John Carroll University
Gift Acceptance Policies and Procedures

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Gift Acceptance Policies and Procedures
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Policy 1

Purpose, Responsibility, Ethical Considerations, and Fund Raising Guidelines

Purpose

Founded in 1886, John Carroll University (hereinafter referred to as the "University") is a private, coeducational, and Jesuit Catholic University dedicated to inspiring individuals to excel in learning, leadership, and service in the region and in the world.

The purpose of these Gift Acceptance Policies and Procedures is to guide the University, philanthropic supporters, and the John Carroll Community as we seek to secure charitable support for the University's mission. These policies will allow the University to ensure all gifts further the University's mission, comply with state and federal laws and reporting requirements, and maintain the highest levels of stewardship,.

Responsibility

The Board of Directors for John Carroll University approves these policies. The Board or the Gift Review Committee may authorize an exception from one or more of these policies based on the circumstances of a particular gift. In its discretion, the University may refuse any gift. University staff are responsible for maintaining and carrying out these policies on a day-to-day basis.

Ethics

Every employee or person acting for and on behalf of the University shall adhere to all applicable University policies and the most current version of the Council for Advancement and Support of Education (CASE) Donor Bill of Rights and Statement of Ethics.

Fundraising Guidelines

The University considers fundraising from private sources to be an essential means of obtaining the funds necessary to further its mission.These guidelines are intended to provide a frame of reference for the University community and to facilitate the orderly pursuit of the University's fundraising objectives.

For the purposes of this policy, “gift” means a transfer of money, assets, tangible or intangible property, or other things of value for charitable purposes. A gift, outright or deferred, is for the benefit of the University. It may, however, be assigned to a unit of the University to support a particular program or project.

1. The main fundraising methods undertaken by the University are capital campaigns, annual campaigns, special initiatives, reunion campaigns, efforts seeking special gifts from corporations, foundations, or individuals, and direct or authorized third-party special fundraising events.

2. University Advancement is responsible for directing and coordinating all fundraising efforts on behalf of the University.

3. On an annual basis, the Board of Directors, on the recommendation of the Advancement Committee, approves University Advancement program plans and goals.

4. The President and the Board Executive Committee authorizes the use and commitment of unrestricted University funds on an annual basis. These priorities have preference over and above those of individual departments, schools, institutes, and centers.

5. The Board of Directors on the recommendation of the Advancement Committee approves all capital campaigns. The commitment and expenditure of the funds raised by Capital Campaigns shall be conducted in accordance with any Capital Campaign policies or guidelines in effect.

6. All initiatives to raise funds from philanthropic sources, on behalf of an academic or other unit of the University, must first be approved by the relevant Department Chair or Unit Head, the appropriate Dean and/or Vice President before a draft proposal is submitted to University Advancement for review and evaluation.

7. University Advancement will evaluate the project’s fund raising feasibility, its impact on approved, and/or overlapping fundraising campaigns and programs, and will forward its evaluation along with the proposal to the President for a decision.

8. Should the initiative be approved, University Advancement will assist the project’s supporters in developing and executing a fundraising plan.

9. Fundraising solicitations by members of the University community or a unit of the University directed towards a corporation, foundation, individual, consortium, church, or philanthropic entity must be approved by University Advancement in order to avoid repeated, simultaneous, or uncoordinated solicitation of the same prospective donor(s). University Advancement will work with departments on donor identification, cultivation. solicitation and stewardship.

10. Fundraising campaigns contemplated by a student association or student organization coming under the patronage of the University are subject to all applicable University guidelines, including this policy. Such fundraising efforts must be approved subject to the applicable Student Affairs policies and/or this policy, and if large enough or comprehensive in scale, approved by University Advancement.

11. All gifts and special event fundraising are to be guided by the University's current Gift Acceptance Policies and Procedures.

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Policy 2

General Guidelines for Gift Acceptance Management, Reporting, Gift Review Committee and Appraisals

General Guidelines

The gift acceptance policy and procedures at John Carroll University is guided by the national reporting standards presented by the Council for the Advancement and Support of Education (CASE) and the National Association of College and University Business Officers (NACUBO).

The University Advancement Office is responsible for accepting all charitable gifts, including all solicited or unsolicited gifts of money, gifts-in-kind, real and personal property, and/or services of any description to the University. Gifts received by any University personnel should be delivered by the next business day to the Advancement Office so they can be appropriately documented, acknowledged, and stewarded.

John Carroll University will not accept any gift if the gift would be inconsistent with the goals, mission, and/or objectives of the University.

The following guidelines are to be used to evaluate prospective gifts.

1. Gifts will not be accepted where there is not sufficient charitable intent on the part of the donor. Gifts should be for the benefit of the University and must be primarily charitable in nature.

2. Unless otherwise negotiated, gifts of property will generally be converted into cash at the earliest opportunity keeping in mind current market conditions and the use of the property in the accomplishment of the mission of the University. The University will generally not accept limitations on the liquidated or alienation of property that does not directly support the mission and operations of the University.

3. The University will not, in most cases, assume any indebtedness in connection with a gift. Exceptions to the contrary must be approved by the Gift Review Committee.

4. If property is encumbered by indebtedness, the donor will, in most cases, be requested to provide for the payment of taxes and any other associated costs until the property is liquidated.

5. Gifts will not be accepted where the University would be exposed to excessive material or personal liabilities as owners of the property.

