Statement of Purpose

The Rutgers University Foundation (hereafter the “Foundation”) was incorporated in 1973 and is chartered under the laws of the State of New Jersey. The Foundation has been granted 501(c)(3) tax status by the Internal Revenue Service for the sole purpose of securing and administering private gifts for the benefit of Rutgers, The State University of New Jersey, with the approval of the University’s Board of Governors and Board of Trustees. Governed by a Board of Overseers (the “Board”), which has the power, authority, and obligation to set fund-raising policies and oversee its operation, the Foundation is the exclusive channel for all gifts to the University from all private sources including individuals, trusts, estates, corporations, foundations, and organizations.

This document has been approved by the Foundation Board of Overseers to outline procedures for analyzing and accepting charitable gifts for the University’s benefit. The procedures set forth shall be interpreted in light of two overriding principles:

**Principle 1:** A gift will be accepted by the Foundation if it believes such acceptance would be in the best interest of the donor. A determination of the donor’s “interest” will include, but not be limited to, the donor’s financial situation and philanthropic interests, as well as any tax or other legal matters revealed while planning for a gift. The Foundation will not accept any gifts that are inappropriate in light of the donor’s known personal or financial situation.

**Principle 2:** A gift will be accepted by the Foundation only if there is a reasonable expectation that acceptance of the gift ultimately will benefit Rutgers. Factors that may be considered in making that determination include the capacity of the University to utilize the gift; any restrictions placed on the gift by the donor; and any costs or obligations that the University may incur by accepting the gift.

While this document is intended to provide guidance regarding prospective gifts, donors ultimately are responsible for ensuring that proposed gifts further their own personal charitable, financial, and estate planning goals. Each donor is urged to seek the advice of independent legal and financial counsel in the gift planning process. It is not within the province of the Foundation or its staff to give legal, accounting, tax or other advice to prospective donors. (see page 41)

The Foundation cannot accept gifts that involve unlawful discrimination based upon race, religion, sex, age, national origin, color, disability, or any other basis prohibited by federal, state, and local laws and regulations. Nor can the Foundation accept gifts which may result in a violation of any other applicable law or regulation or which violate the charter or mission of the University. (see page 35)

The Foundation further recognizes its responsibility to ensure that gifts from private external sources:

- Are appropriate to the mission of the University;
- Do not carry restrictions or conditions that may compromise the University at any time, now or in the future;
- Are legal;
- Are from donors whose intents are philanthropic; and
- Are administered to protect donors’ rights and wishes.

Note that the Foundation is not responsible for any private gifts that are received by the University without the knowledge or involvement of the Foundation.

The Foundation will adhere to federal law, the Internal Revenue Service Code and its regulations, and State of New Jersey law relating to charitable organizations and not-for-profit corporations, particularly the Uniform Prudent Management of Institutional Funds Act. Further, it will set policies that are consistent with guidelines established by industry organizations such as the Governmental Accounting Standards Board, the Council for the Advancement and Support of Education, the National Committee on Planned Giving, and the Association of Fundraising Professionals.

This policy is effective as of March 4, 2009, and supersedes any existing policy or policies. It is not intended to create contract rights and is subject to change at any time.
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Gift Review and Acceptance

General Procedures

While the majority of gifts may be accepted by Foundation staff as part of the normal course of business, certain gifts must be approved by the appropriate executive-level Foundation staff or by the Gift Acceptance Committee (“GAC” or the “Committee”) before they may be accepted.

During discussions with the donor, the development officer (“DO”) will initiate a preliminary review process by presenting the proposed gift details to his or her supervisor. Based upon the provisions in this policy, the supervisor will determine whether or not the gift must be referred to the Foundation President, the Vice President for Gift Planning, and/or the Foundation’s Chief Financial Officer, who will either approve the gift or send it to the GAC for further review.

Standard Authorization for Acceptance

Except as otherwise stipulated by provisions in this policy, gifts may be accepted by development officers, deans and other faculty and staff of the University, and other Foundation staff.

Two categories of gift must always be authorized for acceptance by the President of the Rutgers University Foundation or his/her designee:

1. Gifts that require a formal agreement with the Foundation, whether that is because of the complexity of the gift structure, the nature of restrictions placed on the gift by the donor, or for other reasons. [See page 34.]
2. Gifts of $500,000 or more, regardless of the gift vehicle or asset type and regardless of whether or not restrictions are placed on the gift by the donor.

Standard Acceptance Procedure

The Foundation is responsible for accepting and processing gifts to the University from all private sources: individuals, trusts and estates, corporations, foundations, and organizations. Donors should make their gifts payable to the Rutgers University Foundation and send their contributions directly to the Foundation Accounting Department, Rutgers University Foundation, 120 Albany Street, Suite 201, New Brunswick, New Jersey 08901.

If a gift is received elsewhere at the University, the development and/or business officer will forward it, along with a fully executed Gift Transmittal Form, to the Foundation Accounting Department within one business day of receipt. Gifts of $100,000 or more should be addressed to the direct attention of the Foundation Controller.
The standard timeframe for a gift to be transferred from the Foundation to University Accounting is 30 to 60 days from the date of receipt at the Foundation. Any interest that accrues while the funds are in Foundation accounts belongs to the Foundation; it will not be transferred to the University with the gift. If a particular gift should be expedited, the relevant development officer or staff from the beneficiary unit/program should contact Foundation Accounting to make that request.

Individual donors generally are not provided formal financial accountings beyond an annual statement of the market value of endowed funds. A general report to the donor stating the impact of the gift is appropriate, and may be desirable, especially in the case of professorship and scholarship gifts.

For private grants from corporations or foundations that carry reporting requirements, reports will be produced in accordance with the specific requirements for each such grant. They are produced by the University department that received the grant.

Any information about students that is provided in reports to donors will be in accordance with the Family Educational Rights and Privacy Act (FERPA).

**Categories of Risk and Levels of Review**

In determining whether or not a prospective gift will ultimately benefit Rutgers, the Foundation must consider what risk, if any, acceptance of the gift would carry for the University. Gifts are classified into three categories based on the level of risk associated with acceptance: material, moderate, and marginal risk.

Unless otherwise stated in this policy, the level of review required for each gift depends on the level of risk associated with the gift.

1. All gifts considered to be of *material risk* must be approved by the Gift Acceptance Committee *before* the gifts may be accepted.

   Gifts of material risk include:
   - All gifts which, if accepted, might reflect adversely on the University at the present time or in the future
   - All gifts of real property, whether outright, deferred, or via matured bequest provision
   - Non-publicly traded securities with an appraised Fair Market Value (“FMV”) of $50,000 or more
   - Gifts of tangible personal property that are to be sold and have an appraised FMV of $50,000 or more
   - Gifts in kind (i.e. tangible personal property that is to be used by the University, not sold; see page 16 for more information) that have an appraised FMV of $50,000 or more
2. All gifts considered to be of moderate risk may be accepted by Foundation staff after approval by the Foundation President, Vice President for Gift Planning, and/or Foundation Chief Financial Officer. A report listing certain moderate-risk gifts that have been accepted by the Foundation will be presented to the Gift Acceptance Committee on a regular basis. Some gifts of moderate risk may be referred to the GAC for review prior to acceptance.

Gifts of moderate risk include:
- All gifts of intangible personal property
- Non-publicly traded securities with an appraised FMV of $10,000 to $49,999
- Charitable gift annuities
- Charitable trusts
- Gifts of life insurance
- Gifts of tangible personal property that have an FMV of less than $50,000
- Gifts in kind that have an appraised FMV between $5,000 and $49,999
- All gifts with significant donor restrictions as to use
- All gifts of items that are unusual or have questionable value
- Pledges with payment schedules that exceed five years
- All conditional pledges

3. All gifts considered to be of marginal risk may be accepted by Foundation staff as described in this policy document. Generally, any gifts not listed above are considered to be of marginal risk.

**Gift Acceptance Committee**

It is the responsibility of the Board to accept or decline all gifts directed to Rutgers from private sources. The Board has delegated this function to the Foundation staff and to the Gift Acceptance Committee.

**Makeup of the Committee**

The Committee will be chaired by a member of the Board of Overseers who is appointed by the Board’s chair. It will additionally consist of the following members:

**Volunteers**
- A member of the Audit Committee of the Board
- A member of the Donor Relations/Stewardship Advisory Committee of the Board
- A member of the Campaign Steering Committee

**Foundation staff members**
- President
- Chief Financial Officer
- Vice President for Gift Planning
University staff members or their designees
  • Executive Vice President for Academic Affairs
  • Chief Financial Officer

Volunteer members of the Committee, including the Chair, will serve for renewable three-year terms.

Role of the Chair

The Chair will convene and preside over meetings and will cause records to be kept of all committee meetings and decisions. He or she will provide reports on the Committee’s activity to the Board and others as required.

The Foundation’s Department of Donor Relations will provide administrative support to the Chair and staff the Committee.

Role of the Vice President for Gift Planning

The Vice President for Gift Planning plays a specific role on the Committee. As the Foundation executive with responsibility for processing gifts of securities, personal and real property, and deferred gifts and for reviewing most gifts of moderate risk, he/she has been assigned the responsibility of submitting gifts to the GAC for review. He or she will advise the development officer and other relevant staff of the beneficiary unit(s) regarding the materials that must be prepared for a potential gift to be considered and will arrange for expert opinions to be provided as necessary. For gifts which, if accepted, would count toward the Department of Gift Planning’s fundraising totals, he or she is permitted to participate in Committee deliberations but not to vote.

Meetings

The GAC will meet quarterly and, additionally, on an as-needed basis to review specific gifts, proffers, or proposals.

A majority of committee members must be in attendance to vote to approve or decline gifts. Attendance may be considered to be in person or via email, web conference, or teleconference.

Except as otherwise noted, all members of the Gift Acceptance Committee will have an equal vote in Committee decisions.

