, or partnership interests as soon as allowed. Upon the sale of any gift of closely held or non-marketable securities, the Foundation will file Form 8282, or equivalent form, with the Internal Revenue Service and send a copy to the donor.

The charitable contribution deduction for these types of gifts is based on the contributed property's fair market value (FMV). FMV is the amount the property would realistically sell for between a willing buyer and a willing seller.

Various factors contribute to the valuation and date of gift surrounding these types of gifts. The Foundation and the donor may have to evaluate data from brokers, officers of the company and other sources to determine the value of the gift. There may also be instances whereby all available financial data of the company will need to be reviewed in order to determine the value of the gift. Both the donor and the Foundation may need to obtain a "qualified appraisal" of the business interest.

e. **Bonds**

i. **Bonds**

Gifts of bonds traded on the open market are transferred in the same manner as public stock.

**Electronic Transfer:**

Open market bonds in the custody of a broker or financial institution can be transferred to the Foundation electronically. For procedures and other relevant information necessary to complete the transfer, see the University website.

Completion of the transfer of bonds or mutual funds from the donor's brokerage account to the Foundation account may take several days. A gift is valued the day it is received in the Foundation brokerage account.

**Certificates:**

Donors wishing to contribute bond certificates can have them re-titled in the Foundation's name or send them **unendorsed**, by registered mail to: **Cleveland State University Foundation, 2121 Euclid Avenue, UN 501, Cleveland, Ohio 44115-2214**. In a separate envelope to the same address, the donor must send a letter of instruction stating that they wish to contribute the bonds to the Foundation, along with a signed, **but otherwise blank**, Irrevocable Stock Power Form for each bond. Once the bond and stock power are

received by the Foundation, they will be forwarded to our broker who will immediately sell the bond(s). The gift will be valued the day the bond certificates or bond power form are received by the Foundation—whichever is later.

**ii. Savings Bonds**

Making gifts of savings bonds is generally discouraged during a donor's lifetime because current tax laws do not forgive the donor from being taxed on earnings. By contrast, leaving the bonds to charity on death may have favorable tax implications. Individuals considering gifts of savings bonds should consult their broker or other tax advisor.

**f. Real Estate and Property-Based Gifts**

The Foundation will consider proposed gifts of real estate, gas/oil interests, bargain sales and remainder interests in property on a case-by-case basis. The Foundation may retain qualified counsel to facilitate real estate and property-based gifts.

**i. Gifts of Real Estate:**

Generally, the Foundation only accepts gifts of real estate that are debt-free. The Foundation may consider acceptance of a piece of real estate encumbered by a mortgage, particularly if there is a ready buyer for the property. In most cases, the Foundation will sell all gifts of real estate as soon as possible upon receipt. Upon acceptance of real estate gifts, the Foundation will obtain a title insurance policy and add the property to its property and casualty insurance policy until the property is sold. Real estate transfers should be made by general warranty deed unless otherwise advised by its legal counsel.

Fractional interests in real estate may not generate a charitable tax deduction. Additionally, because of the potential difficulty in selling such interests, governance and other issues, the Foundation should avoid accepting gifts of fractional interests in real estate.

Before accepting gifts of real estate, the Foundation must perform thorough due diligence on the property, including, but not limited to, the following:

**The DONOR must provide the following items to the Foundation at his or her own cost:**

- Evidence of clear title in the donor's name;
- A qualified independent appraisal;
- A Phase I environmental audit for all nonresidential property and for residential property bordering directly on industrial or commercial property, or formerly utilized as commercial property;
- A survey of the parcel (for commercial or undeveloped property); and
- A wetlands report (where appropriate; e.g. for undeveloped land).

In the event that a Phase I environmental audit reveals a potential problem, the Foundation shall retain a qualified inspection firm to conduct a Phase II environmental audit. The cost of the Phase II audit shall generally be an expense of the donor.

**The Foundation should also obtain the following information:**

- For rental property, income and expense statements for the last 12 months and copies of all leases currently in force;
- Applicable property taxes, including amount and date(s) due;
- For residential property, an inspection report from the local housing authority (if required by law); and
- The Foundation may secure an independent appraisal of the property, including comparable prices from recent sales in the neighborhood, the length of time the properties were listed, and sale price as percentage of asking price.

Gifts of real property to the Foundation should be documented by a formal gift agreement that addresses issues such as who will pay for real estate taxes, maintenance, security and other costs of holding the property between the time the gift is completed and the subsequent sale by the Foundation.

**ii. Retained Life Estate**

The Foundation will consider entering into a retained life estate agreement with a donor. When considering this arrangement, the general procedures for gifts of real estate should be followed. Only debt-free, marketable residences or farms are acceptable for a retained life estate gift. The donor will remain responsible for reasonable maintenance of the property and for the payment of all property taxes and insurance during their lifetime. Donors must submit proof of payment of property taxes on a regular basis. If the donor does not make property tax payments on a timely basis, the Foundation may consider making the payments with the approval of the Board of Directors, but also reserves the right to allow the property to go into foreclosure.

