

THE UNIVERSITY OF RHODE ISLAND **FOUNDATION**

URI FOUNDATION GIFT ACCEPTANCE POLICY

FINAL

Policy #100-8

Effective Date: 3/9/17

SUMMARY

The URI Foundation is an independent 501c3 whose mission is to inspire and steward philanthropic support benefiting the University of Rhode Island. As the authorized agent of the University, the URI Foundation conducts all fundraising activities for the University of Rhode Island and manages the URI endowment. This policy has been developed to outline the procedures for assessing and accepting gifts to the URI Foundation.

URI Foundation gift acceptance practices are structured to ensure fidelity to donor intent, and are based on industry standards and best practices (e.g., CASE), as well as IRS guidelines. The URI Foundation also recognizes our campus partners as vital members of our fundraising process, and this document clarifies URI Foundation deposit requirements. The URI Foundation adheres to the following guiding principles when accepting gifts:

- The URI Foundation seeks to only accept gifts that have a reasonable expectation of benefiting the University of Rhode Island.
- The URI Foundation seeks to only accept gifts that are in the interest of the donor. The URI Foundation shall not encourage any gifts that are inappropriate in light of the donor's disclosed personal or financial situation.

While this policy is intended to provide guidance to URI Foundation staff regarding the acceptance of gifts, donors are ultimately responsible for ensuring that proposed gifts further their philanthropic goals. Neither the URI Foundation nor Foundation staff gives legal, accounting, tax or other advice to donors. This policy may change as required to comply with IRS guidelines.

GIFT TYPES ACCEPTED

Gifts are generally accepted in 3 formats: 1) outright gifts 2) planned or deferred gifts, and 3) pledges.

It is understood that special gifts or circumstances may not be covered by this document, and may require further discussion. It should also be noted that the tax deduct-ability of gifts to any organization, including URI, may be influenced when the donor receives goods or services in exchange for a gift. In general, the value of goods and services received must be deducted from the value of the gift, with an IRS 2% allowance for "thank you gifts" related to any donation. Donors are advised to consult with a tax advisor for specifics regarding tax deduct-ability.

1. Outright Gifts

- **Cash & Cash Equivalents (Credit Cards)**

The URI Foundation only accepts gifts in US currency. And while many methods of payment are accepted, for security purposes, physical deposits of cash over \$1,000 to the URI Foundation are strongly discouraged; individuals are encouraged to contact Foundation staff to make arrangements and/or appointments for secure processing. URI employees transferring deposits to the URI Foundation are reminded of, and required to follow, the URI Controller's Office, Cash Handling Policy.

The legal date of receipt for gifts of cash and checks will be the date the gifts are received and processed for deposit by the URI Foundation. The legal date recorded for credit card donations (including online gifts) will be the date that the URI Foundation receives approval from the credit card agency. The URI Foundation assumes credit card processing costs (credit card fees are not passed to donors); currently there is no minimum required for credit card donations.

To ensure appropriate donor credit, the URI Foundation requires all deposits include a URI Foundation Deposit Slip, and include the name, address, and donation amount and designated fund for each gift. Endorsed checks (third-party donations) are not accepted by the URI Foundation; donors will be asked to reissue a check made payable to URIF.

In addition to the gift types above, URI student donations are accepted via "Ram Card/Ram Account" (student accounts maintained URI to provide payment to authorized vendors) and "Square" (a third-party service for accepting credit card donations.) Processing requirements vary depending on payment type, and no minimum gift amount is currently required.

[Transaction Type: Cash; Acknowledge YES (with gift amount, pledges over \$1k); and Receipt YES. Individuals making routine monthly credit card donations will receive an annual acknowledgement (unless monthly is requested) and annual receipt.]

- **Grants & Contracts**

In accordance with CASE and CAE standards, the URI Foundation accepts charitable grants as philanthropic gifts to the University. Grants are defined as contributions for unrestricted or restricted use in the furtherance of the University; grants typically come from a corporation, foundation, or organization, rather than an individual. At URI, grants involving intellectual property, human or animal subjects, or deliverables are referred to the URI Research Foundation for processing. Research Foundation contributions are not included in URI Foundation fundraising totals.

Aside from gift annuity contracts, the URI Foundation does not enter into contracts on behalf of the University. Contracts are defined as agreements between the URI Foundation and another entity to provide an economic benefit for compensation. To establish a new grant-related fund, the URI Foundation requires a \$50k minimum gift (payable up to 5 years.)