Gifts to Be Reviewed by the Committee

All gifts considered to be of material risk will be approved by the Gift Acceptance Committee before they may be accepted. Other gifts may be referred to the committee on a case-by-case basis at the request of the Vice President for Gift Planning.
Gifts that will name an existing academic unit or program of the University or that will establish a new one will be brought to the GAC for approval. Gifts for this purpose should generally result from proposals that have been vetted thoroughly by the University’s academic leadership and by the Foundation. Accordingly, they will require the full review of the Committee only if the asset to be donated necessitates review, if there is disagreement among the academic leadership regarding the benefits of the gift, or if a review is requested. In most cases, the GAC will simply be asked to approve such gifts after they have been endorsed by the Executive Vice President for Academic Affairs.

Similarly, gifts that will name a University building, classroom, lab, auditorium, athletic facility, street, quad, or other physical space will be vetted through a process established in the official Naming Policy (available on the University website). Normally, the standard review of these gifts by the Naming Committee will be sufficient for their acceptance, and the Naming Committee will report them to the GAC as a courtesy. However, if a gift requires review by the GAC because of the asset(s) involved, the potential for controversy, or for any other reason, then GAC approval must be obtained before the naming can be approved by the Naming Committee.

Committee Review Process

Gifts that come before the GAC must be presented with appropriate documentation. A written understanding between the donor and the Foundation is required for all such gifts. A draft gift agreement or memorandum of understanding will be included as part of the presentation to the GAC and may require modification following the Committee’s review. Upon acceptance by the GAC, the gift agreement must be executed by the donor and the Foundation. Fully executed originals are to be given to the donor, the Foundation, and University Accounting.

The unit of the University that will benefit from the proposed gift must submit a statement that the gift is desirable and advances the unit’s mission. If the gift will require the investment of resources (ex. a new program that requires new faculty or entails significant administration), the unit must affirm that those resources are available and should be prepared to detail that information.

Additional opinions regarding the value and merits of the proposed gift may be sought in some cases from other areas of the University, from peer institutions, or from industry experts. Any such expert advisors will submit their assessment to both the beneficiary unit and the GAC. In the case of gifts of personal property and gifts in kind (as defined in this policy) that require GAC review—i.e. those that are anticipated to have a market value of $50,000 or more and/or that have been referred to the GAC by the Vice President for Gift Planning—the Foundation’s auditors must be consulted if a value greater than $1 is to be assigned for recording purposes. (See pages 15-16 for more on how these gifts are counted.)

Legal advice will be sought as appropriate from outside legal counsel and/or from the University’s Office of Senior Vice President and General Counsel.

Only Committee members, University and Foundation legal advisors, and supporting staff from the Foundation may be present for deliberations. No person who petitions the GAC to review a
gift, acts on the donor’s behalf during the review process, or acts as an expert advisor to the Committee will be permitted to be present during deliberations. Any GAC member who acts in any of those capacities or who otherwise represents the interests of the donor or any entity other than the University must recuse himself or herself from deliberations.

The decision of the GAC to accept or decline a gift will be documented in a memo from the Chair to the appropriate development staff member, dean, or program director.

Decisions of the Committee must be made by a majority of the Committee. If a majority decision cannot be reached, the gift will be declined. The GAC, in its discretion, may choose to forward any gift to the Executive Committee of the Board of Overseers for further review and a final decision.
This section describes campaign counting and reporting guidelines for those gifts that will count toward the University’s comprehensive campaign during the seven-year period from July 1, 2007 through June 30, 2014. This seven-year campaign period encompasses the total time of active solicitation, including the advance gifts phase. (The phrase “campaign reporting period” as used throughout this section will refer to the period from July 1, 2007, through June 30, 2014.) In general, except as stated below, all gifts made during the campaign reporting period will be counted in campaign totals.

**Fundamental Principles of Campaign Counting**

The principles for counting campaign gifts are:

- Only those gifts and pledges actually received or committed during the specific period of time identified for the campaign should be counted in campaign totals. Deferred gifts will be reported when assets are transferred or, in cases where no assets are transferred, when a legally binding pledge agreement or other irrevocable document is executed.
- Only pledges that include payment periods of five years or less will be counted in campaign totals.
- Exceptions to the above may be made if the gift meets one of the following three criteria:
  - The gift or pledge was made with the explicit understanding that it would be counted in campaign totals (such as Gifts Made in Anticipation, below);
  - The gift or pledge was a challenge grant which will be met during the campaign period;
  - The gift or pledge was in support of an initiative that was launched prior to the campaign period but will be a fund-raising priority in the campaign.
- The value of any canceled or unfulfilled pledges must be subtracted from campaign totals when it is determined they will not be realized.

**Advance Gifts Phase/Quiet Phase**

The advance gifts or nucleus fund phase is that period of time prior to public announcement of the campaign or the campaign’s official goal, during which pace-setting gifts are sought from individuals and organizations closest to Rutgers. As indicated above, the advance gifts phase is a part of the Campaign Period.
Credit will be given for gifts received and pledges made in the advance gifts phase of a campaign.

**Gifts Made in Anticipation**

Certain gifts that pre-date the official campaign period should be counted in the campaign totals. Donors who are familiar with Rutgers and who had advance knowledge that a campaign was under consideration – and indeed, imminent – may have made contributions to Rutgers that they desire to be counted in campaign totals but that, for reasons of their own, they did not or could not delay until the beginning of the campaign period. Accordingly, Rutgers will count gifts of $100,000 or more that were given during 2006-2007 and gifts of $1,000,000 or more that were given during 2005-2006 in recognition of these contributions and in acknowledgement of the reality of the donors’ situations and intent. Likewise, to honor the contributions of donors who are completing multi-year pledges that they made between the previous and current campaigns, payments on those pledges that are received during the campaign period will be counted.

**Separate Record of Revocable Deferred Gifts**

Confirmed provisions for Rutgers in wills, revocable trusts, or other revocable instruments (including but not limited to individual retirement accounts, qualified pension plan and life insurance beneficiary designations) and revocable beneficiary designations of Rutgers in otherwise irrevocable charitable remainder trusts will not be counted for campaign purposes. However, in order to provide an accurate and comprehensive picture of the full scope of the fundraising accomplishments of the campaign, a separate record of such expectancies will be maintained.

To be counted in the separate record, such expectancies must be in the form of a specified amount or a percentage of a donor’s estate or relevant asset pool, as appropriate, based on a credible estimate of the future value of such estate or asset pool at the time the commitment is made. In instances where the gift asset is part of a pool that will be depleted over time by mandatory distributions (ex. individual retirement accounts or qualified pension plans) it is possible that the amount that is ultimately received by Rutgers could be less than the donor originally intended. For such gifts to be counted in the record of expectancies, these donors must also include a provision in their estate plans to the effect that any shortfall in the anticipated amount will be made up from other estate assets.

For verification purposes, donors or donors’ advisors will be asked to provide written acknowledgment of the commitment and a copy of the relevant gift provision.

**Exclusions**

The following types of funds should be excluded from campaign report totals:

1. Payments on pledges that have been counted in previous campaigns, even if received during the campaign reporting period
2. Most bequests realized during the campaign reporting period that were counted as expectancies during a previous campaign. However, any amount received in excess of the amount that was previously recorded may be counted. All such realized bequests will be evaluated on a case-by-case basis by the Vice President of Gift Planning.

3. Investment earnings on gifts, even if accrued during the campaign reporting period and even if required within the terms specified by a donor (the only exception permitted to this exclusion would be interest accumulations counted in guaranteed investment instruments that mature within the time frame of the campaign, such as zero-coupon bonds)

4. Earned income, including transfer payments from money-earning programs or businesses affiliated with the institution

5. Surplus income transfers from ticket-based operations, except for any amount equal to that permitted as a charitable deduction by the Internal Revenue Service (“IRS”)

6. Contract revenues

7. Contributed services, except for those permitted as a charitable deduction by the IRS

8. Governmental funds
Acceptance Procedures and Counting Guidelines by Type of Gift Asset

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Cash and Cash Equivalents

Cash and cash equivalents are often the easiest way to make a gift and are the form of gift most frequently made by donors. The Foundation will accept gifts of U.S. or foreign currency, checks drawn on U.S. or foreign banks, and credit card payments (via VISA, MasterCard and American Express), as well as gifts delivered via Electronic Funds Transfer (EFT) or wire transfer. Cash gifts may be delivered in person; by mail, EFT, or wire; or via the Internet through the Foundation’s online-giving site. University and Foundation staff also may make contributions via payroll deduction.

Minimum Gift Level: There is no minimum gift level for outright gifts of cash unless the donor chooses to place restrictions on the gift that require the gift to meet an established minimum. (page 36)

Authorization for Acceptance: Standard (page 1)

Acceptance Procedure: Standard (page 1).

Note: Employees who choose to give via payroll deduction must submit the appropriate authorization form to Foundation Accounting. The employee may change or stop the deduction at any time.

Campaign Counting: Outright gifts of cash and cash equivalents will be valued and reported on the date that the asset is irrevocably transferred to the Foundation.

Note: Consistent with the criteria set forth below on page 39, the gift portion of quid pro quo contributions will be reported as of the date received by the Foundation.
Matching Gifts

Many corporations have programs in place to promote civic engagement by matching charitable gifts their employees make to qualifying organizations. Donors employed by or, if appropriate, retired from such companies are encouraged to take full advantage of corporate matching gift programs. When the matching gift is received by the Foundation, the company will receive legal (tax) credit for the gift, and the individual will receive recognition credit, which will be counted toward qualification for inclusion in honor rolls and in events and giving societies. The general policy of the Foundation is to direct matching gifts to support the same area(s) or program(s) as the original gift unless the corporation stipulates otherwise.

Third-Party Gifts/Assignment of Income

The Foundation will accept third-party gifts or assignment of income. A donor may assign to the Foundation any income that the donor is entitled or authorized to receive from a third party, such as payment for service on a corporate board, honoraria, consulting payments, etc.