6. The University will generally not enter in to Limited Partnership agreements and will seek to liquidate its interests in such agreements as soon as it is prudent to do so.

7. Contributions should support and enhance the mission and purpose of John Carroll University. Contributions that subject the University to burdensome or unusual restrictions will not be accepted.

8. Gifts will generally not be accepted under circumstances where, in the opinion of its tax advisers, the University would become subject to the tax on unrelated business income or unrelated debt-financed income.

9. Donors of property gifts of over $5,000 (except for gifts of publicly traded stock) must obtain a certified appraisal, at their own expense, by an independent, third-party licensed appraiser in accordance with current tax law requirements.

10. The expenses associated with the conveyance of a gift made to the University are generally to be borne by the donor.

11. All gifts of life insurance must comply with applicable University Guidelines.

12. The University will assume that donors rely on their own personal advisers for tax, legal, financial, and other advice concerning their gifts.

Any formal solicitation of gifts for the University will be made by authorized members of the University Advancement staff or others who have been directly authorized to make such solicitations. All employees, representatives or friends of the University are encouraged to refer any prospective donors to the Advancement staff at the earliest possible time.

Gift Review Committee

Prospective gifts, except gifts excluded from review by these Policies and Procedures, shall be reviewed by the Gift Review Committee (hereinafter referred to as the “GRC”). The GRC, either directly or indirectly through a development officer, will generally provide all prospective and actual donors with written confirmation of the acceptance or rejection of a gift within ten (10) business days of a decision with respect to acceptance or rejection.

The GRC consists of the Vice President for Finance and Administration, Vice President for University Advancement, and Assistant Vice President of Development. They may seek additional expertise/input from the President, the Office of Legal Affairs, other staff members, or third parties as required. The purpose of the committee is to review gifts being made to the University and to recommend action with respect to such gifts.

Exceptions and modifications to the University's Gift Policies and Procedures must be approved in writing by the GRC and approved by the Board of Directors when such approval is specifically noted as a requirement.

All gifts outside of specified categories, split interest gifts, and all the gifts of any amount and structure which involve non-routine financial or estate planning recommendations by the Advancement staff must be approved and accepted by the GRC.

A summary of the gift plan, including the following information, shall be presented to the GRC:

1. Description of the asset
2. Purpose of gift and benefit to the University
3. Gift structures being utilized
4. Estimated fair market value
5. Income, expenses, encumbrances
6. Other associated costs
7. Any known risks

Unless delay in submitting a written gift plan to the GRC would hinder or prejudice the gift transaction, a written summary will generally be provided to the GRC.

The GRC will review the information provided in the summary, request any additional information required, and make a determination as to whether to accept, restructure, make a counter-proposal, or reject a prospective gift within ten business days.

Notwithstanding the foregoing, outright gifts of money or publicly-traded stock below $50,000, or tangible personal property of less than $5,000, shall be considered a small gift. Small gifts need not be submitted to the GRC and exceptions to these policies and procedures for small gifts may be approved by the Vice President for University Advancement or their designee.

Implications for Gift Counting, Charitable Deductions, and Donor Recognition

These guidelines follow gift-counting principles established by CASE. This information will be used in the creation of annual reports for the University's use and for gift-counting data that is generated for other professional organizations. The University will issue gift receipts in accordance with these policies and procedures.

The University currently maintains donor recognition programs, for example 1886 Society, Family Fellows and Magis Legacy Society. All outright gifts, gifts-in-kind, deferred gifts, and estate plans will be credited to the donor for the appropriate recognition program. These amounts will not necessarily be the same as the charitable deduction. If requested, donor anonymity will be maintained to the extent possible while maintaining compliance with these policies and applicable regulatory requirements.

Special Fund Raising Events and Gifts Associated with Donor Benefits

The correct name and address of each donor who has made a contribution to any fundraising activity of the University must accompany the gift documentation that is delivered to the University Advancement Office. The University receipt will be prepared based on this information.

All acknowledgments for gifts associated with a corresponding donor benefit should state the fair market value of the benefit received by the donor, if applicable. Therefore, information on the fair market value of benefits must be submitted by units or groups sponsoring such events to the Assistant Vice President of Development for the purposes of capturing that information in acknowledgments and giving histories, and supplying it to donors upon request. The University will comply with IRS requirements in disclosing and reporting any tangible or intangible value received in exchange for gifts.

Appraisal Guidelines

For all appraisals pursuant to this policy**:**

1. The appraisal must be prepared not earlier than 60 days prior to the date that the contribution is made, and must be prepared not later than the due date of the return on which the deduction is claimed or the date that an amended return is filed if the amended return is the first return on which the deduction is claimed.

