

# **GIFT ACCEPTANCE POLICIES**

**GRAMBLING  
BLACK and GOLD FOUNDATION (GBGF)  
BOARD OF DIRECTORS  
POLICIES AND PROCEDURES MANUEL**

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**Title:** Gift Acceptance Policy  
**Policy Number:** 001  
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**Issuing Authority:** Grambling Black and Gold Foundation Board of Directors

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## **I. INTRODUCTION**

The GSU Vice President for Institutional Advancement is the chief fundraising officer for the coordination of all fundraising activities, including the overall supervisor and management of fundraising programs, administration of staff, and management of the cultivation, solicitation, and proper stewardship of all donors on behalf of the University. All development officers soliciting gifts on behalf of GSU or its units report through the Division of Institutional Advancement or are required, formally, to coordinate their activities with the Division of Institutional Advancement.

Gifts raised in support of Grambling State University (GSU) are received through the Grambling University Black & Gold Foundation. The Foundation is GSU's official, not-for-profit, 501(c)(3) entity responsible for receiving, administering and investing gifts and other revenues on behalf of the University.

### **A. Definitions**

A gift or contribution is an unconditional transfer of cash or other assets to the University, or cancellation of a liability of the University. Gifts are outright or deferred contributions received from private contributors (such as individuals, partnerships, corporations, foundations, trusts, and other organizations, sometimes referred to in this policy as "donors") in which neither goods nor services (other than general reports and fulfillment of donor intent) are expected, implied or forthcoming for the donor. (Such contributions are sometimes called "grants" by foundations and corporations).

An externally sponsored agreement is an agreement for which a Principal Investigator or Project Director is responsible. It is funded by an entity outside of the University, centered around an organized activity or project and intended to produce a specific research, instruction or public service outcome.

All gifts, whether for current use or endowment, solicited in the name of and treated as a gift to any part of the University, should be received and expended by the Grambling Black & Gold Foundation (GBGF). Donors may choose to give directly to the University. However, in such cases, donors must be informed that donations made directly to the University are subject to other state and federal requirements.

### **B. General Guidelines for Management and Reporting**

In cooperation with the Foundation, the Office of Development must receive all gifts to Grambling State University. Upon receipt, the terms, restrictions and conditions of the gift will be recorded. The Office of Development will deposit gifts through the University's Cashier's Office (on behalf of the Foundation) and to designations specific by donors and send an acknowledgement of the gift and message(s) of gratitude to all donors in a timely manner. Pledges will be recorded, and the Office of Development will maintain a pledge payment reminder system.<sup>1</sup>

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<sup>1</sup> Conformance to Financial Accounting Standards Board (FASB), rule 116, requires that the University record pledges as assets of the institutions, since FASB 116 interprets a "pledge" as an unconditional promise to give an asset to the University. (Source: [www.fasb.org/pdf/fas116.pdf](http://www.fasb.org/pdf/fas116.pdf) and [www.fasb.org/pdf/fas117.pdf](http://www.fasb.org/pdf/fas117.pdf)).

In the event that the Office of Development mistakenly receives a payment on an externally sponsored agreement, such payment should be deposited with the University's Cashier's Office and a copy of the receipt and documentation should be sent to the Office of Sponsored Research or VP/Provost for externally sponsored agreements.

Outright gifts to the University shall be reported only when assets are actually irrevocably transferred to the institutions. Deferred gifts shall be reported only when the assets are actually and irrevocably transferred to the institution by trust or gift instrument. Documented provisions in wills or other revocable instruments shall be acknowledged and reported separately but not treated as charitable gifts to the University until funds are actually received.

Total fundraising at Grambling State University shall be the sum of all new pledge commitments documented in the reporting period and all new cash/cash equivalent gifts received by the University in the same period. The amount of actual gifts received will be reported separately and will be the sum of all cash/cash equivalents received in the reporting period, including payments on pledges. Verbal pledges or commitments may not be counted in gift totals under any circumstances. Income from pledges or commitments may be not be counted in gift totals under any circumstances. Income from ticket-based operations, contract revenues and investment earnings is excluded from gift income. Net proceeds from special events benefiting University programs shall constitute gift income.