Because the donor does not control these funds, a donor’s representation or promise of income to be assigned will not be reported as a pledge. The gift will be recorded only when it is received by the Foundation.

Minimum Gift Level: There is no minimum gift level for outright gifts of cash unless the donor chooses to place restrictions on the gift that require the gift to meet an established minimum. (page 36)

Authorization for Acceptance: Standard (see page 1)

Acceptance Procedure: Checks will be made payable and delivered as described in the Standard Acceptance Procedure (page 1). Development officers and other appropriate departmental officials are responsible for notifying the Foundation Accounting Department of (a) the name of the payor (the person or organization making the payment); (b) the name(s) of the donor(s) to be credited with the gift; and (c) the purpose/designation of the gift.

If a third party makes payment directly to the Foundation and the donor will not declare that payment as part of his or her income as reported to the IRS, then legal credit will be given to the payor and recognition credit will be given to the donor. If the donor declares that payment as part of his or her reportable income and provides a written statement of that to the Foundation, then legal credit for the gift will be given to the donor. (See page 38 for more on legal and recognition credit.)

Campaign Counting: Gifts in the form of an assignment of income by a donor will be reported at the full value of any such income actually received by the Rutgers University Foundation as of the date it is received.
Securities

The Foundation will accept gifts of securities, including stocks, bonds and mutual funds. In accordance with federal tax regulations, they will be valued at the mean of the high and low quoted selling prices on the date of gift, i.e. the date when the donor relinquishes dominion and control in favor of the Foundation. If there are no trades of such a security on that date, then the gift will be reported using the applicable alternate method under the regulations.

When dominion and control has been relinquished by a donor depends upon the method of delivery of the securities. For example, stock transferred electronically is valued as of the date the securities are received into an account owned by the Foundation. Stock mailed to the Foundation is valued as of the latest postmark date of either the envelope containing the stock certificate(s) or the envelope containing any required valid stock power(s). Stock directed by the donor to be registered in the name of the Foundation will be valued as of the date the stock is so registered. Stock that is personally delivered to the Foundation in negotiable form is valued on the date received by the Foundation.

Gifts of non-traded stocks and bonds of $10,000 or less may be valued at the per-share cash-purchase price of the most recent transaction. Normally, this transaction is the redemption of the stock by the issuing corporation. If no redemption has occurred during the reporting period, an independent certified public accountant who maintains the books for a closely held corporation is deemed to be qualified to value the stock of that corporation. For gifts of non-traded stocks and bonds exceeding $10,000, it is the donor’s responsibility to have the securities valued by a qualified independent appraiser as required by the Internal Revenue Service.

In general, the Foundation’s policy is to dispose of all gifts of securities as expeditiously as possible. This policy will be communicated to the donor when the Foundation receives notification of the donor’s desire to make the gift.

Donors are advised to consult their financial advisors for specific information regarding the tax consequences of any gift of securities.

Minimum Gift Level: There is no minimum gift level for gifts of securities unless the donor chooses to place restrictions on the gift that require the gift to meet an established minimum. (page 36)

Authorization for Acceptance: The Vice President for Gift Planning or his/her designee is responsible for approving and accepting all gifts of stocks and/or bonds except those that require review by the Gift Acceptance Committee. The President of the Rutgers University Foundation must also approve such gifts as described in the standard procedure on page 1.

Acceptance Procedure: Different procedures apply for the acceptance of publicly traded and closely held stocks.

1. Publicly Traded and Over-the-Counter Stocks and Bonds: Development officers and
other appropriate departmental officials are responsible for notifying the Vice President for Gift Planning of anticipated gifts of stocks and/or bonds. Because stock often is transferred by a broker directly to a Foundation account, which can make it difficult to identify the donor, it is important that the Foundation receive advance knowledge of the name of the donor and the nature and number of shares to be transferred.

2. Non-Traded Stocks and Bonds: All gifts of non-traded stocks and bonds are subject to review by the Vice President for Gift Planning. Gifts with an FMV exceeding $50,000 will be referred to the Gift Acceptance Committee. Any gifts that do not require GAC approval and are accepted by the Foundation without GAC review will be listed in the reports of moderate-risk gifts that the Foundation presents to the GAC (see page 3).

This review is required because (a) these stocks are not traded on stock exchanges and are difficult to value, (b) they may be subject to shareholder or other agreements that may limit the ability to convert them into cash, and (c) there may be federal regulations and laws to which the Foundation must adhere.

The Foundation may decline a gift of such securities if it deems them difficult to value or not easily marketable.

Campaign Counting: Different guidelines apply for the counting of publicly traded and closely held stocks.

1. Marketable securities (publicly traded and over-the-counter stocks and bonds) will be counted at the mean of the high and low quoted selling prices or, where applicable, at the average of the bid/ask prices, on the date donors relinquish dominion and control of the assets in favor the Rutgers University Foundation.

2. Approved gifts of non-publicly traded securities that exceed $10,000 in value will be reported at the fair market value placed on them by a qualified independent appraiser, as required by the Internal Revenue Service. Approved gifts of such stock valued at less than $10,000 will be reported at the value determined by a qualified independent appraiser (who may be an independent CPA who maintains the corporate books) at the per-share cash purchase price of the most recent bona fide transaction involving such stock (which must have occurred within the 12 months preceding such gift), or at the price such stock is redeemed during the campaign period.

Tangible and Intangible Personal Property

The Foundation may consider gifts of tangible and intangible personal property. Examples of tangible personal property include, but are not limited to, works of art, manuscripts, vehicles, computer hardware, developed software, equipment, and livestock. Examples of intangible personal property include, but are not limited to, software under development, patents, copyrights, royalties, goodwill, trade names and trademarks, partnership interests, and
intellectual property.

Title to the gifted property should be free of serious encumbrances and properly documented. Careful consideration will be given to the marketability, storage, transportation, and insurance and disposal costs of all gifts of personal property.

It is the policy of the Foundation to sell or otherwise dispose of all gifts of personal property. Any gifts of personal property that are to be retained by the University for use in advancing its mission are considered “Gifts in Kind” and are discussed in the following section of this document (page 16).

The sale or disposition of the donated property will be carried out under the management of or in consultation with the Vice President for Gift Planning. If the Foundation disposes of the donated property within three years of the date of the gift, the Foundation must file an information return on IRS Form 8282 and send a copy to the donor.

Any costs incurred by the Foundation that are associated with the conveyance, delivery, and maintenance of the gift will be charged to the donor or to the University department, program, or unit that will benefit from the gift.

Note that special procedures apply for gifts of artwork, manuscripts, and special collections (see page 17).

Minimum Gift Level: The Foundation will accept gifts of personal property for which there is a ready market and for which the Foundation can reasonably expect to net a minimum of $5,000 when sold. The Foundation President may waive the minimum gift requirement if warranted, ex. the gift in question is part of a larger gift, is expected to lead to other gifts, or is from an especially generous donor.

Authorization for Acceptance: An offer of a gift of personal property may be recommended for acceptance by deans, directors, librarians, curators, and development officers by executing a Non-Cash Gifts Form, which is submitted to the appropriate Foundation department:

1. Tangible property: The Non-Cash Gifts Form is submitted to the Foundation Controller for initial review. Any gift of tangible property that has an FMV of $50,000 or more will then be referred to the GAC for further review.

2. Intangible property: The Non-Cash Gifts Form is submitted to the Vice President for Gift Planning for initial review, who at his/her discretion may accept the gift or refer it to the GAC for further review.

Any personal property gifts that are accepted without GAC review will be listed in the reports of moderate-risk gifts that the Foundation presents to the committee (see page 3).

Acceptance Procedure:

1. Development officers or other appropriate staff members will prepare written summaries of proposed gifts of personal property on Non-Cash Gifts Forms. Each summary will include:
• Description of the asset.
• Purpose of the gift, including identification of the department(s), program(s), or endowment(s) that will benefit from the proceeds of the sale of the property.
• Appraisal of the gift’s fair market value and estimate of its marketability. The University will neither appraise nor assign value to the gift property. It is the donor’s responsibility to establish a value for the gift and to provide, at his or her expense, a qualified appraisal for gifts valued in excess of $5,000.
• Description of any special arrangements concerning disposition of the asset.

2. Once the Foundation and/or the Gift Acceptance Committee has completed its review, the development officer or other official will inform the donor of the decision to accept or decline the gift.

   The following restrictions or considerations in connection with personal property will generally prohibit acceptance:
   • Gifts involving significant University expense, either directly or indirectly, for their present or future use, display, maintenance or administration.
   • Gifts of personal property (such as books and paintings) made on the condition that the items will be loaned back to the donor or persons designated by the donor for life or extended periods of time to be determined by the donor.
   • Gifts of personal property such as paintings, other works of art, furniture, or collections made on the condition or expectation that the items will be permanently exhibited, or that the collections will be maintained and shown as such.

3. If the gift is to be accepted, the development officer or other official will inform the donor, in writing, that:

   • The donor should seek guidance from his or her tax advisor regarding the potential need to file IRS form 8283. If Form 8283 is required, it should be sent to the Foundation Controller for execution by the Foundation after it has been signed by the appraiser.
   • The Foundation will report a disposition price to the IRS on Form 8282 if the gift was valued at $5,000 or more, was reported on Form 8283, and is sold within three years of the date of gift. Note: Such disposition at below the original appraised gift value could affect the donor’s tax situation.

4. The gift will be completed upon the execution and delivery of a deed of gift or other appropriate conveyance acceptable to the University and/or upon delivery of the property, as applicable.

Campaign Counting:
1. Approved gifts of intangible personal property will be valued at $1 for campaign purposes.

2. Approved gifts of tangible personal property typically will be valued at $1 for campaign purposes. However, in some cases consideration may be given to the documented fair market value or educational discount value of the donated asset; to
whether the asset will be sold or retained by the University; and, if retained, to its estimated usable life. GAC approval is required to count such gifts at a value greater than $1. When the value of a donated asset is in question, the gift will be counted at $1 until an appropriate value has been substantiated. The official value will be reported in the fiscal year during which it is approved by the GAC.