2. The appraisal must be prepared, signed, and dated by a qualified appraiser as defined below.

3. The appraisal must generally include all of the following information:

    a) A description of the property in sufficient detail for a person who is not generally familiar with the type of property to ascertain that the property that was appraised is the property that was (or will be) contributed;

    b) In the case of tangible property, the physical condition of the property;

    c) The date (or expected date) of contribution to the donee;

d) The terms of any agreement or understanding entered into (or expected to be entered into) by or on behalf of the donor, which relates to the use, sale or other disposition of the property contributed. This includes restrictions on the donee's right to use or dispose of the donated property, all provisions which confer on anyone, other than the donee charity, the right to income from the donated property or the right to possession of the property, including voting rights to securities, a right of purchase, or a right to designate the person to receive income, possession or right to purchase, or a provision which earmarks the donated property for a particular use. As an added precaution, all agreements between the donor and the donee charity relating to the gift should be attached to the appraisal and incorporated into it by reference;

e) The name, address, and taxpayer identification number of the qualified appraiser and, if the qualified appraiser is a partner in a partnership, an employee of any person (whether an individual, corporation, or partnership), or an independent contractor engaged by a person other than the donor, the name, address and taxpayer identification number of the partnership or the person who employs or engages the qualified appraiser;

f) The qualifications of the qualified appraiser;

g) A statement that the appraisal was prepared for income tax purposes;

h) The date or dates on which the property was valued;

i) The appraised fair market value of the property on the date (or expected date) of contribution;

j) The method of valuation used to determine the fair market value, such as the income approach, the market data approach, or the replacement-cost-less-depreciation approach;

k) The specific basis for the valuation, if any, such as any specific comparable sales transactions;

l) A description of the fee arrangement between the donor and the appraiser.

4. The appraiser must sign the Appraisal Summary when the donor presents it. In this regard, no part of the fee arrangement for a qualified appraisal can be based, in effect, on a percentage (or set of percentages) of the appraised value of the property.

5. To be a "qualified appraiser," the appraiser must sign and complete Internal Revenue Service Form 8283, Section B, denoted "Appraisal Summary."

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Policy 3

Gifts of Cash

Policy

The University welcomes gifts of cash including, checks, EFT/wire transfers, and credit card payments. These are among the most direct and simplest ways to support the University.

Procedures

1. All cash, checks, and credit card gifts should be forwarded immediately to the University Advancement Office. All gifts will be receipted to the proper fund and are deposited regularly. Gift acknowledgment receipts will be mailed to the donor within five (5) business days of processing the gift. Matching gifts from employers are credited to the donor for giving society recognition but receipts are sent to the company.

2. The day the gift is confirmed as received or processed by John Carroll University will be the date used to determine the date the gift was made for University purposes.

3. John Carroll University is not required nor obligated to establish the appropriate date used to determine the date the gift was made for the donor's purposes. John Carroll University will not create gift acknowledgment records that are inconsistent with University records concerning the receipt of gifts.

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Policy 4

Gifts of Publicly-Traded Securities

Policy

A. The University generally accepts gifts of publicly-traded stocks and bonds.

B. The University may refuse to accept gifts of securities that create a liability, have no apparent value, or create undue restrictions on assignment or sale.

C. Except in rare circumstances, gifts of readily marketable equities will be sold as soon as practical.

D. Gifts of bonds that require a holding period generally should be accepted and cashed when the holding period has expired.

E. To discover the fair market value of the gift of stock for University purposes, the University will use the average of the high and the low value of the stock as quoted by a reputable source as of the "date cleared" with the University broker. The responsibility for determining the value of a gift of securities for purposes of the donor's charitable deduction shall be exclusively the responsibility of the donor.

Procedures

1. If stock is held in custody with a brokerage firm or bank trust department, the donor should make a direct transfer of the securities from the custodian firm or bank to John Carroll University's account at Morgan Stanley Smith Barney.

   The donor should instruct the holding institution to make a direct transfer, known as a "DTC" with the following instructions:

   DTC# 0015
   John Carroll University
   Account #305-108150-553
   Attn: T.J. Johnson or Linda Steiner
   216.523.3125
   888.224.9599
   440.540.4496 (fax)
   Linda.Steiner@morganstanley.com

2. The donor should notify the University Advancement Office of the transfer of stock and indicate how their gift is to be designated (example: scholarships, buildings, or as an annual gift). This will enable the University to acknowledge the gift promptly and respect the donor's charitable intent.

3. Every effort should be made to utilize the University's broker to transfer securities. If circumstances prevent this, a stock power form signed by the donor naming the University as transferee should also be sent along with a notarized Letter of Instruction.

4. Upon acceptance of a gift, John Carroll University will provide a letter of acknowledgment and appreciation to the donor meeting Internal Revenue Service substantiation requirements within five (5) business days.

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Policy 5

Gifts of Closely Held Securities

Policy

A. Securities other than "publicly-traded securities" as defined in Policy 4, such as interests in non-publicly traded companies and interest in limited liability partnerships (LLPs) and limited liability companies (LLCs), may be accepted subject to approval of the GRC, which must review all such gifts.

B. The value of closely-held securities will be determined through the use of an independent qualified appraisal, the cost of which shall be underwritten by the donor (except for the case of estate gifts, where the University may bear the cost of such an appraisal), and credited at the appraisal value for both recognition and gift value (see Policy 2).

C. In general the University will not accept closely-held stock valued less than $25,000 without approval by the GRC. The University also will not accept gifts of closely-held securities where there is not a readily apparent opportunity to liquidate or sell the University's interest in such securities.

Procedures

The development officers should submit to the GRC:

1. Written summary of the securities

2. Current appraisal of the fair market value

3. Indication of its marketability

4. A list of any other concerns with respect to the Gift Acceptance Policies and Procedures

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Policy 6

Gifts of Real Property

Policy

The following policies apply to all gifts relating to or subject to real property. Real property may include, but is not limited to, commercial property, a residence, farm, and improved and unimproved land. Unless otherwise stated, or approved by the GRC, the University will only accept real property with a minimum equity of $25,000.