### **C. Conformity to National Reporting Standards**

The standards of accounting and reporting established by the Council for Advancement and Support (CASE) and the National Association of College and University Business Officers (NACUBO) as printed in *CASE Management Reporting Standards – Standards for Annual Giving and Campaigns in Educational Fundraising*, shall govern the management and reporting of gifts to the University. The Annual Gift Report by the University shall also conform to the Council for Aid to Education's (CFAE) annual Survey of Voluntary Support of Education (VSE).

(See GSU's 2004 Annual Gift Report (p.15) to compare GSU's performance to Louisiana universities at: [www.cae.org/content/pdf/FullFY2004.pdf](http://www.cae.org/content/pdf/FullFY2004.pdf) ).

### **D. Research Grants and Gift Reporting**

Grants supporting externally sponsored agreements that are also donations in nature will be reported as contributions by the Office of Development. Pledge information for these agreements shall be provided to the Office of Development by the Office of VPAA/Provost or Sponsored Research. Payment information on these agreements shall be provided to the Office of Development by the Office of Grant and Contract Accounting.

Such grants will be considered donations under the following conditions:

- no quid pro quo exchange is required;
- the outcome does not result in a product of marketable value intended for the exclusive use of the funder;
- unexpended funds are not required to be returned to the funder (except when the funder is a private foundation).

## **E. Campaign Gift Counting**

When the University launches a comprehensive fundraising campaign, the Office of Development, via the Gift Acceptance Committee (GAC), will be responsible for implementing all campaign-specific policies and procedures for campaign gift accounting and reporting established by the President and the Board of Directors. These policies and procedures may differ from gift policies and procedures stated elsewhere, e.g., campaign gifts may include charitable commitments from donors that are not counted as assets of the University under FASB accounting standards. (See Appendix A)

## **F. Code of Ethical Principles and Standards of Professional Practice**

All Development staff at Grambling State University will abide by the Association of Fundraising Professionals' Code (AFP) of *Ethical Principals and Standards of Professional Practice*, as amended from time to time (adopted in 1964; amended October 2004).

[www.afp.org](http://www.afp.org); [www.afpnet.org/ethics/ethics\\_and\\_donors](http://www.afpnet.org/ethics/ethics_and_donors); [www.acga-web.org/](http://www.acga-web.org/)

## **II. THE GIFT ACCEPTANCE COMMITTEE**

The University will have a Gift Acceptance Committee (GAC) made up of the Vice President for Institutional Advancement, VPAA/Provost, the VP Finance, or a representative from the Controller's Office, a representative from Foundation University Counsel, the Director of Planned Giving, Dean of a school or college who will serve a one-year term. The Vice President of Institutional Advancement will serve as chair of GAC.

The GAC shall be responsible for recommending and implementing all University gift acceptance policies as directed or authorized by the President. All such gift acceptance policies must be approved by the Foundation Board of Directors. Additionally, the GAC shall convene periodically to review, approve or decline certain gift plans and gifts of real and personal property in accordance with the following gift acceptance policy. All actions taken by the GAC shall be reported to the University Development Committee and the Board of Directors.

## **III. FORMS OF GIVING**

### **A. Cash Transactions**

All charitable gifts contributed in the form of cash, checks, money orders, traveler's checks, electronic fund transfers, and credit and debit card transactions shall be received at face value and will be recorded, receipted and acknowledged in accordance with University policies for Cash Handling and current IRS and FASB regulations. The University will provide a high level of security to donors who make online gifts. The date of gift for cash gifts will be determined by one of the following criteria:

- The date legal tender is received by the university by hand delivery
- The date of the U.S. postal marking indicated on the mailing envelope containing the gift
- The date electronically transferred funds are received into a university account

- The date a credit or debit card transaction is authorized by the donor (if such authorization is obtained through mail, the above criteria apply).

## **B. Publicly Traded Securities**

The University will accept all publicly traded securities based on the full fair market value of the securities, which shall be valued, recorded, receipted and acknowledged in accordance with current IRS regulations. The securities received will be sold as soon as practicable by the University's broker unless otherwise directed by the Vice President of Finance or Treasurer of the University.