Proposed exceptions will be reviewed by the Gift Acceptance Committee on a case-by-case basis.

Note: The University’s ownership of intangible personal property, especially patents and copyrights, can result in earned income. On a case-by-case basis, if the underlying intangible property was assigned only a nominal value (i.e. $1) for gift recording purposes, the donor may receive recognition credit for subsequent earned income. However, the income will not be counted for inclusion in campaign totals.

**Gifts in Kind**

Gifts in kind are gifts of tangible or intangible personal property that will be retained and used by University faculty, staff, and/or students. It is imperative that the property be used to complement the core mission of the University in the areas of teaching, research, creative endeavors, outreach programs, or a combination thereof. The need for and potential use of the gift property should be clearly documented and approved by the respective University unit dean or director before the gift is accepted.

It is the policy of the Foundation to transfer ownership of all gifts in kind to the University. If the University sells or otherwise disposes of the donated property within three years of the date of the gift, the University Controller must file an information return on IRS Form 8282 and send a copy to the donor and the Foundation.

Title to the gift property should be clear and unencumbered and properly documented. Careful consideration will be given to the marketability, storage, transportation, and insurance and disposal costs of all gifts of personal property.

Any costs incurred by the Foundation that are associated with the conveyance, delivery, and maintenance of the gift will be charged to the donor or to the University department, program, or unit that will benefit from the gift.

Note that special protocols apply for gifts of artwork, manuscripts, and special collections (see page 17).

**Minimum Gift Level:** There is no minimum gift level for gifts in kind provided that the gift property (a) is needed by the University for use in a manner which is related to the purposes for which its tax-exempt status was granted, and (b) promotes its tax-exempt purpose.
Authorization for Acceptance: An offer of a gift in kind may be recommended for acceptance by deans, directors, librarians, curators, and development officers by executing a Non-Cash Gifts Form. Gifts in kind valued below $5,000 may be accepted by development officers or other department officials. Gifts in kind valued between $5,000 and $50,000 must be reviewed by the Vice President for Gift Planning; any such gifts that are accepted without GAC review will be listed in the reports of moderate-risk gifts that the Foundation presents to the committee (see page 3). Gifts in kind that are valued at $50,000 or more or that are subject to donor restrictions regarding the maintenance/disposal of the gift asset must be reviewed by the Gift Acceptance Committee.

Acceptance Procedure: Same as for gifts of personal property, above.

Campaign Counting: Same as for gifts of personal property, above.

Gifts of Artwork, Manuscripts, and Special Collections

Gifts of artwork, manuscripts, and special collections must be made with the knowledge of the Foundation and the approval of the appropriate University curatorial agency: the Zimmerli Art Museum, the Stedman Gallery, or the University Libraries. Gifts offered directly to those agencies will be accepted according to their respective Collections Management Policies and may be referred to the Gift Acceptance Committee for further review. Any gifts sent to the GAC will follow the protocols described above for such review.

If the gift offer is made to a unit or department other than those curatorial agencies, the Authorization for Acceptance is as described above for Gifts in Kind except that, after initial review, gifts valued at $5,000 or more that merit acceptance will be referred by the Vice President for Gift Planning to the appropriate agency for review. The curatorial agency may then refer them to the GAC.

Gifts of Services

In accordance with IRS regulations and standards adopted by the Council for the Advancement and Support of Education (“CASE”), a person’s or organization’s time or service is not considered a charitable contribution. The value of that time or service will not be counted or credited as a contribution, regardless of whether the individual assists Rutgers as a volunteer or as a professional providing a specialized service, e.g. accounting, legal work, consulting, or printing.

Real Property

The Foundation will accept gifts of real property, improved and unimproved, including detached single-family residences, condominiums, cooperative units, apartment buildings, rental property,
commercial property, farms, and acreage. These gifts may include real property that is subject to a retained life estate or other planned gift vehicle.

The Foundation will not accept gifts of time-share properties.

The donor of real property should consult with his or her professional advisors before making the decision to donate the property.

In general, the Foundation’s policy is to dispose of all gifts of real estate as expeditiously as possible. This policy will be communicated to the donor when the Foundation receives notification of the donor’s desire to make the gift.

It is the donor’s responsibility to establish a value for the property and to provide, at his or her expense, a qualified appraisal as required by the Internal Revenue Service. Although the University may obtain a separate appraisal for its own purposes, it will not assign value to the gift property on the donor’s behalf.

Regardless of the value placed on the property by the donor’s appraisal, the Foundation will attempt to sell the property at the highest reasonable price reflected by the current market.

The sale or disposition of the donated property will be carried out under the management of, or in consultation with, the Vice President for Gift Planning.

Any costs associated with the conveyance and delivery of the gift, recording fees, a current survey, title insurance, and/or an attorney’s title opinion will either be paid by the donor or be charged to the department, program, or endowment that will benefit from the gift.

Title to the property should be clear and unencumbered and properly documented.

Phase I environmental audits must be obtained for any proffered gift of real property except residential property that is determined to pose minimal potential for environmental risk.

The Foundation may require inspection by a properly licensed or certified professional for all gifts of real estate, including an interest in mining or oil and gas properties, as may be required to demonstrate due diligence and care in accepting the property as free from contamination. Any such inspection shall be documented properly for legal reasons.

Limitations and encumbrances will be carefully reviewed before a gift can be accepted, including any and all mortgages, deeds of trust, restrictions, reservations, easements, mechanic’s or other liens and other limitations of record. Generally speaking, no gift of real estate will be accepted until all mortgages, deeds of trust, liens and other encumbrances have been discharged. Exceptions may be made when the FMV of the University’s interest in the property net of all encumbrances is deemed to be substantial, or when a separate agreement to pay any encumbrances that might be charged to the University has been executed by a financially responsible party.
The existence and amount of any carrying costs—including real estate taxes, insurance, utility services, transfer fees, and property owners’ association or membership dues—will likewise be considered before the gift is approved by the Gift Acceptance Committee.

**Minimum Gift Level:** The Foundation will accept gifts of real property for which it can reasonably expect to net a minimum of $50,000 if sold. The Foundation President may waive the minimum gift requirement if warranted, ex. the gift in question is part of a larger gift, is expected to lead to other gifts, or is from an especially generous donor.

**Authorization for Acceptance:** The Gift Acceptance Committee is responsible for reviewing all gifts of real property.

**Acceptance Procedure:**

1. Development officers or other appropriate departmental officials will prepare written summaries of proposed gifts of real property for review by the Gift Acceptance Committee. Each summary will include:
   - Description of the real property and its location.
   - Purpose of the gift, including identification of the department(s), program(s), or endowment(s) that will benefit from the use or sale of the property.
   - Appraisal of the property and disclosure of the University’s interest in the property’s fair market value and marketability.
   - Disclosure/discussion of any potential for income and expenses and of carrying costs prior to disposition.
   - Disclosure of any encumbrances, e.g., easements or other limitations on use of the property.
   - Disclosure/discussion of any environmental risks or problems revealed by audit or survey.
   - Description of any potential uses of the property by the University.
   - Description of any special arrangements preferred by the donor concerning disposition of the real property.
   - Title information.
   - Contact information for the attorney representing the donor.

2. After the summary is completed and before the GAC reviews the gift, a representative of the Foundation or its property management affiliates must perform a site visit of the property. A report of the visit will be appended to the gift summary and submitted to the GAC.

3. Once the GAC has completed its review, the development officer or other official will inform the donor of the decision to accept or decline the gift.

4. If the gift is to be accepted, the official will inform the donor, in writing, that:
   - The donor should seek guidance from his or her tax advisor regarding the potential need to file IRS form 8283. If Form 8283 is required, it should be sent to the Foundation Controller for execution by the Foundation after it has been signed.
by the appraiser. Note: An appraisal must be prepared within 60 days of the date of gift.

- The Foundation will report a disposition price to the IRS on Form 8282 and send a copy to the donor if the gift was reported on Form 8283 and is sold within three years of the date of gift. Note: Such disposition at an amount below the original appraised gift value could affect the donor’s tax situation.

5. The gift will be completed upon the execution and delivery of a fee simple/quit claim deed of gift or other appropriate conveyance.

**Campaign Counting:** Approved gifts of real property will be valued for campaign purposes at the fair market value as substantiated by a qualified appraisal. At the discretion of the Gift Acceptance Committee, the appraisal used to establish the property’s value may be the one provided by the donor or a separate one obtained by the University.

**Bargain Sales**

Bargain sales are a way to make charitable gifts using property—tangible, intangible, or real. If a donor sells property to the University for less than fair market value with the intent of making a gift, the transaction is partly a sale and partly a gift. Bargain sales can also arise when a donor transfers property to the University in exchange for like-kind property of lesser value, or when a donor transfers property that is subject to an indebtedness thereby being relieved of the obligation.

The gift acceptance and campaign counting practices for bargain sales are a function of the underlying asset. All bargain sales of real estate will be referred to the Gift Acceptance Committee for review, as will bargain sales of other kinds of property valued at $50,000 or more. Bargain sales of artwork, manuscripts, or special collections are subject to review by the curatorial agencies described above (page 17). All other bargain sales of property valued at less than $50,000 will be reviewed by the Vice President for Gift Planning. In all cases, only the portion of the transaction that is considered a charitable gift will be counted in the campaign.
Pledges

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Annual and Capital Pledges

Pledges are commitments to give a specific dollar amount according to a fixed time schedule. Annual Fund pledges are generally to be paid over periods of one year or less. All pledges other than Annual Fund pledges are referred to by the Foundation as Capital Pledges and are often paid over longer periods. In general, the maximum payment period for a pledge is five years.