A. No real property can be accepted by the University without prior approval of the GRC. All gifts of real property, other than readily marketable single family homes with no suspected environmental risks, will require appropriate environmental due diligence prior to approval by the GRC. The cost of any such environmental inspection shall be underwritten by the donor. The value of real estate shall be determined through the use of an independent qualified appraisal, the cost of which shall be underwritten by the donor, and credited at the appraised value for both recognition and gift value purposes.

B. In general, it is the policy of John Carroll University not to accept contributions of property subject to any form of indebtedness or other liability in order to prevent the University from becoming responsible for the payment thereof. Circumstances may arise where the GRC believes that the acceptance of a gift encumbered by some form of liability would be in the University's best interest and that any financial risk would be within acceptable limits. In such event, the Vice President for Finance and Administration will prepare a response for the donor as soon as possible and preferably within ten (10) working days. In evaluating whether to accept such gift, consideration shall be given to the fair market value of the gift, the amount of the potential liability, the ability to sell the property, the costs associated with selling the property, and all other matters deemed relevant.

C. In general, the University will not accept a gift involving real property that makes the University a principal in a real estate partnership, undivided interest in real estate, joint venture, or business activity in which the University participates fully in the risks of the operation and has more than legally limited liability for the conduct of the business.

D. In general, gifts of mineral interests may be received absent extenuating circumstances such as extended liabilities or other considerations making receipt of the gift inadvisable. In this regard, prior to the acceptance of mineral interests, all offered gifts are to be first examined by a qualified consultant for such extenuating circumstances that would weigh against receipt of the gift. The expense of the examination must be borne by the donor. Working mineral interests, which entail special problems regarding taxation, should be considered in advance of receipt of the gift, with a view towards establishing a plan that will minimize any adverse effect on the tax status of the University.

E. If the University accepts real property with on-going activities that are subject to environmental regulation, the University will comply with all applicable environmental laws and regulations concerning the real property after accepting ownership or control of the real property.

F. The University may require a donor to have a survey prepared for a potential gift of real property. Unless otherwise approved by the GRC, the University will not pay for such survey.

G. In most instances, the donor will have a building inspection done of any improvements on commercial property given to the University. Unless otherwise approved by the GRC, the University will not pay for such building inspection.

H. In most instances, the donor will have gifts of real property appraised by a qualified appraiser to establish a fair market value for the donor's purposes. Unless otherwise approved by the GRC, the University will not pay for such an appraisal. An appraisal of real property must follow all applicable Gift Acceptance Policies and Procedures.

Procedures

Upon notification of a potential gift of real property, University Advancement staff should:

1. Request an inspection of the property by an appropriate University staff member or agent;

2. Comply with any applicable environmental assessment process;

3. Determine that no reasonable possibility exists that the property could be contaminated by hazardous waste;

4. Determine that the property has not been utilized in a manner that would embarrass John Carroll University;

5. Reach an understanding with the donor as to the valuation of the property;

6. Evaluate debt, insurance, homeowner's association fees, and other carrying costs in order to determine the advisability and value of accepting the gift;

7. Determine if any other liabilities might attach to the property;

8. Take the appropriate steps to ensure that the property will be immediately and adequately insured upon receipt;

9. Agree upon arrangements to cover post-transfer expenses (e.g., taxes and assessments, insurance, maintenance costs) in writing with the donor prior to the gift.

10. Preferably before acceptance, but in all events no later than upon acceptance of a gift of real property, John Carroll University will endeavor to advise the donor in writing of the value placed on the gift by the University for its purposes.

11. Upon acceptance of a gift, John Carroll University will provide a letter of acknowledgment and appreciation to the donor meeting Internal Revenue Service substantiation requirements.

12. If John Carroll University sells, exchanges, or otherwise disposes of any property for which it has signed a Donee Acknowledgment within two years after the date it received the gift, the University shall file Form 8282, Donee Information, with the Internal Revenue Service, with a copy to the donor, disclosing that fact and such other information as the Internal Revenue Service may require.

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Policy 7

Gifts of Tangible and Intangible Personal Property

Policy

This policy is established to govern the acceptance and disposition of all gifts of tangible and intangible personal property. Gifts of tangible personal property include but are not limited to works of art, boats, cars, antiques, rare books, and livestock. Gifts of intangible personal property include intellectual property such as copyrights, patents, and literary works.

Prior to accepting gifts of tangible personal property, the GRC shall examine the proposed gift in light of the following criteria:

1. Is the property needed by the University to fulfill its mission?

    a) If the University plans to keep the property, then, does the property complement the mission of the University and is the property useful to the University due to its aesthetic properties, historical significance, and/or usefulness for teaching or scholarly study?

    b) Does the University have adequate resources and facilities to maintain and preserve the property?

2. Is the property marketable?

3. Has the donor imposed restrictions on the use or disposition of the property?

4. Are there carrying costs associated with the property?

The University will consider gifts (valued at $5,000 or more) of tangible personal property.

1. All gifts affected by this policy must be approved in advance of acceptance of such gifts by the GRC. It is the responsibility of any development officer, departmental, or other University official presented with a gift or working with an estate to bring all gifts subject to this policy before the GRC prior to accepting such gifts.