The University will maintain one or more brokerage accounts for the purpose of processing all gifts and securities. The Office of the Treasurer will have the authority to open or close brokerage account with approval of the Foundation Board of Directors.

Gifts of publicly traded securities will be valued for gift recording purposes as the mean of the highest and lowest selling prices quoted for the stock (as reported by recognized public securities exchanges) on the date of their gift to the University. The date of gift will be determined based on one of the following criteria:

- the date an electronic transfer of securities from a donor's account is received into a brokerage account owned by the University or into a broker's gift account.
- the date of hand delivery of certificates that are signed over to the University
- the date of US postal cancellation on envelopes containing a certificate(s) accompanied by a qualified stock power (NOTE: Both the stock power and the certificates must be received by the University before valuation can be determined).

Gifts of publicly traded securities will be acknowledged to the donor in writing by identifying the name(s) of the securities and the actual number of shares given. No dollar amount will be included in the receipt. The exception to this will be when the donor gives securities in exchange for a life income gift and the securities must be valued in order to calculate the remainder value.

## **C. Non-liquid Business Interest**

Closely held or restricted securities, sole proprietorships, general or limited partnership interests, S corporate stock, and/or REITs (Real Estate Investment Trust) may be accepted as contributions only after review and approval by the Gift Acceptance Committee. Receipt of such gifts shall be recorded, receipted and acknowledged in accordance with all applicable IRS regulations.

Gifts of non-liquid business interests will be valued for recording purposes based on either a qualified independent appraisal when required by the IRS or by an objective third party who is knowledgeable about the interest. Gifts of non-liquid business interests will be acknowledged to the donor in writing by identifying the gift with particularity, including the name(s) of the shares and the actual number of shares given. No dollar amount will be included in the receipt.

## **D. Real Estate**

The University will consider gifts of real estate on a case-by-case basis. Real estate can be given outright, through a bargain sale arrangement, or for the purpose of funding a life income charitable giving arrangement. All gifts of real estate must be approved by the Gift Acceptance Committee (GAC). GAC will approve or decline a prospective gift or real estate in part upon the recommendation of the Office of Finance and the Office of Development.

All gifts of real estate will be handled in accordance with the University's procedure on received gifts of real estate. A representative from the Development Office must review the University's real estate acceptance procedure with the prospective donor.

**E. Tangible Personal Property**

Gifts of tangible personal property (gifts in kind) with a value in excess of \$25,000 will be accepted only with the approval of the Gift Acceptance Committee. Gifts in kind with a value less than \$25,000 will be accepted with the approval of the appropriate dean or officer of the University. The University will accept gifts of tangible personal property as long as the property donated has tangible value to the University or can be liquidated to produce cash. The Gift Acceptance Committee will set forth the basis for valuation of gifts of tangible personal property. All gifts of property received by the University must be recorded and acknowledged by the Office of Development in accordance with IRS regulations.

If the University is required to sign IRS Form 8283 regarding the receipt of tangible personal property, the Office of Development is authorized to execute the document in accordance with IRS regulations. If the University is required to file Form 8282 regarding the sale of donated property, the Office of Development is responsible for preparing the form and the Vice President for Financial Affairs will execute the form on behalf of the University.

#### **IV. ENDOWED FUNDS**

##### **A. General Policy**

The University shall define and manage its true and quasi-endowments in accordance with FASB definitions and rules.

Endowments may be designated for restricted use in any school/college, department or program within the University and may be named in honor of individuals. Endowments must be governed by a written agreement executed by the donor and the University. This agreement must be approved by the Vice President of Institutional Advancement, the Office of University Counsel (if applicable) and executed by an approved officer of the University before it is presented to the donor. The only exception to review and approval by the VP for Institutional Advancement and Office of Counsel is when the agreement is a University approved form agreement, and no substantive changes are made prior to presenting the agreement to the prospective donor.

Endowments may be funded with outright contributions including contributions pledged over a maximum period of five years and must meet the required minima established by prevailing University policy. If gifts for an endowment fail to meet the required minimum after the maximum pledge period, the funds may either be transferred to the general endowment funds of the University or to another University fund, as determined by the President upon recommendation by the Gift Acceptance Committee. Endowments funded by designated contributions from a Charitable Lead Trust may exceed the five-year maximum payment period on a case-by-case basis with the approval of the Gift Acceptance Committee.