Minimum Gift Level: There is no minimum gift level for pledges unless the donor chooses to place restrictions on the gift that require the gift to meet an established minimum. (page 36)

Authorization for Acceptance: The standard procedure as described on page 1 applies to most pledges. Pledges that are to be paid over a term longer than five years and all conditional pledges are subject to review by the Foundation President, Vice President for Gift Planning, or Chief Financial Officer, who may refer them to the Gift Acceptance Committee.

Acceptance Procedure: To be recorded officially, pledges must be documented in writing. The following minimum information must be included in the documentation:

- The amount of the pledge must be clearly specified
- The payment timeframe must be clearly defined
- The evidence of the pledge should include words such as promise, agree, will, binding, legal

Pledges that do not contain this minimum information must have prior approval from the GAC to be recorded. Any conditions a donor may wish to set must be reviewed as described below.

For all pledges of $1,000 or more, a pledge agreement signed by the donor is the preferred form of documentation. However, a letter/email from the Foundation to the donor confirming the pledge terms is an acceptable alternative for pledges of less than $50,000 provided that an appropriate development officer, at the associate vice president level or higher, has reviewed and approved it. For pledges of $50,000 or more, acceptable documentation is either a formal pledge agreement, a statement of intent from the donor, or a letter/email from the Foundation to the donor that has been signed and returned by the donor.
Annual Fund pledges made through an authorized Telefund solicitation may be recorded without the written documentation that is required for other pledges. A confirmation must be mailed to the donor within 24 hours of the pledge.

Memos to the file or other internal memoranda are not adequate forms of written documentation for recording pledges.

If full payment is received at the time that a donor makes his or her pledge, it will be recorded as an outright gift, not as a pledge.

**Campaign Counting:** Pledges that meet acceptance requirements will be counted at full face value in accordance with the above-stated Fundamental Principles of Campaign Counting. This includes pledges from University or Foundation employees that will be paid via payroll deductions.

The period in which donors may fulfill pledges should not exceed five years. This does not mean that longer-period commitments cannot be accepted, but they are to be treated as gifts of moderate risk (see page 2).

Pledges do not need to be satisfied during the official campaign period. A pledge that is received on the last day of the campaign is counted in campaign totals even if it will be paid over a five-year period.

A realized deferred gift may satisfy an existing pledge. However, a pledge should not be established with the intention that it will be paid via a deferred gift.

**Conditional Pledges**

Conditional pledges are those that will be fulfilled only if conditions specified by the donor are met. Challenge pledges are one example: the donor agrees to make a gift of a certain amount if, within a set time frame, the University succeeds in raising an agreed-upon sum of money from other donors, usually for the same purpose as the original pledge.

Because they impose obligations on the University, all conditional pledges are subject to review by the Foundation President, the Vice President for Gift Planning, or the Chief Financial Officer, who may refer them to the Gift Acceptance Committee. Any conditional pledges that are accepted by the Foundation without GAC review will be listed in the reports of moderate-risk gifts that the Foundation presents to the committee (see page 3).

**Modifications to Pledges**

Written documentation is required for most modifications to pledges. Acceptable written documentation to amend a pledge or a pledge payment schedule is limited to a new pledge agreement, a letter or email from the donor, or a letter or email to the donor from a member of
the development staff.

Open pledges (those that have one or more outstanding payments due) will be reviewed periodically by the Foundation. Reminder notices may be sent to donors. Pledges that are past due and are deemed uncollectable may be written off without written documentation to or from the donor.
Deferred Gifts

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Fiduciary Responsibility

The Foundation will accept deferred gifts, including life income gifts, gifts of life insurance and bequests made through donors’ wills. The Foundation may serve as sole trustee of any deferred gift that requires the appointment of a fiduciary and will serve as sole trustee or co-trustee of any deferred gift in which the University’s remainder interest is 50% or more of the value of the assets transferred.

Bequests

A bequest is a gift to be made upon the death of a donor, or the death of a donor and other designated individual(s), to the University or to the Foundation as documented in a donor’s Last Will and Testament or other legally binding testamentary document. Gifts made via a bequest may be outright or contingent, unrestricted or restricted, and may include any item or thing of value.

Minimum Gift Level: There is no minimum gift level for bequests unless the donor chooses to place restrictions on the gift that require the gift to meet an established minimum. (page 36)

Authorization for Acceptance: The Vice President for Gift Planning or his/her designee is responsible for approving and accepting all bequests except those that require review by the Gift Acceptance Committee.

Acceptance Procedure: Different procedures apply depending on the nature of the asset that is bequeathed and the restrictions or conditions that are placed on the gift.

1. In accordance with longstanding arrangements between the Office of Gift Planning of the Foundation and the Office of General Counsel of the University, the Office of Gift Planning is responsible for reviewing and representing Rutgers’ interest in the
administration of all estates and trusts which provide for a testamentary gift to either the Rutgers University Foundation or to Rutgers, The State University of New Jersey.

2. Further review of the bequest will occur as required by the details of the gift.
   - The President of the Foundation or his/her designee will review bequests of $500,000 or more and any that require an agreement with the Foundation.
   - The Gift Acceptance Committee will review a bequest that meets any condition that requires such review, including but not limited to:
     o the gift, if accepted, might reflect adversely on the University at the present time or in the future
     o the gift is made using an asset that requires GAC review, such as real estate
     o the gift carries restrictions that require GAC review
     o the gift will be completed only upon satisfaction of conditions that are subject to GAC review

3. If a donor designates a bequest gift for a restricted use for which the donor did not execute an agreement with the Foundation during his/her lifetime, the Office of Gift Planning will oversee the preparation of a memorandum of understanding regarding the use of the bequest according to Foundation procedures in place at that time. (For additional information on this protocol, see page 35.)

4. If the Vice President for Gift Planning, the Foundation President, or the GAC determines that a bequest gift will place unreasonable constraints and/or conditions upon the University, or that any restrictions regarding the University’s use of a bequest gift are unreasonable or legally impermissible, the planned giving officer will contact the estate executor to request that the unacceptable restrictions be altered or eliminated.
   If this approach is not successful, the Foundation or the University may consider engaging legal counsel to petition an appropriate court for permission to alter or eliminate a restriction. Alternatively, acceptance of the bequest gift may be refused or disclaimed.

5. Once the bequest has been approved for acceptance, the designated member of the Gift Planning staff will cooperate with the executor of the donor’s estate to complete whatever action is required to effect legal transfer of the gift from the estate to either the Foundation or the University.

Campaign Counting: All amounts that are received by the Rutgers University Foundation, or that are in the process of delivery, through bequests or other revocable testamentary plans during the campaign reporting period shall be reported at their full value. If some expected amount of the bequest was previously reported during the current campaign as an expectancy, that amount will be deducted from the separate record of expectancies. Realized bequests that were counted as expectancies in a prior campaign will be evaluated on a case-by-case basis to determine whether any portion may be counted in the current campaign. In general, only the amount received in excess of the previously reported amount will be reported.
Bequest Expectancies
If a donor advises the Foundation or University that she or he has included a provision to benefit Rutgers in his/her estate plans, or that she or he intends to do so, the appropriate development officer should consult with the Office of Gift Planning to provide any assistance or guidance that the donor may require.

If the donor of a bequest expectancy hopes to establish a new restricted or endowed fund or to name a University facility through this estate gift, an agreement should be executed following the procedures in place for such agreements. The agreement should make reference to the testamentary document that contains the gift provision, and the testamentary document should make reference to the gift agreement. The donor should be advised that, when the bequest is realized, the gift will be subject to all policies in place at that time. Any agreements that are executed should include language to that effect. Such policies may govern the minimum gift amounts required to establish named funds or to name University spaces; gift/administrative fees; spending policies; or other aspects of the gift. Ex.: A donor may wish to name a building through an expectancy, but that will occur only if, when it is realized, the bequest meets all then-current requirements for that naming opportunity.

For campaign purposes, bequest provisions for Rutgers which are included in donors’ wills or other testamentary documents will be counted only in the separate record of expectancies, provided they meet the requirements explained on page 8. For the gift to be so counted, the donor must have attained the age of 65 when the bequest commitment is made.

Charitable Gift Annuities
Charitable gift annuities are both a contribution and an investment. Funded with cash or readily marketable securities, the annuity is a contractual agreement that provides guaranteed fixed annual annuity payments to one or two named beneficiaries for life. The rate of the annual payment, which may begin immediately or be deferred for one year or more, is determined by reference to the suggested rates as adopted by the American Council on Gift Annuities from time to time. Payout is not insured by any governmental agency, but is backed by the assets of the Foundation. When the annuity is created, the donor receives an income tax charitable deduction that may be carried over for an additional five years. Moreover, a portion of the annual annuity amount is often tax-free, since it is considered a return of principal.

Minimum Gift Level: The Foundation will accept charitable gift annuities that meet a minimum gift level of $10,000. All income beneficiaries must be at least 60 years old at the time the annuity payments begin.

Authorization for Acceptance: The Vice President for Gift Planning or his/her designee is responsible for reviewing and accepting all life income gifts, including charitable gift annuities, except those that require review by the Gift Acceptance Committee.

Acceptance Procedure:
1. The Vice President for Gift Planning must approve all documents pertaining to all
deferred gifts. Documents will be executed in duplicate, with one original to be retained by the donor and one maintained on file at the Foundation by the Office of Gift Planning.

2. The planned giving officer will secure the advice of the Foundation’s legal counsel and the approval of the Vice President for Gift Planning, the President of the Foundation, or the Gift Acceptance Committee as appropriate.

3. If the donor designates a deferred gift to establish an endowed or restricted fund, the gift agreement will include the provision that the gift must reach the minimum amount that is required to establish such a fund at the time when the gift is realized.

4. If the Vice President for Gift Planning, the Foundation President, or the Gift Acceptance Committee determines that a gift will place unreasonable constraints and/or conditions upon the resources and finances of the University, the planned giving officer will contact the donor to request that unacceptable restrictions be altered or eliminated. If these restrictions cannot be altered or eliminated, the Foundation may refuse to accept the gift.