[Transaction Type: Cash; Acknowledge YES (with gift amount); and Receipt YES. Note, these are posted as "gifts" in AWA, not grants.]

- **Securities**

Gifts of securities typically involve donations of publicly traded shares, such as those traded on the major exchanges, over-the-counter, and most common mutual funds. Gifts of privately held stock are also possible. Gifts of securities may provide tax-advantages to donors and are accepted and encouraged by the URI Foundation.

Gifts of closely held stock will be evaluated on a case-by-case basis, with gifts over \$10k requiring an appraisal. It is the URI Foundation policy to dispose of security donations as soon as expeditiously as possible. The URI Foundation uses an intermediary for security transactions (e.g. Merrill Lynch) and security transactions may take more time to process than other donations.

[Transaction Type: Securities; Acknowledge YES (with gift amount); and Receipt YES.]

- **Donor Directed and Donor Advised Funds**

Donor Directed and Donor Advised funds are gift/donor types accepted by the URI Foundation, and differ based on donor crediting by the URI Foundation.

With a donor-directed fund, the donor sends an asset to a financial institution or other foundation for investment and safekeeping. The assets remain in the name-and under the control of the donor. The donor contacts the institution and directs it to issue a check in the name of the qualified nonprofit (in our case, the URI Foundation.) In this case, the donor making the direction is the legal donor, thus the gift source is an individual.

With a donor-advised fund, the donor sends an asset to a tax-exempt organization as a gift to that entity. The asset is then in the name of and under the control of that entity. The donor then contacts the fund and advises it to make a gift to a qualified organization. In this case, the fund is the legal donor, and so the gift source is reported as an organization or foundation. For these reasons, a Donor Advised fund cannot be used as a pledge payment to satisfy a personal pledge commitment at the URI Foundation.

[i.e. United Way -Transaction Type Donor Directed; United Way receives Gift Credit; the Donor receives donor directed soft credit only Acknowledge YES (with gift amount); and Receipt No.; i.e. Fidelity Charitable Gift Fund- are Donor Advised Record Types- Fidelity receives legal credit as the primary donor and the individuals associated (e.g., husband and wife) receive soft group credit.]

- **Matching Gifts**

The URI Foundation encourages donors to take advantage of matching gifts opportunities to expand their original gifts. While the URI Foundation will notify donors of the possibility of a matching gift from their employer, it is the responsibility of each donor to submit the required documentation from their employer to secure a match. Matching gifts will not be applied to pledges.

Matching gifts are processed based on the specific requirements of the matching organization, including allowable matching gift amounts/maximums, and confirming supported allocations (e.g., some organizations do not support matches to athletic gifts). Matching gift payments to the URI Foundation are made on the specific payment schedule of each company (e.g., some organizations only make payments quarterly.) Therefore, receipt of a matching donation may span fiscal years depending on the processing time and process dictated by each company.

[Transaction Type: Matching Gift; Acknowledge Yes (to the individual), and Receipt Yes (to the company). Matching gifts do not appear in the AWA transaction summary; please consult the matching gift section for gift information.]

- **Memorial & Honorary Donations**

Memorial or honorary donations to existing URI Foundation funds are accepted by the URI Foundation to recognize individuals. When memorial or honorary gifts are received, the URI Foundation will notify the next of kin, and provide them with the name, address and fund (allocation) where the gift was made; the URI Foundation does not supply gift amounts to the next of kin.

To establish a new fund in memory or to honor, donors should consult with URIF development staff to discuss minimum fund creation requirements (currently \$50,000.)

[Transaction Type: Gift; Acknowledge YES to donor (with gift amount); and Receipt Yes; family receives acknowledgement with no gift amount.) Name & Addresses forwarded to Family member on file. The honoree does not receive gift credit.]

- **Sponsorships (& Capstone Funds)**

Sponsorships are defined as contributions in return for recognition; this includes recognition at campus or alumni events, in projects or seminars, or in accompanying publications. The URI Foundation accepts some sponsorship contributions as gifts, and requests that details of approved sponsorship programs be shared with URIF Gift Processing in advance to facilitate processing.