Endowment contributions will be utilized for their intended purpose only when they are funded with cash (or cash equivalents) equaling 50% of the actual anticipated total gift commitment, or total contributions otherwise reach the applicable required minimum for the endowed fund.

Endowments may also be funded with deferred contributions from bequests, life insurance policies, retirement plan designations, charitable remainder trusts, charitable gift annuities, pooled Income fund contributions and similar instruments and arrangements (see Ways of Giving under Deferred or Planned Gifts). However, only the remainder value of these giving agreements may be used for credit toward the required endowment minima. Should such a deferred contribution not meet the prevailing minima for an endowed fund at the time it becomes available to the University, the Board of Directors shall determine a use for the funds that most closely resembles the purpose(s) set out in the original gift agreement.

Endowments created by testamentary transfer shall be administered in accordance with the donor's wish as set forth in the relevant testamentary document, provided that the donor clearly intends to establish an endowment and the intended use is not prohibited by law or University policy. If the intended use does fall outside of the law and/or University policy, or if the gift fails to meet the prevailing required minima for an endowed fund at the time it becomes available to the University, the University will

adhere to the laws and regulations of the Commonwealth of Louisiana regarding such matters.

A donor (and the donor's family or designee) who establishes a scholarship or award may participate in the selection of recipients upon approval by the University and subject to applicable law. The nature of the donor's and/or his/her family's or designee's involvement must be clearly defined in the endowment agreement between the donor and the University. In all cases, participation is advisory in nature. Final decision on the selection of scholarship and award recipients is the sole right of the University.

Endowment principals will be pooled and invested and income expended in accordance with the prevailing investment and spending policies of the University.

If a donor wishes to establish an endowed fund that includes provisions outside of University policy or approved procedure, the Gift Acceptance Committee must first review and recommend approval to the President.

Endowments that establish chairs and professorships must adhere to all University policy on chairs and professorships.

An endowed chair attached to the position of dean of a school or college will require additional funding beyond the minimum required for an endowed chair. The amount of such funding must be approved by the Foundation Board of Directors.

Chairs and professorships may be funded with a combination of outright and deferred gifts assuming the total funding meets endowment minima. If a portion of the funding will come from a bequest, life insurance policy, or retirement plan designation, the donor must be willing to sign an enforceable and irrevocable testamentary pledge agreement. An endowed professorship or chair will not be named and awarded until one half of the principal to be contributed is received by the University and invested in the endowment. Any exceptions to this funding arrangement must first be reviewed and recommended by the Gift Acceptance Committee prior to final approval by the President.

## **B. Endowment Minima**

The following are the required minima to fully endow the purpose listed. The University, through its Foundation Board of Directors, reserves the right to adjust the required minima from time to time. If a donor wishes to establish an endowment for a designation not currently listed in this document, the Gift Acceptance Committee will review the donor's intent and interests on a case-by-case basis. All gifts can be made over a period of up to five years or through other means as described in this document.

<b>Fund Type<sup>2</sup></b>	<b>Minima</b>
Endowed Prizes/Awards	\$ 10,000
General Endowment (For donor's designated purpose that is approved by the University)	25,000
Endowed Lectureship (Could include travel and honoraria, publications and reception costs)	25,000
Endowed Eminent Scholar Chairs (State 8g will match \$400,000)	\$600,000
Endowed Distinguished Professorships (State 8g will match \$40,000)	\$ 60,000
Endowed Faculty Development Fund	\$ 10,000
Endowed Unrestricted Fund	\$ 10,000
Non-Endowed Funds **	
Non-Endowed Scholarships - Annual	\$ 500
Non-Endowed Scholarships – One-time Gift	\$ 500
Service Awards	\$ 500

(\*\*Source: GSU/OOD: Fundraising Policy/Procedures 08/99)

## V. NAMING OPPORTUNITIES

### A. General Policy

A naming opportunity is an invitation to a donor (or donors) to name a school/college, facility (such as a building or classroom), center, institute or other program (such as an Honors Program) in honor or memory of someone the donor wishes to recognize, in exchange for a gift in an amount established by the University for the benefit of the corresponding program or facility.