2. Gifts valued at more than $5,000 must have an appraisal by an independent licensed appraiser.

Note: All gifts of tangible personal property must be able to be liquidated in order to be accepted by the University. No tangible property shall be accepted that obligates the University to ownership of it in perpetuity without prior approval from the GRC. No perishable property or property which will require special facilities or security to properly safeguard said property will be accepted without prior approval of the GRC. Other property of any description may be accepted only by prior approval of the GRC. The University is not responsible for any appraisal. See Appraisal Guidelines at the bottom of Policy 2.

Procedures

The development officer will prepare a written summary of the gift proposal and submit the summary to the GRC. At a minimum, the summary shall include the following information:

1. Description of asset (if art, title of the work, medium, dimensions, condition, and any special requirements or problems in connection with the gift);

2. The purpose of the gift (e.g. for teaching purposes, for campus display);

3. An estimate or appraisal of the gift's fair market value and marketability;

4. Any potential University use and, if so, written review by the department to benefit from the asset;

5. Any special arrangements requested by the donor concerning disposition (e.g. price considerations, time duration prior to disposition, potential buyers, etc.)

The GRC will review the material presented by the development officer and make a determination as whether to accept or reject the proposed gift (or, if necessary, to postpone a decision pending the receipt of additional information). The final determination of the GRC shall be communicated to the development officer, and the development officer shall communicate the University's decision to the donor in writing.

If a proposed gift of tangible personal property is approved by the GRC, the Advancement Office will acknowledge receipt of the gift on behalf of the University. The University will not appraise or assign a value to the gift. Donors of property gifts over $5,000 must obtain an appraisal (see Policy 2) by an independent third party appraiser in accordance with current tax law requirements.

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Policy 8

Gifts of Gifts-in-Kind

Policy

Gifts-in-kind are generally defined as non-cash gift donations, other than real and personal property, of materials that are directly related to the mission. Gifts-in-kind are usually from companies, corporations, or vendors, in contrast to individuals who typically give personal property. Typically gifts-in-kind are materials or long-lived assets related directly to the University's mission. Gifts in kind might include such items as equipment, software, printed materials, food, or other items.

1. Gifts-in-kind must be reviewed by the GRC. The GRC may, at its discretion, include other University experts to help make its determination as to whether or not to recommend acceptance.

2. Donors are required to provide the University in writing, the value of the gift-in-kind. For gifts-in-kind with an apparent value of $5,000 or more, a qualified appraisal must accompany the gift. In cases where the apparent value is less than $5,000 or the donor is a corporation, University or an association, the donor may be required at the University's discretion to submit an appraisal (see Policy 2).

3. The University does not act as an appraiser of gifts-in-kind. The donor, not the University, has the responsibility of substantiating the value of donated property with the IRS. Therefore, no values for gifts-in-kind shall appear in acknowledgment letters or receipts.

4. The value of a gift-in-kind that will be used for counting and donor recognition purposes will be the value that the donor has established for gifts-in-kind which have an apparent value less than $5,000. For gifts with an apparent value of $5,000 or more, the value that was provided by the donor in writing, accompanied by a qualified appraisal, will be used for counting purposes and donor recognition purposes. When an appraisal exists that only states a dollar range for a gift-in-kind, the midpoint of that range will be used for counting purposes.

5. If a company wishes to provide labor and materials for a specific project as a gift-in-kind, an invoice from the company detailing the labor portion and the materials portion will suffice in lieu of an appraisal. Only the materials portion of the invoice will be used for counting and donor recognition purposes. In cases such as this, if the apparent value of the gift is $5,000 or more, the gift must be approved by the GRC.

6. If a gift-in-kind with an apparent value of $5,000 or more is intended to be sold at a University fundraising auction, the gift must be approved by the GRC prior to the gift being sold at the auction.

7. Signature of a University representative on required IRS forms that acknowledge receipt of a property is not a concurrence in fair market value. Values are recorded for counting and donor recognition purposes only.

8. The University reserves the right to determine the sale date of any gift-in-kind of which it wants to divest itself. Disposition is made without regard to donor appraisal, and the University assumes no responsibility for any variance between appraised value and the amount obtained from the sale.

Procedures

Individuals who are contemplating donations of gifts-in-kind will be informed by appropriate development officers of University policies in regard to the internal process, appraisal requirements and policies in regard to disposition of gifts held for sale. No University employee shall render tax advice to a donor. For specific legal and financial advice, donors are referred to their tax attorneys and professional financial counselors.

The following documentation should be provided to the GRC:

1. Gift-in-Kind Review Form prepared, signed by a professional staff member and sent to the GRC. If the apparent value is $5,000 or more and from an individual donor, the appraisal must be attached.

2. Attach a letter from the donor stating the intent of the gift and the value they have placed on it. No University employee shall determine or place a value on any gift-in-kind.

3. The University Advancement Office assures that materials are complete, and for all gifts-in-kind of $5,000 or more, sends them to the Gift Review Committee.

4. The University Advancement Office must be notified of gifts-in-kind with apparent values of $4,999 or less. Since only the GRC is empowered to accept such gifts for the University, until such time as they move to accept a gift, deans, directors, and development officers assigned by the Vice President for University Advancement may only indicate the intent to make a gift is appreciated and that they will trigger the process for acceptance. Until the time that the GRC accepts the gift, the gift is not to be used by the University.