For a sponsorship to qualify as a gift (rather than advertising), all factors below must exist: the contribution must be made by a person or corporation engaged in a trade or business; the sponsor should not expect nor receive a substantial return benefit other than name acknowledgment; the promotional information should be limited (name, address, etc.); there is no qualitative or comparative advertising of sponsor's products or services such as pricing, savings, value, purchase/sale inducements, etc.; and the sponsorship should not be contingent on event attendance, ratings, or public exposure.

Under some circumstances, when the donor is receiving no project support or advertising, donations to Capstone funds may be considered sponsorship donations to the University. In most cases, however, Capstone support should be processed through a University self-supporting account. Capstone donations should be reviewed on a case-by-case basis.

[Transaction Type: Gift; Acknowledge Yes; and Receipt Yes.]

- **Fundraising Events**

For the URI Foundation to accept deposits associated with fundraising events 1) the event must have a clearly defined University fundraising component, 2) the fundraising (gift) component per ticket must be "material" (not \$1 per ticket), and 3) the event donation component is approved in advance with the URI Foundation. (Generally "material" gift component is defined as the greater of \$25 or 25% of ticket cost.) For approved events, the URI Foundation will provide each participant with a tax receipt for the donation portion of their contribution.

Other campus events - including those with no or immaterial fundraising components, student events, or events designated as "proceeds to support URI" (like 5k races, or retirement parties) - are not accepted as

URI Foundation deposits. Costs associated with these events should be managed in University self-supporting or other non-URIF funds. If a donation is desired, it can be deposited at the URI Foundation with a single check at the conclusion of the event to the appropriate URI Foundation allocation. For these events, the URI Foundation does not provide donor credit or tax receipts to individual participants.

(Prior to each approved event, organizers of approved “fundraising events” must supply the full ticket price, the value of each event ticket per person (including donated items), and the proposed donation amount per ticket. Per IRS regulations, the gift attributed to each individual will be the amount (if any) above the ticket cost. Following the event, organizers must supply full list of donors with name, addresses, and gift amounts.)

[Transaction Type: Gift; Acknowledge Yes; and Receipt Yes.]

- **Endorsed Checks, including Speaker Royalties**

Endorsed (or third-party) checks are not accepted by the URI Foundation. Speakers or others wishing to donate their stipends or proceeds to the University will be asked personally deposit their check, and reissue a personal check made payable to URI Foundation. Donation credit will be to the speaker, or check writer.

[Transaction Type: Gift; Acknowledge Yes; and Receipt Yes.]

- **Auctions**

Auctions should be coordinated with the URI Foundation in advance of each event to ensure efficient processing, and to enable the URI Foundation to provide appropriate donor crediting.

Auction Item Donors: Items donated for use in auctions are a type of “gift in kind” contribution to URI. With documentation, the URI Foundation will provide the donor of an auction item with “gift in kind” credit for the value of each item based on IRS regulations. Note, however, that gifts of services or partial interests (for example, use of a timeshare for a week, or a coupon for yard work) are not countable as gifts per IRS regulations and will not receive URI donor credit.

Auction Winners: The winner (or purchaser) of the auction item may also receive donor credit if the item was won (or purchased) for an amount exceeding the fair market value of that item. Following each auction event, the organizer should provide the URI Foundation with a list of “winners”, item fair market value, and amount paid – to determine if donor credit should be applied.

[For donated items - Transaction Type: Gift in Kind- Credit only; Acknowledge Yes (do not include \$ value, only item descriptions); and Receipt No.] For winning bidder - Transaction Type: Gift-Acknowledgement Yes; and Receipt Yes. Gift credit equal to amount paid over and above fair market value of item.]

- **Raffles**

Per IRS and RI state guidelines, raffles require a state license, and are not “fundraising” activities; therefore, there is no charitable gift component. Deposits associated with raffles should not be deposited with the URI Foundation. Please consult the URI Controllers Office for instructions for processing.

- **Items Sales, Portions of Sales & Third Party Fundraising**
(e.g., Amazon Smile, GoFundMe.com)

Similar to events, sales of items advertised as “proceeds to support URI” (e.g. t-shirt sales, calendar sales, etc.) are not accepted as URI Foundation deposits; costs associated with these items should be managed in University self-supporting funds. If a donation is desired, it can be deposited at the URI Foundation with a single check at the conclusion of the sale to the appropriate URI Foundation allocation.

In instances when an organization wishes to donate a portion of their business proceeds (for example, “10% of all sales on Tuesday will be donated to URI”), the URI Foundation will provide full donation credit to the organization. Individuals making purchases leading to the donation will not receive credit, and no additional paperwork is required. Marketing or promotion of the offer is the responsibility of the organization making the donation.