Naming opportunities, including the appropriate gift size, the funding plan and the manner in which the gift will be utilized, must always meet the approval of the President of the University after consultation with the Gift Acceptance Committee and when required, the Board of Directors. (Also check policy for the ULS Board of Supervisors).

Institutes and centers are defined as entities within the University community with separate budgets and staff that fall under the auspices of a dean, a vice president or Provost of the University. The establishment of a new center of institute must meet with the approval of the President, after consultation with the Provost, dean or vice president under which the program will be supervised.

The naming of multiple spaces within a single facility must be pre-approved via a written plan. The plan will include the identification of the spaces to be named, the appropriate gift amount to name the space, and how the money will be utilized when it is collected.

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<sup>2</sup> The minimum for creating a non-endowed gift fund is \$10,000. Such funds may be used to support, among other things, scholarships, prizes and awards.

Deans and/or directors may prepare naming opportunity plans in consultation with the Gift Acceptance Committee and the Provost or relevant vice president before such plans are presented to the President. The President's approval and consent is required for naming opportunity plans to be submitted to the Board of Directors for approval.

Contributions qualifying for naming opportunities can be utilized for facility construction or renovation, maintenance, program enhancement and/or operations, scholarships, or research. Contributions may or may not be endowed. How the gift will be utilized must be set forth in a legally binding written agreement between the donor and the University.

## **B. Funding Requirements**

The funding plan for a named opportunity must be in writing and must meet with the approval of the President of the University after consultation with the Gift Acceptance Committee, and the Board of Directors when required. It may be determined that the naming will be delayed until agreed funding requirements are met.

Outright gifts and written enforceable pledges for up to five years may be used to fully or partially fund a named opportunity at face value. The President, after consultation with the Gift Acceptance Committee, must approve any pledge agreement that provides for any pledged amounts to be received beyond five years, prior to the pledge agreement being executed by the donor.

Testamentary deferred gifts (including gifts by will, trust, retirement plan or life insurance policy) may be used in combination with an outright pledge to fully or partially fund a named opportunity as long as the testamentary portion of the total commitment is no more than 50% of the total gift, is secured by a irrevocable pledge agreement, and the present value of the gift will meet the agreed upon gift level.

Irrevocable deferred gifts (including gift annuities, pooled income funds, and charitable remainder trusts) may be used to fully or partially fund a named opportunity as long as the present value of the gift will meet the agreed gift level.

## **VI. RESPONSIBILITIES TO DONORS**

### **A. General Policy**

The University considers its donors to be a highly valued constituency. All University officials will treat donors with the utmost respect and professionalism. The University will honor donors' wishes for designating the use of their gifts for any legitimate and approved program within the University. All donors will be acknowledged and thanked for their gifts in writing within a reasonable period of time.

In all gift matters, Grambling State University and Grambling Black & Gold Foundation (GBGF) staff must be aware of and sensitive to a potential donor's financial needs and concerns.

All representatives of Grambling State University and GBGF shall use their best judgment to help donors make informed gift decisions. Each representative should be knowledgeable about gifts and should disclose to the donor advantages and disadvantages that could reasonably influence the decision of the donor to make a gift to Grambling State University. In particular, planned gift

items subject to variability (such as market value and income payments) should be discussed fully.

Grambling State University will not knowingly accept a gift that is contrary to the donor's best interests.

The University will honor the request of donors who wish to remain anonymous.

All information that the University has gathered on its donors, prospects and alumni will be held and maintained by the University in strict confidence. Files will be made available whenever required by law.

## **VII. WAYS OF GIVING**

### **A. Current/Outright Gifts**

The University will accept current/outright gifts of cash, securities and real and personal property.

### **B. Pledges**

The University will accept and record written pledges in accordance with generally accepted accounting standards and FASB rules. No multi-year pledge of more than \$10,000 will be recorded on development or general accounting records unless it is substantiated in writing via a University-approved gift agreement signed by both the University and the donor. The agreement must include the gift amount and schedule of pledge payments. The agreement will also specifically state the designation of the gift within the university, indicating specific preferences and restrictions on the use of the funds. Single year pledges will be recorded in accordance with Office of Development procedures.