Campaign Counting: Gifts made in a charitable gift annuity transaction will be reported at the full face value of the gift made to establish the annuity.

Tuition (College) Annuity
A Tuition Annuity (or College Annuity) is a single-life, deferred gift annuity that is usually created by a parent or grandparent to benefit a young child. The donor defers the payments until the child reaches age 18, or when the child is expected to enter college. At that time, before the payments start, the child will choose either to accept the annuity payments for his/her lifetime or to receive larger payments (known as the “commuted value”) for a term of four or five years, as spelled out in the annuity agreement, after which time the payments end. Note that the minimum age requirement for annuities does not apply to college annuities.

Pooled Income Fund
A pooled income fund is a deferred giving vehicle established and supervised by the Rutgers University Foundation. The fund operates to accept, commingle, and invest the gifts of numerous donors.

Obtaining a “unit” in a pooled-income fund is similar to buying a share of a mutual fund. Just as a mutual fund combines investments, a pooled income fund combines gifts from many donors into a common investment pool. To invest in the fund, donors may contribute cash, securities, or other assets.

The pool is invested in a diversified portfolio. A pro-rata share of income earned by the pool is distributed annually to each donor and/or other income beneficiary. Donors also receive income
tax charitable deductions based on the fund’s rate of return the previous three years, the number of beneficiaries, and the beneficiaries’ ages.

Upon the donor’s death, the donor’s share in the pooled income fund is severed and turned over to the Foundation. The fund itself does not terminate, but continues to administer the gifts of other donors.

**Minimum Gift Level:** The Foundation will accept initial contributions of at least $5,000 toward pooled income funds provided that all income beneficiaries will be at least 50 years of age at the time income payments begin. Additional contributions of at least $1,000 may be made to the fund at any time.

**Authorization for Acceptance:** The Vice President for Gift Planning or his/her designee is responsible for reviewing and accepting all life income gifts, including pooled income fund gifts, except those that require review by the Gift Acceptance Committee.

**Acceptance Procedure:** Same as Gift Annuities above.

**Campaign Counting:** Pooled Income Fund gifts will be counted at full face value.

### Charitable Remainder Trusts

A charitable remainder trust is a custom-designed and individually managed trust that enables the donor to receive annual income, claim a current income tax charitable deduction, and make a future gift to the University.

Charitable remainder trusts provide income to the donor and/or his or her named income beneficiary(ies), either for life or for a term of 1 to 20 years. At the death of the last surviving beneficiary or the end of the term, the trust terminates and the remainder is paid over to the Foundation.

Remainder trusts can be funded with a wide variety of assets. They can be established during the donor’s lifetime or through his or her estate, and the donor (or the estate) will receive a current income or estate tax charitable deduction.

*Remainder annuity trusts* pay a fixed payout rate that does not change over the trust term. While this means that additional contributions to an annuity trust are not permitted, it also provides the certainty of a fixed amount of income each year, regardless of any fluctuations in the value of the trust assets.

*Remainder unitrusts* pay an amount that is recalculated annually, based on the annual market value of the trust assets. This may provide a hedge against inflation: if the value of the trust principal increases, so does the donor’s income. The converse is also applicable on an annual basis. Donors may make additional contributions to the trust principal. There are several different ways to structure a unitrust, each designed to suit different circumstances.
Minimum Gift Level: The Foundation will accept charitable remainder trusts initially funded with a minimum gift of $100,000. The value of the University’s remainder interest must be 50% or more of the value of the assets transferred. All income beneficiaries must be at least 60 years of age at the time the trust begins income payments.

Authorization for Acceptance: The Vice President for Gift Planning or his/her designee is responsible for reviewing and accepting all life income gifts, including charitable remainder trusts, except those that require review by the Gift Acceptance Committee.

Acceptance Procedure: Same as Gift Annuities above.

Campaign Counting: Where the remainder designation to the University or Foundation is irrevocable, gifts made to establish charitable remainder trusts (regardless of whether or not the Foundation is the trustee) will be reported at full face value. Where the designation is revocable, the gift will be counted only in the separate record of expectancies (page 8).

Note: No portion of a trust that was counted in a previous campaign may be counted in the current campaign. If a trust that was counted in a previous campaign terminates during the current campaign period, none of the realized benefit will be counted, including any amount that exceeds what was previously reported.

Trusts Held Outside
In the case of a wholly charitable trust administered outside the Rutgers University Foundation established prior to July 1, 2007, any income received within the campaign period will be treated as gift income and will be counted at face value for campaign purposes.

In the case of trusts held outside that are established on or after July 1, 2007, the fair market value of the trust assets, or such portion thereof representing Rutgers’ irrevocable income interest therein, shall be credited as a current gift in the year in which the trust is established. Any income received from the trust will be treated as endowment income and, thus, will not be counted for campaign purposes.

Because trust arrangements can be complex and may be structured to provide support to the University from any combination of income and principal, in select cases, regardless of when the trust was established, the Vice President for Gift Planning may determine the appropriate manner of counting the gift for campaign purposes or may refer the trust to the Gift Acceptance Committee.

Charitable Lead Trusts
Charitable lead trusts may be viewed as the opposite of a charitable remainder trust. A donor transfers property to the lead trust, which pays either a fixed amount or a percentage of the value
of the trust assets to Rutgers, usually for a term of years. At the end of the trust term, the trust terminates and all of the trust assets pass to the donor’s designated heirs. A lead trust can offer significant income tax, gift tax, and estate tax benefits to the donors and their families.

**Minimum Gift Level:** The Foundation will accept income from a charitable lead trust funded at any level. It will not, however, act as trustee or successor trustee of any charitable lead trust.

**Authorization for Acceptance:** The Vice President for Gift Planning or his/her designee is responsible for reviewing and accepting all life income gifts, including charitable lead trusts, except those that require review by the Gift Acceptance Committee.

**Acceptance Procedure:** Same as Gift Annuities above.

**Campaign Counting:** In the year that a lead trust is established, the face value of its income stream that is anticipated through fiscal year 2019 (five years after the campaign period) will be recorded as a pledge. Annual income will be recorded as pledge payments when received. No amount of the underlying value of the lead trust will be recorded for campaign or any other purposes.

  *Note:* No portion of income from a lead trust that was counted in a previous campaign may be counted in the current campaign.

**Life Insurance**

The Foundation will accept gifts of whole life insurance policies where it has been named the owner and the beneficiary.

**Minimum Gift Level:** The Foundation will accept gifts of whole life insurance that have a face value of at least $10,000.

**Authorization for Acceptance:** The Vice President for Gift Planning or his/her designee must approve the proffer of all gifts of life insurance except those that require review by the Gift Acceptance Committee.

**Acceptance Procedure:**

1. A gift of insurance must meet the following criteria:
   - The Foundation is designated as both the beneficiary and the owner of the policy.
   - The policy is a whole life insurance policy which either
     (a) is paid-up as of the date of gift, or
     (b) is not paid-up as of the date of the gift but has a payment schedule of not more than 10 years. This situation requires charitable contributions to be made from the donor to the Foundation in an amount which is at least equal to any premiums, including unscheduled premiums, which may become due in order to maintain the policy.

   The Foundation will pay life insurance premiums on a timely basis.
(provided the donor has not paid the premium directly). If a premium notice is received by the Foundation before the donor makes the gift to cover payment, the Accounting Department will pay the premium in order to keep the policy active and will notify the Office of Gift Planning, which will send a reminder to the donor. Non-payment of a premium by a donor may result in a decision by the Foundation to have the Foundation absorb the cost of the premium, let the policy lapse, or cash in the policy.

If a gift of life insurance meets these criteria, the Vice President for Gift Planning may accept it if the purpose of the gift is otherwise acceptable.

2. If a gift fails to meet the criteria, the Vice President for Gift Planning will refer the proposed gift to the Gift Acceptance Committee, which will consider the policy type, face value, premium payment schedule, interest rate, age of insured(s), and other relevant information; the purpose of the gift; and the department, program, or endowment to benefit from the gift. The GAC may then approve or decline the proposed gift or may impose conditions for approval, including but not limited to donor pledges for contributions to cover premiums and revised payment schedules.

3. The gift will be completed upon the execution and delivery of the life insurance policy to the Foundation, or upon assignment of the policy if the Foundation is not the original owner of the policy.

4. If the donor designates the gift to establish an endowed or restricted fund, the gift agreement will include the provision that the gift must reach the minimum amount that is required when the gift is realized to establish such a fund.

Campaign Counting: To count gifts of life insurance in the campaign, the Rutgers University Foundation must be the owner and irrevocable beneficiary of the policy. Gifts that do not meet these criteria will be reported in the separate record of expectancies (page 8).

1. Paid-up life insurance policies will be counted at the cash surrender value and reported as a current outright gift.

2. Premium payments made by a donor for a whole-life policy that is new or not fully paid-up shall be counted over the seven-year campaign-reporting period at full value.

3. An insurance company’s cash settlement amount for an insurance policy whose death benefit is realized during the campaign period, whether the policy is owned by the Foundation or not, will be counted in campaign totals, provided no gift amounts in connection with the policy (i.e. the cash value of a gifted policy or cash premium payments received) were previously counted in campaign totals. To the extent any cash value or premium amounts were previously counted in the campaign period, appropriate adjustments will be made so that only the excess of the settlement amount over the previously counted amounts will be included.
Life Estates

Donors can receive an income tax charitable deduction by making a gift to the Foundation of their personal residence or farm while retaining full use and rights to the property during their lifetime. The donor irrevocably transfers legal ownership of the property to the Foundation but retains a “life estate” for the lifetime of the donor and/or his/her designee; and the Foundation receives the “remainder interest” in the property.

Minimum Gift Level: The Foundation will accept gifts of real property subject to a retained life estate if the fair market value of the property at the time the gift is made is a minimum of $50,000. The Foundation President may waive the minimum gift requirement if warranted, ex. the gift in question is part of a larger gift, is expected to lead to other gifts, or is from an especially generous donor.