Fundraising relationships with various third-party or online organizations (for example, Amazon Smile, GoFundMe) or use of new fundraising technologies are evaluated on a case-by-case basis to ensure appropriate precautions are in place for donor and University data security; arrangements may not be supported if the perceived risk outweighs potential fundraising benefits. Currently, the URI Foundation does not support any third-party fundraising solutions.

[Transaction Type: Gift; Acknowledge Yes; and Receipt Yes, as appropriate.]

- **Gifts-in-Kind – General Assets, including Library Books**

Gifts-in-kind are defined as non-cash donations of materials or long-lived assets donated for the use of the University of Rhode Island. The URI Foundation provides donor “gift credit” for gifts-in-kind donations that are directly related to the mission of the University of Rhode Island.

At URI, all gifts-in-kind are accepted and processed by the URI Controller’s Office in conjunction with the college or unit/area receiving the gift-in-kind. Ownership, title and ongoing maintenance of the gift will be the responsibility of the University. In cases where a donor is unclear on best use of their gift, URI Foundation staff may be consulted to guide the process. Following University acceptance, the URI Foundation will provide “donor credit” for the value of the gift-in-kind.

Gifts-in-kind are reported at the fair market value that URI would have paid for the item if it not donated. Per IRS regulations, gifts valued over \$5,000 require an independent evaluation. And per IRS regulations, gift-in-kind credit is not allowable for services. Donations with no reported value (\$0, including library books) will not be recorded by the URI Foundation.

(Note: Donations to the URI Library are also designated as gifts-in-kind, and follow these same procedures; the URI Library should provide the value for each library donation where donor credit is desired; \$0 value donations are not posted.)

[Transaction Type: Gift in Kind; Acknowledge YES (no gift value); and Receipt No.]

- **Real Property (Real Estate)**

Gifts of Real Estate may include developed property, undeveloped property, or gifts subject to a prior life estate. Gift of Real Estate can be made directly to the University. Options include: 1) donations of property for use by the University of Rhode Island and 2) donations to be accepted (held or sold) by the URI Foundation.

Gifts of Real Property to be used by URI are treated as gifts-in-kind; however, acceptance must follow established procedures from the RI Board of Education & State Properties committee. These Real Estate gifts are not directly accepted by URIF. However, following acceptance by and transfer of title to the University of Rhode Island, and submission of appraised value for gifts over \$5,000, URIF will provide “donor credit”.

Gifts of Real Property to be accepted by the URI Foundation are evaluated on a case by case basis, and generally are valued at a minimum of \$100k, with no outstanding mortgage. Prior to acceptance of real estate the Foundation shall require an initial environmental review of the property to insure that the property is not contaminated with environmental damage. In the event that the initial inspection reveals a potential problem, the Foundation shall retain a qualified inspection firm to conduct an environmental audit. The cost of the environmental audit shall generally be an expense of the donor.

In general, the Foundation’s policy is to dispose of all gifts of real estate as expeditiously as possible. Where appropriate, a title binder shall be obtained by the Foundation prior to the acceptance the real property gift. The cost of this title binder shall generally be an expense of the donor.

Prior to acceptance, the gift shall be approved by the URIF Gift Acceptance Committee and the Foundations legal counsel. Criteria for acceptance of the property shall include Marketability, Potential Environmental Risks, Limitations and Encumbrances, Carrying Costs, Title/Ownership, Subject to Mortgage, Condition, and Occupancy.

Gifts of real property qualifying for a charitable deduction to the donor should be valued by using the fair market value of the property as determined by a qualified appraisal. The execution and delivery of a deed of gift (or other appropriate conveyance) shall complete the gift. The donor should consult with a tax and legal advisor to ensure proper execution. The donor shall pay the costs associated with the conveyance and delivery of the gift and cost of appraisal. If the Foundation should sell or otherwise dispose of the donated property within three years of the date of the gift, the Foundation must file appropriate forms with the IRS (i.e., Form 8283) and send a copy to the donor.

[Transaction Type: tbd]

- **Gifts from URI Faculty and Staff**

All forms of support are vital to the overall fiscal well-being of URI, and we welcome contributions in many forms and from all sources - including gifts from faculty and staff.