The maximum amount of time to fulfill a pledge will be five years from the date of execution of agreement. Pledges of more than five years must be approved by the President, after consultation with the Gift Acceptance Committee.

### **C. Deferred Gifts**

The Office of Planned Giving within the Office of Development will coordinate the receipt of all deferred gifts. Deferred gifts include bequest made through wills or living trusts, retirement plan designations, life income plans, charitable lead trusts, and retained life estates. Donors of life income giving arrangements may designate the remainder value of their gifts to any approved program within the University. Remainder gifts that will be used to establish named endowments or for naming opportunities must meet with the prevailing minima.

The GBG Foundation Counsel will process all legal documents associated with deferred gifts and prior approval by GBG Foundation Counsel is required before any legal document may be executed by an approved University officer. (Note: The donor is always advised to seek his/her own outside legal and tax advice before executing a planned gift). All planned gifts will be processed in accordance with the Model Standards of Practice for the Charitable Gift Planner created by the National Committee on Planned Giving (NCPG).

[http://www.ncpg.org/ethics\\_standards/Valuation%20Standards%20-%20Final.pdf](http://www.ncpg.org/ethics_standards/Valuation%20Standards%20-%20Final.pdf).

1. **Bequests and Retirement Plan Designations.** The University will receive charitable bequests and retirement plan designations, and will generally abide by any restrictions or designations indicated in appropriate documents assuming such restrictions and designations are applicable to current programs within the University and do not violate University policy. The University will not abide by any restrictions that are considered to be in violation of federal, state, or local laws. If the intended use does fall outside of the law and/or University policy, the University will adhere to the laws and regulations of the Commonwealth of Louisiana regarding such matters.

If a bequest or retirement plan designation of \$25,000 or more is given for the general purposes of the University, such funds shall be deposited into a segregated account and the President shall have discretionary authority to determine how to spend these contributions. In accordance with Board of Directors of GBG Foundation, unrestricted and undesignated gifts of under \$100,000 may be converted to quasi-endowment at the discretion of the President. Unrestricted and undesignated gifts of \$100,000 or more may be converted to quasi-endowment upon approval of the Board of Directors.

2. **Life Insurance.** The University will accept gifts of life insurance policies (where the University or GBG Foundation is named as both owner and beneficiary of the policy) based on the following:
  - a) The policy must have a death benefit of \$100,000 or more, unless the policy is fully paid up. Any future policy premiums due will be paid by regular contributions from the donor to the University. The Office of Planned Giving will coordinate all premium payments with the donor.
  - b) Term policies of any amount will be declined unless the donor irrevocably pledges to make regular contributions to the University equal to the regular premium amount. If the donor refuses to make regular contributions equal to the premium amount, the University will allow the policy to lapse.
  - c) The University may surrender an existing life insurance policy for its surrender value or sell the policy via a viable settlement based on prior review and approval of the Gift Acceptance Committee.
  - d) Acquiring a naming opportunity within the University with a life insurance policy while the donor is living can only be done with a fully paid up policy for the equivalent cash value of the naming opportunity. All exceptions to this policy must be approved by the President after consultation with the Gift Acceptance Committee.
  - e) The University will record a gift of life insurance policy only on the basis of its fair market value for general accounting purposes.
  - f) All donations of life insurance policies and contributions made to pay life insurance policy premiums will be receipted and acknowledged to the donor in accordance with prevailing IRS regulations.
3. **Charitable Gift Annuity.** The University will establish and promote gift annuity contracts with donors in accordance with applicable federal law, IRS regulations and the

laws and regulations of the State of Louisiana. Additionally, the University's gift annuity program will adhere to the following:

- a) The minimum size contributions to fund either an immediate gift annuity contract or a deferred payment gift annuity contract will be set by the Gift Acceptance Committee and may be periodically adjusted at its discretion.
- b) All gift annuity contracts must first be approved by Foundation University Counsel.
- c) The payout rates will conform to the applicable published rates of the American Council of Gift Annuities (ACGA). Any deviation from the ACGA rates must be approved by the Gift Acceptance Committee. (<http://www.acga-web.org>).
- d) The University Foundation may engage one or more third party entities to provide gift administration, custodial and investment services for its gift annuity contracts.
- e) All assets given to fund a gift annuity will be invested and income and principal will be used to pay any annuity obligations of the contract until all income beneficiaries under the contract are deceased or no longer entitled to receive income.
- f) Gift annuity contracts will be booked at face value for development and recognition purposes, but only at remainder value for general accounting purposes.