5. For non-cash gifts of $5,000 or more, at the request of the donor, the requisite section of IRS Form 8283 will be signed by the Vice President for University Advancement. The donor should complete his/her name, tax identification number, and description of the donated property before submitting the form for a University signature. The form should be sent to the University Advancement Office. Only the President, Vice President for University Advancement, or the Vice President for Finance and Administration are authorized to sign the form for the University.

6. Prior to the sale of a gift-in-kind, the Vice President for Finance and Administration notifies the Vice President for University Advancement that the gift is about to be sold. All transactions concerning equipment to be capitalized (not held for sale) are sent for approval to the Vice President for Finance and Administration.

7. Immediately after a sale of property sold within two years of its receipt as a gift, the Finance and Administration office submits all information required on IRS Form 8283 to the University Advancement Office. The University Advancement Office completes Form 8283 and sends it to the IRS with a copy sent to the donor.

8. In cases where the apparent gift value is below $5,000 or the gift is from a corporation, valuations for financial records for donor recognition purposes may be prepared by University experts or from equipment price listings.

9. Gifts of software need only have the vendor's reasonable value less any educational discount to substantiate the gift.

10. Copies of documentation regarding contribution credit for out-of-pocket expenses or services and for any eligible use of private property are to be forwarded to the University Advancement Office for review and processing.

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Policy 9

Gifts of Bequests and Estate Distributions

Policy

The preparation of an estate plan is one of the most personal and important tasks an individual may undertake. Estate plan distributions have contributed significantly to the University. The encouragement of bequests is one of the highest priorities of the University.

A. The University Advancement Office will work with donors, their attorneys, and their professional representatives in the preparation of documents to insure that assets or funds intended to be transferred to the University are appropriate and properly directed to benefit the intended program. Sample bequest language and sample gift agreements for restricted and unrestricted gifts, including endowments, will be made available to prospective donors.

B. Bequests are to be directed to John Carroll University. It is desirable for the University to obtain a copy of a bequest designation to insure that the devise is properly described and directed, but it is recognized that the provision of a copy of such documentation is solely at the discretion of the donor.

C. In many cases the University may not be aware of a bequest or trust distribution until notice is received from the personal representative or trustee. The Planned Giving Office will monitor processes associated with estate plan distributions, and assist personal representatives or legal counsel, where appropriate.

D. In some cases, it may be best for the University to disclaim a bequest or distribution. Concerns regarding liquidity, marketability, holding costs, environmental contamination, and liability may be valid reasons for disclaiming, an interest in a distribution. If the bequest involves securities, real estate, or personal property, the University will follow the appropriate policies for those items.

E. A testamentary trust may require the University to examine the nature of the asset as well as the capability of the University to economically manage the asset until liquidation can occur or for a long term period if an extended commitment is forecast. If it is determined that the University is unable to manage the asset or perform its duty as trustee, the University Advancement will work with the Office of Legal Affairs and the appropriate representatives to reach a solution satisfactory to all parties.

Procedures and Guidelines Regarding Estate Gifts

1. Employees, officers and directors of John Carroll University may not prepare wills for donors to the University. Appropriate staff may, upon request, provide suggested gift clauses to donors' attorneys for inclusion in wills prepared by donors' attorneys.

2. Whenever possible, a designated employee of John Carroll University will review in advance any restrictions or conditions placed on a charitable bequest to confirm they are acceptable to the University and confirm that the University is properly named as a beneficiary.

3. John Carroll University generally may not serve as an executor for estates or as an attorney-in-fact. Officers and directors of the University may not serve as executors of estates or as attorneys-in-fact in their capacity as University officers and/or directors.

4. As a general rule, John Carroll University will not bear any cost associated with creating or amending a will or trust.

Procedures

When John Carroll University has been notified that an individual has died, leaving an estate gift to the University, University Advancement should:

1. Create and maintain a file and, when applicable, share all notices and documentation with the Office of Legal Affairs.

2. If applicable, send a note of sympathy and appreciation to surviving heirs or loved ones.

3. Work with the Office of Legal Affairs to track the status of the gift and take any interim action required to secure the University's interest in the gift.

4. Documents such as releases, waivers, and final accountings requiring the signature of a John Carroll University representative should be reviewed by the Office of Legal Affairs and executed by an appropriate signatory for John Carroll University.

5. On completion of the probate proceedings, provide all documents to the Business Office for handling of Fund set-up and management. Gift procedures provided elsewhere in these policies should be followed when applicable. Original documents will be maintained by the University Advancement Office.

When John Carroll University learns of a known or possible bequest, the Director of Planned Giving should:

1. Start and maintain a bequest file and checklist.

2. When appropriate, send a letter of acknowledgment and appreciation to the donor. A copy of the acknowledgment letter goes in the donor's file. In the acknowledgment letter, the University should request a copy of that portion of the will pertaining to the gift to the University, explaining that sending a copy does not obligate the donor if he or she wishes to make a change.

3. The University should annually review all known and possible bequests, and make sure individuals have been visited or contacted in accordance with University Advancement guidelines.

4. Place bequest information in the master file.

Gift Acceptance Policies and Procedures
of
John Carroll University

Policy 10

Gifts of Charitable Trusts

Policy

In working with prospective charitable trust donors, care will be taken to assure that the person creating the trust fully understands if the trust is irrevocable and understands the nature of the payments that will be made to the trust beneficiaries. All prospective donors will be advised to seek independent legal and/or tax advice. The relevant University development staff members will communicate clearly to the prospective donor that he or she represents the University.