URI will make an effort to allow employees flexibility in designating their gifts for schools, departments, programs, and projects of their choice. All gifts are subject applicable IRS guidelines pertaining to the charitable nature of gifts and their deductibility. In order for a gift to be tax deductible, the donor must relinquish control of the monies and the gift cannot confer a personal benefit to the donor.

URI accepts designated gifts from faculty and staff under circumstances in which no personal benefit inures to the donor from the University's disbursement of these funds. The determination of whether or not the gift may confer a personal benefit to the donor is based upon facts and circumstances relating to the gifts and its uses – or retained control. Care must be taken to assure that the budgeting and expenditure of the donated funds is in accord with University policies and procedures, and that the funds are not subject to the control or significant influence of the donor. Gifts to one's own discretionary account are not considered charitable.

Although not an exhaustive list, gift support for the following items would constitute a personal benefit to the donor and are not allowed, including: salary, benefits, and travel or entertainment expenses. URI and the URI Foundation cannot recognize gifts that confer a personal benefit to the donor as tax deductible.

In circumstances where faculty or staff wish to designate gifts for use in their own departments or for projects with which they are associated, the donor should make clear their intentions regarding the purposes for which the gift will be made. Such funds can only be designated for purposes consistent with the University's mission and in a manner which does not confer a personal benefit to the donor.

(Faculty Start Up Funds are not considered gifts to the University, and should not be deposited with the URI Foundation. Appropriately handling is currently under review with the University.)

- **Payroll Deductions**

URI, Foundation and Alumni Association employees may opt to implement to a bi-weekly payroll deduction to make their gift to the University. Payroll deductions are processed through the employee's respective payroll office. Transactions are posted on the AWA database every 2 weeks. Donor using payroll deductions receive annual receipt and acknowledgement, rather than for each gift.

[Transaction Type: Gift, Payroll Deduction; Acknowledge YES (annual option); and Receipt Yes (annual option)].

2. Planned & Deferred Gifts

Deferred gifts are also called “planned gifts” or future commitments”.

- **Bequest Expectancies**

Bequest expectancies include provisions through a will, trust, or other testamentary legal document. Bequests expectancies are valued and assessed at the time the URI Foundation is notified of the gift. Donors are encouraged to disclose their bequest intentions to the URI Foundation in writing to ensure the Foundation is able to carry out their future wishes and that the gifts conform to these policies.

Bequest expectancies are recorded as a bequest pledge and not recorded as gifts until such time as the gift is irrevocable (i.e. upon death). Where the gift is irrevocable, but is not due until a future date, the present valued of that gift may be recorded at the time the gift becomes irrevocable.

[Transaction Type: Bequest; Acknowledge YES (prepared manually by PG and Gift Planning staff); and Receipt NO]

- **Charitable Gift Annuities**

The minimum acceptable contribution to establish a charitable gift annuity with the URI Foundation is \$10,000. Gift annuity agreements will be limited to two lives at the time of the gift. The minimum age for the annuitants shall be 60 for immediate annuities and 55 (at the time of establishment) for deferred annuities. For deferred annuities, the annuitant's minimum age at the commencement of payments shall be 60.

The URI Foundation will only issue contracts in those jurisdictions in which it is registered to issue contracts, or where registration is not required. The URI Foundation will comply with the state regulatory requirements of their state of incorporation and of all other states where they intend to issue gift annuities. In general, state regulations vary and the URI Foundation is subject to the laws and regulations of the state that is the donor's legal residence.

[Transaction Type: Life Income Type; Acknowledge YES (prepared manually by PG and Donor Relations); and Receipt NO (information provided to donor by PG Team.)]

- **Charitable Remainder Trusts**

URI Foundation may accept a designation as remainder beneficiary of a charitable remainder trust. URI may accept the appointment as Trustee under certain circumstances and upon review of the Gift Acceptance Committee. The minimum gift value for funding a charitable remainder trust with the URIF is \$250,000

[Transaction Type: Remainder Trust; Acknowledge YES (prepared manually by PG and Donor Relations); and Receipt NO (information provided to donor by PG Team.)]

- **Charitable Lead Trusts**

URI Foundation may accept a designation as income beneficiary of a charitable lead trust. URIF will not accept the appointment of Trustee of a charitable lead trust.

[Transaction Type: Charitable Lead Trust; Acknowledge YES (prepared manually); and Receipt No (information provided to donor by PG Team.)]