**4. Charitable Remainder Trust (CRT).** The University will accept and administer contributions to a charitable remainder trust in accordance with applicable federal law, IRS regulations and the laws and regulations of the State of Louisiana. Additionally, the University will administer its charitable remainder trusts based on the following:

- a) The University may serve as a trustee for charitable remainder annuity trusts (CRAT) or charitable remainder unitrusts (CRUT) only if it is named as an irrevocable remainder beneficiary of at least 51% of the remainder value of the Trust (GSU CRT), whichever is less.
- b) The President, after consultation with the Gift Acceptance Committee, will establish from time to time the minimum initial gift to GSU CRT.
- c) The University may hire one or more third party entities to provide trust administration and custodial and/or investment services for GSU CRT agreements.
- d) The Foundation's Office of University Counsel must approve all GSU CRT agreements prior to their execution.
- e) If GSU is named as trustee and 100% irrevocable remainder beneficiary of a GSU CRT, the University will not charge the trust or the income

beneficiary(ies) of the trust any administrative, management or brokerage fees that are expended to operate the trust. If GSU is named as less than 100% irrevocable remainder beneficiary, any costs incurred by the University to operate the trust must be proportionately shared by any other named remainder beneficiary.

- f) Grambling State University will serve as trustee of a GSU CRT when a donor wishes to donate real estate to the trust only if the donor will accept the trust in the form of a charitable remainder net-income Unitrust, with a flip provision. Contributions of real estate to a GSU CRT must follow the University's policy on real estate contributions and any costs associated with the sale of real estate within the GSU CRT will be charged to trust principal.
  - g) The Office of Planned Giving is authorized to establish GSU CRT payout rates at the minimum required by law and up to a maximum of 7%. If a donor wants a payout rate higher than 7%, it must first be approved by the President, after consultation with the Gift Acceptance Committee. All CRT payout rates established by the University must also conform to applicable federal law, IRS regulations and the laws and regulations of the Commonwealth of Louisiana.
  - h) GSU CRT agreements will be booked at face value for development and recognition purposes, but only at the remainder value for general accounting purposes.
  - i) When a donor establishes a qualified CRAT or CRUT outside the University and names GSU as an irrevocable remainder beneficiary, the University may book this contribution in the same manner as a GSU CRT upon receipt of a copy of the signed trust agreement.
  - j) Donors may contribute additional gifts of a minimum value of \$5,000 to their charitable unitrust for which GSU serves as trustee.
- 5. Pooled Income Fund.** The University will establish one or more pooled income funds (PIF) and will serve as trustee of any PIF in accordance with applicable federal law, IRS regulations and the laws and regulations of the Commonwealth of Louisiana. Additionally, the University will administer its PIF program in accordance with the following:
- a) The President, after consultation with the Gift Acceptance Committee, will establish from time to time the minimum size gift to a GSU PIF.
  - b) The Office of Finance in consultation with GBGF Finance committee and Counsel must approve all PIF transaction agreements prior to their execution.

- c) The University may hire one or more third party entities to provide trust administration and custodial and/or investment services for any of its PIFs.
  - d) PIF contributions will be booked at face value for development and recognition purposes, but only at remainder value for general accounting purposes.
- 6. Charitable Lead Trust.** The University will promote the use of Charitable Lead Trusts (CLT) to donor prospects as a means of reducing income or estate taxes and helping the University at the same time. Income produced by a CLT for the University may be restricted and designated in accordance with policies established for any other cash contributions. The University will not serve as a trustee of a CLT.
- 7. Remainder Interest Real Property.** The University will promote and accept gifts of retained life estates in real property if the donor agrees in writing to be responsible for all maintenance, insurance costs, and taxes associated with the property for as long as they retain their right to reside in the property. Gifts with a retained life estate must also conform to all other University policies regarding gifts of real estate. Gifts of a remainder interest will be credited to the donor in the year the transfer of ownership is completed from the donor to the University at the charitable remainder value of the contributed real estate.
- 8. Trusts Held by a Third Party.** The University will record such trusts, and gifts from such trusts, in accordance with generally accepted accounting practices.