**iii. Oil, Gas and Mineral Interests**

The Foundation may accept oil and gas property interests, when appropriate. Prior to acceptance of these interests, the gift shall be approved by the Board of Directors, and if necessary, by the University's legal counsel. Criteria for acceptance may include:

- A minimum value for gifts of surface rights.
- A minimum level for royalties and income from gifts of oil, gas and mineral interests. (To be determined by the average of the three years prior to the gift.)
- The property should not have extended liabilities or other considerations that make receipt of the gift inappropriate.
- A working interest is rarely accepted. A working interest may only be accepted when there is a plan to minimize potential liability and tax consequences.
- The property should undergo an environmental review to ensure that the Foundation has no current or potential exposure to environmental liability.

**iv. Bargain Sales**

The Foundation will consider bargain sales on a case-by-case basis. The donor must provide (and pay for) an independent appraisal of the property.

**v. Time Share Units**

The Foundation will, as a general rule, not accept a donation of a time share unit. However, the Foundation will consider the acceptance of time share units on a case-by-case base when deemed appropriate.

**g. Life Insurance**

The Foundation will consider gifts of life insurance policies upon review of the policy, considering factors such as the type of policy, value of policy, insured's date of birth, and cash surrender value.

In order for a life insurance policy to be recorded as a gift, the Foundation must be named both beneficiary and irrevocable owner of the policy. Should the donor contribute future premium payments, the Foundation will include the entire amount of the additional premiums as a gift in the year the payment is made. If the donor does not continue to make gifts to cover premium payments on the life insurance policy, the Foundation shall decide whether to continue to pay the premiums, convert the policy to paid-up insurance, or surrender the policy for its current cash value and use the proceeds pursuant to the donor's intent.

**h. Realized Bequests**

A realized bequest is a gift of cash, securities, or real property, made upon the donor's death, through provisions in his or her will or living trust. Gifts received via estates or trusts will be credited, recognized, or commemorated at the value established at the time of probate and/or at the fair market value on the date of transfer of the asset(s), provided no prior crediting of the gift has occurred.



### III. Planned and Deferred Gifts

Distributions from charitable trusts, wills, non-charitable trusts and retirement plans generally come to non-profit organizations after the death of a donor and are not expected to be recurring gifts (except possibly with Charitable Lead Trusts). Estate gifts not directed by the donor to a specific University fund or area through a will or other legal document, or through a Letter of Intent or Bequest Intention Form executed prior to the donor's death may be added to the Foundation's operating funds or the unrestricted endowment as determined by the Executive Director of the Foundation in consultation with Foundation leadership.

#### a. Charitable Trusts

##### i. Charitable Remainder Trusts

The Foundation will generally agree to serve as trustee of a Charitable Remainder Trust provided that:

- The minimum initial funding amount is \$100,000;
- The Foundation is named irrevocable beneficiary of at least 51% of the trust assets; and
- Investment management, legal, and other administrative costs are charged to the trust.

##### ii. Charitable Lead Trusts

The Foundation may serve as trustee of a charitable lead trust to which the initial contribution is at least \$100,000, and the trust term may be at the discretion of the donor, subject to approval by the Foundation where the Foundation acts as trustee.

#### b. Charitable Gift Annuities

A donor can enter into a charitable gift annuity agreement with the Foundation with a gift of cash or marketable securities using rates no higher than those recommended from time to time by the American Council on Gift Annuities (ACGA). A donor may elect a payment lower than the ACGA rate. Gift annuities may be issued for single life payments or two-life joint and successor payments. Generally the donor is the annuitant. (If the donor is not the annuitant, special attention must be given to the attendant tax implications.) The annuitant may not assign his or her annuity interest to any other person or entity, but may relinquish it in favor of the Foundation (thus terminating the Foundation's obligation to continue the annuity payments) in exchange for an additional tax deduction. The Foundation may issue a charitable gift annuity using other property, such as real estate or life insurance, upon the review of the Executive Director of the Foundation and the University President.

Immediate payment gift annuities are available to donors age 60 or older. Deferred payment gift annuities are available to donors age 50 or older, with payments commencing at age 60 or later. The recommended minimum gift is \$10,000.

The Foundation reserves the right not to issue charitable gift annuities in some states due to onerous or costly state compliance regulations.

#### c. Bequests and (non-charitable) Trusts

Donors are encouraged to include the Foundation as a charitable beneficiary in their wills and non-charitable trust documents. Representatives of the Foundation will not prepare wills and other documents for the donor, but can suggest appropriate language for review by the donor's legal counsel. The Foundation will not pay for the preparation of these documents, but a representative can meet with the donor and his/her attorney when appropriate.

#### d. Beneficiary Designations – Retirement Plans, IRA's, bank accounts

Donors are encouraged to name the Foundation as beneficiary of their retirement plans including IRA's, 401(k)'s, 403(b)'s and other plans. Direct rollovers from such plans will be accepted as allowable by IRS law.

The Foundation may also be named on Payable on Death Accounts/Transfer on Death Accounts at banks, building and loan associations, etc. However, these designations are revocable and therefore will not be entered as pledges.