Authorization for Acceptance: The Gift Acceptance Committee is responsible for reviewing all gifts of real property, including retained life estates.

Acceptance Procedure: Retained life estate gifts are subject to all of the policies and procedures for both gifts of real estate (page 17) and gift annuities (page 26). In addition, the donor must sign a “Life Estate Agreement” with the Foundation, prepared by the Office of Gift Planning, to articulate his/her responsibility for maintenance of the property, taxes, insurance, and other expenses.

Campaign Counting: A gift of real property subject to a retained life estate will be counted as a gift-in-kind at the appraised fair market value of the property, provided that the minimum age of the youngest person for whom the life estate is retained is 60 at the date of gift.
Definitions of Gifts, Grants, and Contracts

Gifts

Gifts are outright or deferred contributions received from private entities (individuals, trusts and estates, partnerships, corporations, foundations, and other organizations, sometimes referred to in this policy as “donors”) for which neither goods nor services are expected, implied, or forthcoming for the donor other than general reports and fulfillment of donor intent.

Grants and Contracts

Only grants that are awarded by private entities (individuals, corporations, and foundations) are considered charitable gifts. Grants awarded by governmental agencies are not considered gifts and are not addressed in this policy.

A grant is an award received, generally as the result of a written proposal, with the understanding that an accounting and/or report will be done at the end of the project and a copy of the results will be provided to the funder. A grant that has been determined to be a gift is donative in nature; it is given voluntarily and without expectation of any tangible compensation and implies no responsibility to provide the donor with a product, service, technical or scientific report(s), or any form of intellectual property.

Private grants will be counted in the campaign as outright gifts or pledges, depending on the grant terms and payment schedule.

A contract is a legally enforceable document containing administrative terms and conditions for the use of the funds. It may include provisions for intellectual property, reporting, compliance, and publication rights. It involves performance requirements to carry out specific project(s) or services(s) on the part of the University. A contract is not donative in nature and is not a gift.

Contract revenues will not be counted in the campaign.

The final determination as to whether funds are considered to derive from a grant or a contract is made by the Foundation’s Corporate and Foundation Relations office in conjunction with the University’s Office of Research and Sponsored Programs. The University’s Controller, Purchasing Department, Facilities Planning and Management, Office of Risk Management, Legal Counsel, and the appropriate Dean also may be consulted. A careful review is made of the source of funding, requirements during the funding period, and deliverables.
Restrictions on Gifts

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Gifts may be used only for the purpose(s) stipulated by the donor. The terms of any gift should be as general and flexible as possible to permit the most productive use of the funds.

Once the Foundation has received and accepted a gift or trust, it becomes Foundation property. The donor relinquishes control and, from this point, has no direct decision-making power regarding the disposition of the gift.

After a gift has been fully documented and the contributed assets have been transferred from the Foundation to the University, the University maintains ultimate authority and control over those assets.

All gifts are held in temporary accounts at the Foundation until they are transferred to permanent University accounts. Any interest that accrues while the funds are in Foundation accounts belongs to the Foundation; it will not be transferred to the University with the gift. Transfers are generally administered on a monthly basis. The majority of gifts are transferred soon after they are received. However, if the gift allocation is not clear or if the gift is intended to create a new University account, the transfer may be delayed while these issues are resolved.

All donors are presumed to have granted the Foundation permission to apply for any matching funds from federal, state, or private sources that might be available as a result of their gifts.

Unrestricted Gifts

The President of the University or his/her designee will decide the use and allocation of unrestricted gifts to the University. Correspondingly, the use or allocation of funds donated on an unrestricted basis for a particular college or unit shall be determined by the appropriate vice president, chancellor, dean, or director.

Unrestricted bequests or trust distributions will be allocated to the Foundation to support University advancement efforts.

Corporate matching gifts will be deposited into the fund for which the individual employee-donor’s gift was made unless the corporate donor specifies otherwise.

Restricted Gifts

Gifts that are made to be used for a specified purpose will be allocated to the appropriate
restricted account. The terms of all gifts that will cause the creation of a new, named account at the University will be documented in a fund agreement executed by the donor and the Foundation that outlines the program to be supported, the schedule of contributions made or pledged, and the administration of the fund.

Fund agreements will be prepared by the appropriate development officer and will be routed in draft form to the Donor Relations department for review. Drafts must be approved before they are sent to the donor. Donor Relations will manage the review process, including obtaining the advice of counsel and others as needed, in accordance with Foundation policies and procedures.

If a donor designates an estate gift or trust for a restricted use for which the donor did not execute an agreement with the Foundation during his/her lifetime, the Office of Gift Planning will oversee the preparation of an internal, administrative agreement regarding the use of the gift, which is to be sent to Donor Relations for review according to Foundation procedures. The final agreement will be distributed by Donor Relations with a copy of the relevant pages of the donor’s will or other appropriate document to all parties at Rutgers who have a role in administering the gift.

With the approval of the appropriate vice president, chancellor, dean, or director, Program Administrators designated in fund agreements will direct the use and allocation of restricted gift income consistent with the specified intent of the donor.

If the Foundation or the Gift Acceptance Committee determines that the restrictions on a gift are unreasonable or will place unacceptable constraints upon Foundation or University resources, the donor will be asked to alter or eliminate the problematic restrictions. If they cannot be altered or eliminated, the gift will be declined.

**Prohibited Restrictions**

The University is committed to bringing and maintaining diversity. Fundraising efforts made on behalf of the University reflect this commitment and provide donors with opportunities to support programs and scholarships that will foster an inclusive environment for aid recipients, enriching the University community with individuals who have a variety of geographical, cultural, ethnic, economic, and social backgrounds. Provisions that restrict gifts or give a preference on the basis of race, national origin, color, religion, national origin, age, marital status, disability, or sexual orientation generally are not acceptable because of legal prohibitions and should be discouraged. In some cases, such as scholarships designed to promote diversity, some such restrictions may be acceptable but must strictly comply with federal and state law and University nondiscrimination policy and must be reviewed by the Office of General Counsel. Provisions that consider gender as a factor must comply with applicable federal and state law and University policy and must also be reviewed by the Office of General Counsel.

Gifts from any donor for a fellowship, assistantship, or scholarship made on the condition or with the understanding that the award will be made to a student of the donor’s choice will not be accepted. Individuals who wish to provide direct support to specific students may send funds to the University Office of Student Accounting, but such transactions will not be recorded as
charitable gifts to the University.

Preferences for relatives or descendants of the donor in the awarding of scholarships or fellowships or in the use of donated funds are not permitted.

Fellowship or scholarship gifts that include a commitment for the future employment of the student recipient will not be accepted.

Gifts from any donor made on the condition or with the understanding that a particular faculty member will be hired or retained will not be accepted.

Gifts that restrict or impede the work or scholarly activity of a faculty member, fellowship holder, or student will not be accepted.

Occasionally a member of the faculty may make a gift to a fund that is under his or her general supervision and/or supports his or her own research. This is permitted provided that the funds can only be spent on appropriate educational or scientific activity and the overall program is accountable to Rutgers as an institution.

Generally, the Foundation will not accept gifts that require involvement of outside advisory committees established by the donor to assist in the administration of the fund. The donor of a gift may serve on an internal advisory committee but may not participate in the selection or evaluation of students or faculty members who would benefit from the gift.

The donor may not designate a particular firm or individual to handle the transfer or liquidation of a gift of securities.

**Minimum Funding Requirements**

The Foundation Board of Overseers adopted guidelines in November 2006 setting the minimum funding levels required to establish certain kinds of funds. The Board may review and amend these guidelines from time to time; however, except as otherwise provided herein, guidelines in place on the date a gift is executed shall govern that gift.

During gift negotiations, donors who are considering establishing a named fund should be advised of the applicable minimum gift requirements. Exceptions will be made only in unusual circumstances with the approval of the Foundation President. Approval must be granted before the gift is accepted.

In some instances a donor may make a gift of stock, real estate, or other property with the intention of creating a named fund with the proceeds of the sale of the donated asset. The gift value of the asset, or a combination of that value plus supplemental contributions, must meet the minimum required to establish the fund. In the event that the net proceeds of the eventual sale of the asset are less than the gift value that was assigned to it when it was accepted, the agreement will nonetheless be honored. The donor need not make up the difference. However, the donor may be encouraged to make additional contributions to bolster the fund, particularly if the
realized total is significantly less than the anticipated total.

**Amending Restrictions**

After a gift has been made—possibly many years after—it sometimes occurs that the University, the donor, the honoree, or the donor’s family requests that the gift be used for a different purpose than was originally stipulated. Any such change requires the involvement of University and Foundation legal counsel.

If another use is deemed necessary by the University, consent for using the funds in a different manner may be sought from the donor, or his or her representatives, or may be altered in accordance with the terms of the gift agreement. If the use becomes impossible or unlawful, court approval may be sought to alter the use. Similarly, for a donor or his or her representative to change the originally stated use of donated funds, the change must first be agreed to by appropriate University and Foundation officials.
Legal and Recognition Credit for Contributions

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To ensure both proper gift accounting and full donor recognition for contributions, the Foundation follows established guidelines for granting legal (or “hard”) credit and recognition (or “soft”) credit to donors.

Legal Credit

Legal Credit is given only to the individual/entity from whom/which a contribution is received. These donors can legally treat their gifts as charitable contributions for federal income tax purposes according to IRS guidelines.

Recognition Credit

Recognition Credit (or soft credit) is given to show affiliation with a gift. Recognition credit donors cannot regard the gift as a charitable contribution for federal income tax purposes. However, they may be included in honor rolls, receive special event invitations, or enjoy other benefits associated with contributions for which they receive soft credit.

Recognition credit will be recorded for those individuals who are designated to receive such credit by the legal donor and/or by an appropriate development staff member.