## **VIII. EFFECTIVE DATE AND AMENDMENTS**

- A. Effective Date of Policy – Immediately -** Replaces proposed GSU polices/procedures dated 08/99; Policies approved by Board of Directors of Grambling Black and Gold Foundation, 02/2006.
- B. Presidential Authority to Make Technical Amendment**

APPENDIX A

**Grambling Black and Gold Foundation**  
**Grambling State University**  
**Campaign Gift Counting Guidelines**  
 (Established: July 2005)

The following chart summarizes the gift counting guidelines for a campaign.

<b>Type of Gift</b>	<b>Counting Guidelines</b>	<b>Restrictions</b>	<b>Report Present Value (Y/N)?</b>
Cash	Counted at face value	None	No
Pledges - < 5 Years	Counted at face value of total amount of pledge	Must be documented by legally binding pledge agreement	No
Pledges - > 5 Years	Counted at face value of total amount of pledge	Extension of pledge period must be approved by Gift Acceptance Committee and pledge must be documented by legally binding agreement	Yes
Marketable Securities	Counted at face value	None- valued according to IRS guidelines as indicated in University's Gift Acceptance Policy.	No
Closely Held Stock	Counted at face value	Value is determined through appraisals of securities that must be provided to the University. May not be used to fund gifts to certain types of projects. Gifts of closely held stock must be approved by Gift Acceptance Committee.	No
Real or personal property	Counted at face value	Value is determined through appraisal of property that must be provided to the University. May not be used to fund gifts to certain types of projects. Gifts of real or personal property must be approved by Gift Acceptance Committee.	No

Gifts-in-Kind	Counted at face value	Value is determined by appraisal of the value of the goods or services provided.	No
Charitable Remainder Trusts – Managed by Grambling Black and Gold Foundation	Counted at face value	Value is determined by market value of gifts made to fund the trust.	Yes
Pooled Income Fund Gifts - Managed by Grambling Black and Gold Foundation	Counted at face value	Value is determined by market value of gifts made to the fund.	Yes
Charitable Gift Annuities - Managed by Grambling Black and Gold Foundation	Counted at face value	Value is determined by market value of gifts made to fund the annuity.	Yes
Remainder Interest in Residence or Farm	Counted at face value	Value of gift is determined by calculation of charitable remainder value in the property contributed.	Yes
Charitable Lead Trusts	Amount counted is total expected payments from trust over a five-year period.	Five-year commitment from lead trust must be irrevocable to be counted. Distributions longer than 5 years must be approved by Gift Acceptance Committee to be counted in campaign.	No
Outside Managed Charitable Remainder Trusts or Other	Grambling State University or Foundation's share counted at face value	Grambling State University or Foundation must be irrevocable beneficiary. Value is determined by current market value of Grambling State University or Foundation's share of the trust.	Yes
Charitable Grants/Contracts	Counted at face value	Grants and contracts are counted in accordance with University policy.	No
Testamentary Pledges from Wills, Retirement Funds and Similar Assets	Counted at face value	No testamentary pledges will be accepted from donors below the age of 50. Testamentary pledges for those above the age of 70 will be counted at face value. For those aged 50 – 69, gifts will be counted at present value.	YES

		To be counted in campaign totals, a pledge agreement must be executed between Donor and the University binding Donor's estate for the amount of the pledge.	
Life Insurance – Cash Value	Counted at face value	University policy is to cash in policies and utilize proceeds for purpose intended by the donor.	No
Life Insurance – Death Benefit	Counted at face value with present value also reported.	Only whole or universal life policies that build cash value will be accepted. No term insurance. No insurance policies will be accepted with age of the insured less than 40 years.	YES

Ref: Fasn116, p. 8, Items 18 & 19; Contributions & Measures of Fair Value and [www.ncpg.org](http://www.ncpg.org) (National Committee on Planned Giving).