# A Donor Bill of Rights

*PHILANTHROPY* is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To ensure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the non-for-profit organizations and causes they are asked to support, we declare that all donors have these rights:

**I.**

*To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.*

**VI.**

*To be assured that information about their donations is handled with respect and with confidentiality to the extent provided by law.*

**II.**

*To be informed of the identity of those serving on the organization's governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities*

**VII.**

*To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.*

**III.**

*To have access to the organization's most recent financial statements.*

**VIII.**

*To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.*

**IV.**

*To be assured their gifts will be used for the purposes for which they were given.*

**IX.**

*To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.*

**V.**

*To receive appropriate acknowledgement and recognition.*

**X.**

*To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.*

**DEVELOPED BY:**

Association of Fundraising Professionals (AFP)  
Association for Healthcare Philanthropy (AHP)  
Council for Advancement and Support of Education (CASE)  
Giving Institute: Leading Consultants to Non-Profits

**ORIGINALLY ENDORSED BY:**

Independent Sector  
National Catholic Development Conference (NCDC)  
National Committee on Planned Giving (NCPG)  
Council for Resource Development (CRD)  
United Way of America

**ATTACHMENT B:**  
Model Standards of Practice



**Model Standards of Practice for the Charitable Gift Planner**

**Preamble**

The purpose of this statement is to encourage responsible gift planning by urging the adoption of the following Standards of Practice by all individuals who work in the charitable gift planning process, gift planning officers, fund raising consultants, attorneys, accountants, financial planners, life insurance agents and other financial services professionals (collectively referred to hereafter as “Gift Planners”), and by the institutions that these persons represent.

This statement recognizes that the solicitation, planning and administration of a charitable gift is a complex process involving philanthropic, personal, financial, and tax considerations, and often involves professionals from various disciplines whose goals should include working together to structure a gift that achieves a fair and proper balance between the interests of the donor and the purposes of the charitable institution.

**I. Primacy of Philanthropic Motivation**

The principal basis for making a charitable gift should be a desire on the part of the donor to support the work of charitable institutions.

**II. Explanation of Tax Implications**

Congress has provided tax incentives for charitable giving, and the emphasis in this statement on philanthropic motivation in no way minimizes the necessity and appropriateness of a full and accurate explanation by the Gift Planner of those incentives and their implications.

**III. Full Disclosure**

It is essential to the gift planning process that the role and relationships of all parties involved, including how and by whom each is compensated, be fully disclosed to the donor. A Gift Planner shall not act or purport to act as a representative of any charity without the express knowledge and approval of the charity, and shall not, while employed by the charity, act or purport to act as a representative of the donor, without the express consent of both the charity and the donor.

**IV. Compensation**

Compensation paid to Gift Planners shall be reasonable and proportionate to the services provided. Payment of finder's fees, commissions or other fees by a donee organization to an independent Gift Planner as a condition for the delivery of a gift is never appropriate. Such payments lead to abusive practices and may violate certain state and federal regulations. Likewise, commission-based compensation for Gift Planners who are employed by a charitable institution is never appropriate.

**V. Competence and Professionalism**

The Gift Planner should strive to achieve and maintain a high degree of competence in his or her chosen area, and shall advise donors only in areas in which he or she is professionally qualified. It is a hallmark of professionalism for Gift Planners that they realize when they have reached the limits of their knowledge and expertise, and as a result, should include other professionals in the process. Such relationships should be characterized by courtesy, tact and mutual respect.

**VI. Consultation with Independent Advisers**

A Gift Planner acting on behalf of a charity shall in all cases strongly encourage the donor to discuss the proposed gift with competent independent legal and tax advisers of the donor's choice.

**VII. Consultation with Charities**

Although Gift Planners frequently and properly counsel donors concerning specific charitable gifts without the prior knowledge or approval of the donee organization, the Gift Planner, in order to insure that the gift will accomplish the donor's objectives, should encourage the donor early in the gift planning process, to discuss the proposed gift with the charity to whom the gift is to be made. In cases where the donor desires anonymity, the Gift Planner shall endeavor, on behalf of the undisclosed donor, to obtain the charity's input in the gift planning process.

**VIII. Description and Representation of Gift**

The Gift Planner shall make every effort to assure that the donor receives a full description and an accurate representation of all aspects of any proposed charitable gift plan. The consequences for the charity, the donor and, where applicable, the donor's family, should be apparent, and the assumptions underlying any financial illustrations should be realistic.

**IX. Full Compliance**

A Gift Planner shall fully comply with and shall encourage other parties in the gift planning process to fully comply with both the letter and spirit of all applicable federal and state laws and regulations.

**X. Public Trust**

Gift Planners shall, in all dealings with donors, institutions and other professionals, act with fairness, honesty, integrity and openness. Except for compensation received for services, the terms of which have been disclosed to the donor, they shall have no vested interest that could result in personal gain.

*Adopted and subscribed to by the National Committee on Planned Giving (now the Partnership for Philanthropic Planning) and the American Council on Gift Annuities, May 7, 1991. Revised April 1999. Reprinted with permission.*