- **Life Insurance**

Gifts of life insurance can be made 2 ways, when 1) URI is named beneficiary of a life insurance policy), or 2) URI is assigned as owner and beneficiary of the policy.

The Foundation must be named as owner and beneficiary of the policy before a policy can be recorded as a current and outright gift. Insurance policies are valued at the interpolated terminal reserve value if ongoing premiums are required. However, the donor's deduction is based on the lesser of the policy's fair market value or cost basis. (Contractual paid-up policies are rare and have different valuation and deduction amounts.)

The URI Foundation will accept outright gifts of life insurance if the following criteria apply: the minimum death benefit is \$100,000, the policy is fully paid or will be paid up within five years, -charitable contributions from the donor to the Foundation in the amount of the premium payments are required 30 days before the insurance carriers due date.

If the donor does not elect to continue to make gifts to cover premium payments on the life insurance policy, URIF may:

- Continue to pay the premiums
- Convert the policy to fully paid up life insurance
- Surrender the policy for its current surrender cash value

[Transaction Type: Life Insurance Premium Payments; Acknowledge YES (prepared manually); and Receipt Yes.] Transaction Type: Life Insurance Proceeds; Acknowledge YES (prepared manually); and Receipt Yes.]

- **Retained Life Estates/Gifts of Remainder Interest**

The URI Foundation will accept gifts of remainder interests in personal real estate, farm or vacation home property subject to the provision to of accepting real estate note in previously. The donor or other occupants may continue to occupy the real property for the duration of the state life. At the time of the death of the donor, the URI may use the property or reduce it to cash. Where URIF receives a gift of remainder interest expenses for maintenance, real estate taxes, and any property indebtedness are to be paid by the donor or primary beneficiary.

[Transaction Type: Deferred Gift; Acknowledge YES; and Receipt No.]

- **Charitable IRA Rollover**

Subject to government approval, the Protecting Americans from Tax Hikes Act 2015 (H.R.2029) made the IRA Charitable Rollover permanent for 2015 and going forward. The provision allows donors aged 70½ or older to make tax-free gifts totaling up to \$100,000 from a traditional IRA to qualified charities. This provision applies only to IRA's and no other retirement assets. While the donor cannot claim a charitable deduction, the gift counts toward the minimum required distribution and does not trigger income tax.

[Payment Type- IRA Rollover; Acknowledge YES (prepared manually); and Receipt No.]

3. Pledges

A pledge is an expression of the donor's good faith intention to make a future commitment. The URI Foundation accepts pledges in support of University priorities. At the URI Foundation, all pledges (other than single year annual fund pledges) require written confirmation to give a specific dollar amount according to a fixed time schedule. This time schedule may not exceed five (5) years for any one gift. Multi-year annual fund pledges are accepted with documentation.

Only the individual exercising full legal control over the assets (funds) can make a pledge. Therefore, an individual cannot make a pledge that includes anticipated matching contributions from an employer, from a donor-advised fund, or from other sources (including parties or family members.) An enforceable, countable pledge includes only those funds that will be given by that legal entity.

"Conditional" pledges are those that place requirements on the institution to perform some task or take some sort of action that it might not otherwise initiate, or depend on some future event over which neither the institution nor donor may have control. The URI Foundation does not accept conditional pledges.

Per audit requirements, at URIF pledges will be written off (reported as uncollectable) after a period of non-payment.

[Transaction Type: Pledge; Acknowledge YES (over \$1,000); and Receipt No. Pledge reminders are sent unless the donor “opts out.”]

4. Deposits Not Accepted by the URI Foundation

Per CASE standards and IRS guidelines, the following contributions are examples of deposits not considered charitable gifts to the University of Rhode Island, are not processed or deposited by the URI Foundation, or reported in URI fundraising totals. These activities should be coordinated with Controllers Office to determine the appropriate deposit location and ensure appropriate funds exist. The Foundation will gladly discuss contributions with other unusual circumstances on a case-by-case basis prior to acceptance.