In some cases, donors may make contributions that pass through other organizations before reaching Rutgers. Such gifts include but are not limited to gifts from family foundations, community foundations, family or closely held corporations, and other donor-directed gifts not personally given. The CASE Management and Reporting Standards (Third Edition, 2004) provides guidelines for this on page 53:

In most cases where a contribution passes through several entities—such as from an individual to an organization to an institution, or from an organization to another organization to an institution—cite as the source of the gift the last of the entities through which it passes before reaching the institution.

Therefore, a gift made by an organization on behalf of an individual or other donor will be hard-credited to the organization. The individual or other donor will be given recognition credit.

Gifts via Donor Advised Funds

Donor Advised Funds (“DAF’s”) are 501(c)(3) charitable organizations established to accept, invest, and distribute irrevocable contributions to other 501(c)(3) charitable organizations. A donor who contributes to a DAF can recommend that the fund make distributions to other
nonprofits of the donor’s choice. However, because donors relinquish legal control over the funds they contribute to a DAF, the fund is not required to follow the donor’s recommendation. Both because the donor receives tax credit when he or she makes the contribution to the DAF and because the donor relinquishes control of the funds to the DAF at that time, the DAF is considered the legal donor of the distribution to another non-profit. The Rutgers University Foundation accordingly gives the DAF legal credit for the distribution. The affiliated donor can receive gift recognition credit if the Foundation is aware of the donor’s involvement in the gift.

Matching gift companies may or may not match contributions from a DAF. Donors are advised to consult directly with their employer’s human resources department about this.

**Quid Pro Quo Contributions**

The Internal Revenue Service defines a quid pro quo gift as a payment that is made partly as a contribution and partly for goods or services provided by the organization. Gifts to purchase tickets or tables at fundraising events are one example of quid pro quo contributions.

Per IRS guidelines, a donor may claim a charitable deduction only to the extent that his or her contribution exceeds the fair market value of the goods or services that he or she receives in return for the contribution.

Accordingly, for quid pro quo contributions to Rutgers, donors will be given legal credit for only that amount which exceeds the value of goods or services provided by the University or the Foundation. However, donors will be given recognition credit for the full amount.

A gift receipt or other written disclosure statement will inform the donor of the amount of the contribution that is deductible for federal income tax purposes and provide a good-faith estimate of the fair market value of the goods or services provided.

**Corporate Checks**

A corporate contribution will be recorded as a gift from the organization, not from an individual. The Management Reporting Standards for Educational Institutions states specifically: “A check drawn from a business account should be credited to the Corporations and Businesses category.” Failure to follow this policy could result in false information being provided to the Internal Revenue Service and negatively affect corporate fundraising totals.

Any possible exceptions to this policy will be addressed on a case-by-case basis. In this regard, the Foundation recognizes that, for some donors, there is little difference between personal and business checking accounts. Therefore, in appropriate instances a decision may be made to give credit to the individual donor. In these cases, the gift transmittal form must state: *Given on behalf of [name of individual]*.
Gift Fees

Many universities nationwide have instituted gift fees to help fund development efforts. Such fees are designed to help meet the costs related to fund raising, particularly in light of the increasing demand for private support for higher education. Individual donors, grant-making associations, corporations, and foundations have been supportive of this practice as an investment in the future advancement efforts of the university.

Gift Assessment Fee

Effective October 1, 2006, a gift assessment fee policy was approved by the Board of Governors for implementation at Rutgers. It is part of the investment strategy that will build the capacity to increase private contributions to Rutgers: the gift assessment fee is one of nine resources identified to support University fundraising efforts and the Foundation. Others include direct University support and special allocations from the University’s governing boards.

The assessment fee will allow for the necessary expansion of fundraising initiatives and development efforts. Without the efforts of the Foundation in obtaining these funds, there would be far fewer private gifts to the University, resulting in fewer scholarships, fellowships, programs, and research funds. These funds are essential in the efforts to advance Rutgers to a higher level of excellence.

An official statement of the assessment fee policy is available on the University website.

Endowment Administrative Fee

Endowment management fees are one of the most common sources of funding for development efforts at universities. The endowment administrative fee at Rutgers—another of the nine funding sources mentioned above—was approved for implementation in 2003 by the Board of Governors.

As with all guidelines for the management of endowed funds, the administrative fee policy was established by and is subject to the review of the Joint Committee on Investments of the Board of Governors and the Board of Trustees, as governed by the Uniform Prudent Management of Institutional Funds Act.
Standards of Ethical Conduct

The Rutgers University Foundation adheres to the principles of practice endorsed by the Commission on Philanthropy of the Council for the Advancement and Support of Education (CASE) and approved by the CASE Board of Trustees. All foundation employees, volunteers, and consultants involved in fund raising on behalf of Rutgers must agree to abide by the following standards. Individuals are responsible for the ramifications of their own actions in regard to the Standards of Ethical Conduct. Violations of ethical standards will result in appropriate disciplinary action up to and including termination.

Protections of Prospects’ and Donors’ Rights and Interests

The rights of prospects and donors are to be protected in all phases of the fund development process. It is the responsibility of Foundation staff and volunteers to inform, guide, or assist donors in fulfilling their philanthropic wishes without unduly influencing their decisions. Donors are advised to consult their own attorneys and/or tax advisors regarding all aspects of their proposed gifts, whether they are outright gifts, bequests, trusts, or other gift vehicles.

The Foundation will make every effort to ensure that each gift is made in the best interest of the donor as well as the University and the Foundation. To the extent that they are known, the donor’s charitable interests, finances, relationship with the Foundation and University, and family will be considered before a gift is accepted. If the assessment of development officers and others soliciting gifts suggests that a prospect or donor appears not to understand adequately the implications of a prospective charitable gift, consultation with family members and professional advisors will be sought as the gift is being negotiated.

Protection of Rutgers University Foundation and Rutgers University

Fundraising professionals shall pursue gifts that fall within or advance the University’s mission and institutional priorities. No staff member or representative of the Foundation or the University is authorized to commit to an agreement that is contrary to the University’s mission or policies or that compromises the ability of University departments and personnel to carry out their assigned responsibilities. In addition, no staff members will execute any agreements, contracts or other legal documents that are not in compliance with stated Foundation policies and procedures.

Remuneration

Development professionals involved in cultivating and soliciting gifts for Rutgers will be paid a salary or fee in accordance with the Code of Ethical Principles and Standards of the Association of Fundraising Professionals. No development professional will receive percentage-based compensation or commissions.

Related Party Transactions/Conflicts of Interest

No person involved in fund raising on behalf of Rutgers shall personally benefit from his or her
involvement in the fund development process and will avoid both the appearance of and any actual conflicts of interest. Employees of the Foundation and members of the Board of Overseers will complete an annual disclosure of related party transactions for consideration of potential conflicts of interest to the Audit Committee of the Board.

**Tax Advice**

Employees may provide only general tax information that may be helpful to prospects and donors. They are prohibited from providing individualized advice on tax matters. Employees should always encourage prospects and donors to consult their own attorney or other professional tax advisor.

**Donor Anonymity**

Occasionally, donors may request anonymity. The staff members working with these donors should establish the degree of privacy that is sought, ex. whether a request is for anonymity that is as complete and protected as possible or for a simple agreement that the Foundation will not promote the gift publicly. Fundraisers should seek advice from Donor Relations in each case.

In order to provide the fullest protection of anonymity possible under New Jersey law, Foundation policy is that the donor must make his or her anonymity a precondition of the gift. The request must be made and documented before the gift is given.

**Protection of Confidential Information and Materials**

Prospect and donor information, including but not limited to names, names of beneficiaries, gift amounts, and estate sizes will be kept confidential as appropriate and in accordance with any applicable legal requirements. Information as appropriate will be released only upon the authorization of the President of the Rutgers University Foundation or his/her designee.

All prospect and donor information created by the Rutgers University Foundation will be the property of the Foundation and may not be transferred or utilized except on behalf of the institution for its purposes. All such information is to be stored securely to prevent access by unauthorized persons.

Rutgers University Foundation personnel will be authorized to access database information, manual records, and contract and grant records for the purposes of fund raising efforts of the University. Before they will be granted access to database information, individuals must first sign a confidentiality statement and receive training in the use of the data. Vendors who will handle donor information, such as mailing houses that process Annual Fund or Alumni Relations mailings, are required to sign confidentiality statements.

All requests for confidential donor materials made by public media outlets or other external sources will be made through the department of Donor Relations.

All manual confidential documents and computer printouts that are no longer needed are to be
destroyed. All electronic media will be sent to the Information Technology department for destruction.

Confidentiality policies and procedures are maintained and disseminated by the Information Technology department.

**Sensitivity Within Confidential Files and Records**

Prospect and donor research files and computerized records will contain only information that is verifiable and directly relevant to giving capacity, likelihood, and interests. All entries in the file will be made as objectively as possible. The following information may be kept in the files and database records:

- Relevant public and private information, including addresses and telephone numbers, biographical profiles, briefings created by development staff, publicly obtained financial information, giving histories, and planned gift amounts.
- Relevant information offered by prospects and donors.
- Relevant information generated through direct communication with prospects and donors.
- Internal, development office-generated records, codes, ratings, wealth indicators, and analyses.

Information which is deemed to be particularly sensitive will not be kept in computer records. Sensitive information may include, but is not limited to, that which is potentially embarrassing or defamatory.
Policy Review and Amendment

From time to time it may be necessary to amend this policy. As circumstances warrant, proposed amendments will be presented in writing to the Donor Relations/Stewardship Advisory Committee (the “DRC”) for consideration. The DRC shall then submit its proposed amendments to the Board of Overseers for review and formal approval.

Additionally, the Foundation President shall have the authority to amend the policy to comply with any changes in Internal Revenue Service regulations or other applicable state or federal laws as of the effective date of the legal change. The President shall provide a written explanation of the change to the DRC, which will then prepare a written amendment as above.