A. The University will generally not serve as a trustee. In certain limited circumstances where it is favorable to the University and does not create unneeded risk, the University may serve as a co-trustee.

B. All charitable trusts entered into with the University must benefit the University and in every instance must benefit exclusively charitable, religious, or educational causes with values and objectives consistent with those of the University. Due to the complex nature and administrative responsibilities associated with charitable trusts, the University will generally, not enter into a charitable trust with an initial aggregate value of less than $100,000 dollars without prior approval by the GRC.

C. When permissible, John Carroll University may recover its direct and indirect expenses incurred in managing the trust assets and the trust.

D. John Carroll University may hire attorneys, accountants, agents, investment advisors, investment managers and brokers whose services are reasonably necessary to the administration of the trust estate, and it may delegate acts that are merely mechanical or ministerial, although discretion with respect to investment authority may not be delegated without specific authorization in the trust instrument.

E. As a general rule, the initial corpus of a charitable trust should be conveyed to the trust simultaneous with the execution of the trust by the donor.

F. All charitable trust arrangements must be reviewed and approved by the GRC. Additionally, due to the complex nature of charitable trust arrangements, the Office of Legal Affairs should be involved in the review and approval of all gift agreements and other legal documents associated with charitable trust arrangements.

Procedures

When John Carroll University enters into a Trust Agreement, Planned Giving should:

1. Prepare and have donor sign:

    a) Trust Agreement (duplicate originals if required or requested)

    b) Attorney disclaimer letters if applicable

2. Prepare and have donor(s) and life income recipient(s) sign a W-9, to verify Social Security numbers.

3. Return to donor(s) a signed copy of the Trust Agreement. Send donor(s) gift receipt meeting Internal Revenue Service substantiation requirements.

4. Prepare and send thank you letter to donor. A copy of the letter should be made for the file.

5. Prepare and send thank you letter to any professionals assisting with gift. A copy of the letter should be made for Trust File.

6. Assure that all transfer documents, such as stock powers and deeds, are properly handled, and that deeds for real estate are timely and properly filed in the appropriate deed records.

7. Carefully review trust instrument for unusual and specific provisions such as the unitrust or annuity amount, payment dates (e.g., quarterly, etc.) and accounting requirements.

8. Provide completed gift information form and full set of documents (including Trust Agreement, financial model analysis and W-9) to Business Office for accounting, tax and financial administration purposes.

9. Transfer all applicable information to University Finance and Administration, which shall administer, or arrange for the third party administration of: all payments, tax records, and financial record keeping associated with charitable trusts. University Advancement and University Finance and Administration will create and maintain appropriate processes for complying with the financial, legal, accounting, and stewardship requirements for different class of trust instruments.

Gift Acceptance Policies and Procedures
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Policy 11

Gifts of Charitable Gift Annuities

Policy

In working with prospective gift annuity donors, care will be taken to assure that the person entering into the annuity fully understands that the annuity gift is irrevocable and understands the nature of the fixed payment which will be payable to them. All prospective donors will be urged to seek advice of their own legal and/or tax counsel. The relevant University staff member will communicate clearly to the prospective donor that he or she represents John Carroll University.

The University supports both charitable gift annuities and deferred charitable gift annuities.

A. All gift annuities entered into with the University must be approved by the GRC, predominantly benefit the University and in every instance must benefit exclusively charitable, religious, or educational causes. Additionally, all such gift agreements involving annuities must provide for a funding deadline to funding the annuity at issue a mechanism to unwind the gift if such funding deadline is not met. All such agreements must ensure that the gift is funded, administered, and operates in accordance with IRS guidelines.

B. No gift annuity will be entered into for an initial amount less than $100,000 or with a named beneficiary who is younger than 70 years of age without prior approval by GRC.

C. Gift annuities can be funded with cash, cash equivalents, or publicly traded securities and funding must be received during the month the agreement is fully executed.

D. John Carroll University adheres to the rates recommended by the American Council on Gift Annuities. However, the University maintains the right to set its own gift annuity rate in exceptional circumstances and upon board approval.

E. Gift annuity donors will be provided with all legally required notifications and disclosures (e.g. required disclosures for Ohio).

F. All gift annuity donors shall be requested to provide the tax basis of donated assets. For purposes of tax reporting and gift annuity accounting, John Carroll University shall rely on tax basis information provided by the donor. If no such information is provided, the University shall assume that the tax basis of the gift asset is zero dollars, and the donor shall be so advised in writing.

G. John Carroll University will provide gift receipts meeting Internal Revenue Service substantiation requirements for gift annuity gifts.

H. Finance and Administration is responsible for the oversight of the annual information in the form of IRS Form 1099-R and necessary supplemental information will be provided to University donors by January 31st of each and every calendar year with regard to the filing of federal income tax returns (and state and local income tax returns where necessary).

I. Finance and Administration is responsible for the annual review of the procedures for and maintenance of individual state registration for the issuance of gift annuities.

Procedures

When John Carroll University enters into Charitable Gift Annuity agreement, the relevant University development team member should:

1. Prepare and have donor sign duplicate originals of :

    a) Gift Annuity Agreement (both returned to the University for the signature of the Vice President for Finance and Administration)

    b) Disclosure letter with a copy of the most recent annual report (donor keeps one copy and returns other to the University)

    c) Attorney disclaimer letters if the donor(s) did not consult with a professional advisor (attorney or CPA) in the gift planning process (donor keeps one and returns other to the University).