- Event Registration Fees – to be deposited in University accounts
- Membership Dues & Friends Groups – to be deposited in University accounts
- Sales of Goods & Services (uniforms) – to be deposited in University accounts
- Conference & Program Fees – to be deposited in University accounts
- Student Activity Fees (incl. fines) – to be deposited in Student Activity accounts
- Grad Student Activity Fees – to be deposited in Student Activity accounts
- Staff Activities (retirement parties, coffee funds) – use personal staff accounts
- Gifts to Greek houses – only scholarship gifts handled by URIF
- Scholarship/Awards w/Recipient Determined (Tuition Payments) –forward to Enrollment Services to process on student recipients term bill
- Donations by staff that directly benefit their work at the University – not a gift
- Raffles – requires a license, should be coordinated with the University
- Gift in Kind Assets – accepted by the University
- Library Donations – accepted by the URI Library
- Research Awards – to be directed to URI Research Foundation
- Donations to other charitable organizations (e.g. 501c3’s) – direct to the 501c3
- Bricks, Benches, & Trees – program terminated in 2016
- Boats – the URI Foundation terminated the URIF boat donation program in 2016

PROCEDURES

1. Gift Acceptance Policy Responsibility

Responsibility for assuring compliance with the requirements of this policy is assigned to the URI Foundation President. All proposed gifts are initially screened by URI Foundation staff, and questions about implementation of this policy will be referred to the Gift Processing Manager, URI Foundation COO, URIF CFO, and the URIF VP for Development; unique situations or gifts requiring further consideration will be brought to the attention of the URIF President, who will refer to the URIF Executive Committee/Gift Acceptance Committee, as needed.

2. Gift Acceptance Committee (URIF Executive Committee)

The role of the Gift Acceptance Committee shall be to review the appropriateness of accepting certain gifts, including non-standard gifts valued at \$1M or more, gifts with material or moderate risk (defined

below), gifts with special conditions, and complex deferred gifts. The Gift Acceptance Committee may consult with the URIF Finance and/or Investment Committees, or full Board of Directors, as it deems appropriate. The Gift Acceptance Committee will recommend accepting, or not accepting, gifts to the Finance Committee, which will determine final acceptance. The Finance Committee may advise the URIF Board of gifts under consideration.

The Gift Acceptance Committee will consist of the members of the URIF Executive Committee. The Committee shall call meetings as necessary to approve certain gifts. At least four members will be required to call a meeting to approve or decline a gift.

3. Risk Categories of Gifts

At URIF, gifts are classified into three categories based on whether the risk associated with acceptance is considered material moderate, or marginal.

Material Risk: Gifts considered to present material risks must be approved by the URIF Gift Acceptance Committee before their acceptance by the Foundation. A draft of the gift agreement (MOU) should be included as part of the presentation to the Gift Acceptance Committee. All gifts considered to be of material risk shall be documented with a written understanding between the donor, the University, and the Foundation. Gift of material risk include:

- Gifts of existing business interests
- Gifts of real property (to be held by URIF)
- Gifts of personal property exceeding \$25,000 (to be held by URIF)
- All gifts of real or personal property subject to donor restrictions regarding property disposal
- All gifts of unusual items or gifts of questionable value
- Charitable lead trusts
- Charitable remainder trusts (funded with assets other than cash or public securities)
- Gifts of life insurance
- Conditional pledges
- Charitable gift annuities valued at more than 50% of the annuity portfolio
- Gifts impacting the reputation of URI or the URI Foundation

Moderate Risk: Gifts considered to present moderate risks may be approved by the Foundation staff after approval by the URIF President, URIF CFO or COO, and/or VP for Development. Gifts of moderate risk include:

- Non-publicly traded securities with a fair market value exceeding \$5,000
- Notification of the intent to gift real property through a bequest
- Charitable remainder trusts funded with cash or public securities
- Charitable lead trusts
- Gifts of personal property valued less than \$25,000
- Gifts in kind
- Cash gifts with significant donor restrictions (documented in an MOU)
- Gifts of life insurance (where the Foundation is the owner)

Marginal Risk: All other gifts are considered to be gifts of marginal risk and may be accepted by URI Foundation staff.

4. New Foundation Fund Approval & Creation

At the URI Foundation, new funds will only be created when: 1) there is a reasonable expectation of future fundraising contributions, 2) with an initial contribution or pledge of \$50k, and 3) when an existing fund is not already available for the same purpose. The URI Finance department and COO manage the new fund approval and creation process. When a new fund is requested based on donor intent, a Gift Agreement signed by the donor, college or area, and Foundation representative is required, documenting the 5-year, \$50,000 minimum funding plan.

6. Gift Documentation

At the URI Foundation written documentation is required for all gifts associated with new and/or named funds, and for all multi-year pledge commitments. A Gift Agreement is used to document intentions for new and named funds; Gift Agreements need to be reviewed by the URI Foundation prior to donor execution to ensure compliance is possible. A Gift Commitment Form is used to document all multi-year pledge commitments to existing funds. Gift Commitment Forms do not need prior Foundation approval.

7. Appraisals

Legal and ethical requirements designed to protect both the donor and the Foundation prohibits the Foundation from appraising most gifts. Appraisals are to be conducted by appraiser's independent from the URI Foundation.

The policy of the URI Foundation is for donors to provide their own appraisals. Generally, the cost of an appraisal will be the donor's responsibility. The Foundation reserves the right to conduct appraisals for internal accounting or other purposes.

8. Evaluation of Costs Associated with Acceptance of Certain Gifts

Proposed gifts of non-cash property and restricted gifts must be evaluated by Foundation staff to determine whether the restrictions and costs to the Foundation associated with receiving the gift can be prudently accommodated by the Foundation. (For example, Real Property maybe required payment of closing costs, payoff of debt, and physical property changes.) Non-cash property and restricted gifts shall only be accepted in accordance with this policy including review by the Gift Acceptance Committee.

9. Acceptance & Administration of Restricted Gifts

Frequently, donors require that gifts be used by the University in particular ways (by either restricting the uses of the gift or the manner in which the gift may be invested or spent.) It is the responsibility of the Foundation to comply with such requirements if the gift is accepted. The Foundation President is responsible for assuring arrangements are made to achieve compliance with such requirements. Restrictions will be documented in a Gift Agreement. Gifts that do not further the mission of the University will not be accepted. Gift Agreements will be signed by the Foundation President and appropriate representative from the University program administering the gift.

10. Gift Acknowledgment & Receipt

The URI Foundation provides tax receipts for all gifts and pledge payments. In addition, the URI Foundation provides acknowledgements (thank you notes) for all gifts and pledges. Receipts are provided within 2 business days, and acknowledgments are provided within 2 weeks of gift receipt.

11. Donor Crediting

“Hard credit” (or legal value) is recorded for each individual or organization making a tax deductible donation to URI. Hard credit donors are the individuals who are in control of the money before it comes to URI Foundation. The hard credit donor is the entity that can deduct the gift on his/her tax form.

In addition, the URI Foundation may provide “soft credit” in recognition to other individuals or organizations that assisted in making the donation possible. Upon donor request, “soft credit” may be extended to spouses, children or other family members, and associated family foundations or family businesses. In addition, on a case-by-case basis, CEO’s or owners of companies may receive “soft credit” when it is determined that the individual was instrumental in helping to secure the gift. Determination of credit is based on donor request and approval by URIF; requests should be forward to Gift Processing.

12. Payment of Fees Related to Gifts

As is customary with peer institutions, a one-time gift fee is assessed by the URI Foundation on all gifts to provide essential support to URI's overall development activities. The fee is currently set at 5%. Donors receive full credit for their donations, prior to any applicable fees.

The mechanics of endowment investments at URI are similar to those of mutual funds. Calculations of endowment values are based on units purchased. Each individual, named endowment owns units in the GEF, which are revalued at the end of each quarter. As each quarter ends, using that quarter’s end market value, a unit price is calculated and new endowments enter the pool. New endowments “buy-in” and receive a number of units in the pool, based on the gift value and the unit value on the buy-in date. As the value of a unit in the pool grows or declines, new endowments purchase a fewer or greater number of units. Using the spending rate approved by the URI Foundation Executive Board, a distribution amount per unit share is paid out to each fund at the date of distribution. This payout is transferred to a spendable account annually, providing the fund has achieved its minimum funding level. This rate contains both the university distribution and the Foundation’s management fee.

13. Campaign Counting Guidelines

This document describes routine gift acceptance practices of the URI Foundation. During times of fundraising campaigns, the URI Foundation Board may choose to adopt “campaign counting guidelines”.

Campaign Counting Guidelines should clearly define campaign financial goals, and consider elements including: campaign timeline, pre-campaign counting “reach back”, pledge payment period (paid by what date), counting of revocable gifts (bequest expectancies), deferred gifts (face value), conditional pledges, and counting of research grants.

POLICY REVIEW

This policy will be reviewed annually by the URI Foundation President and senior staff team to ensure practices are current and adhere to best practice.