2. Prepare and have donor(s) and life income recipient(s) sign a W-9, to verify Social Security numbers.

3. Return to donor(s) a signed original of the Gift Annuity Agreement.

4. Prepare appropriate gift acknowledgment documents.

5. Provide completed gift information form and full set of documents to University Advancement for the Gift Annuity File.

6. Provide gift information form to the University Advancement Office for input into the database.

7. Provide information to the Vice President for Finance and Administration or designee for John Carroll University Records and for verification.

University Advancement and Finance and Administration should:

1. Recheck all calculations and payout information.

2. Add gift annuity information to payment management system for the University or inform third party processor.

3. Provide information to Finance and Administration for the permanent Gift Annuity File.

4. During life of annuitant(s), fund administration and oversight should be handled by the payment management system or third party processor.

5. With a two-life annuity, note death of first to die in appropriate files.

During life of annuitant(s), the relevant member of the University development team should:

1. Enclose personal note or letter to donor(s) and annuitant(s) (if different) at least once per year.

2. With a two-life annuity, send note of sympathy to appropriate parties on death of first annuitant.

During life of annuitant(s), Accounting should:

1. Adjust the books annually for Annuities Payable – Beneficiaries for the funds that will not remain with the university upon the death of the last annuitant.

Upon death of last annuitant, University Advancement representative should:

1. Obtain death certificate, obituary or service bulletin.

2. Take appropriate steps to restructure the gift in accordance with gift annuity and final fund distribution.

Upon death of last annuitant, Planned Giving should:

1. Send note of sympathy and appreciation to heirs and loved ones.

2. If ongoing distributions are to be made through an endowment fund, send letter to remainder beneficiary (ies) at time of death and/or with first payment depending on payment schedule.

Gift Acceptance Policies and Procedures
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Policy 12

Gifts of Life Insurance

Policy

John Carroll University will accept gifts of life insurance policies when the following criteria are met:

A. John Carroll University is designated the irrevocable owner and beneficiary of the policy.

    1. The policy is not a term policy, in whole or in part.

    2. The policy insures only the life of the donor, the donor's spouse, or another person roughly the same age as the donor and should be a paid up policy.

    3. The policy is a gift of a new or existing insurance policy, for which the donor intends to continue making payments so that the policy does not lapse.

B. Paid-up whole life policies of any amount may be donated.

C. If the policy is not paid up at the date of the gift, the following requirements apply:

    1. The policy must be whole life or universal.

    2. John Carroll University will make payments on a policy when the donor makes annual gifts at least equivalent to the amount of the premium.

    3. If the donor does not continue to make payments to cover premium payments, The University is under no obligation, but may continue to pay the premiums, convert the policy to paid up insurance, or surrender the policy for its current cash value.

D. The donor should state in writing the purpose or designation of the gift, if any at the time the policy is donated.

E. John Carroll University never recommends agents or agencies and never endorses insurance programs. Those considering gifts of new insurance are urged to survey the market by reviewing the products of a number of companies.

Procedures

Upon acceptance of a life insurance gift, the University will provide an acknowledgment to the donor meeting Internal Revenue Service substantiation requirements.

1. A life insurance gift is a non-cash gift and should be reported by the donor on IRS Form 8283 if the donor claims a charitable deduction of $500 or more. Upon presentation and acceptance of the gift, however, the University will sign the Donee Acknowledgment for such gift contained in Form 8283, if requested to do so by the donor. If John Carroll University sells, exchanges or otherwise disposes of any property for which it has signed a Donee Acknowledgment within two years of the date the University received the gift, the University shall file Form 8282, Donee Information, with the Internal Revenue Service, with a copy to the donor, disclosing that fact and such other information as the Internal Revenue Service may require.

2. Follow appropriate Gift Acceptance Policy and Procedures for type of gift the life insurance is funding.

Gift Acceptance Policies and Procedures
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Policy 13

Gifts of Retirement Plans/IRA Benefits

Policy

John Carroll University may be named as a primary, secondary, partial, or contingent beneficiary of a retirement plan or IRA (Individual Retirement Accounts). Because of the revocable nature of such beneficiary elections, such gifts generally may not be treated as irrevocable gifts.

Procedures

1. Development Officers should inform the donor of the necessity of changing their beneficiary designation form in order to effectuate an intended IRA or retirement plan gift.

2. John Carroll University should ensure that the beneficiary designation form for a retirement plan or IRA payable to the University and/or to a charitable trust of which the University is a beneficiary matches the donor's expressed intent.

3. University Advancement will provide any documentation required by plan administrators or custodians in order to facilitate the distribution of retirement plan or IRA benefits payable to the University. Beyond the steps needed to satisfy the administrative requirements of the financial custodian/ plan administrator, such processes will be conducted in accordance with normal gift handling and stewardship processes.

Gift Acceptance Policies and Procedures
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Policy 14

Gifts Creating an Endowment

Policy

Endowment funds are a special designation for funds that are intended to be retained and invested for income producing purposes using a gift or gifts from donors as the initial funding source. The use of income from an endowment can be restricted or unrestricted based on the terms of the Donor's initial gift, pledge or gift agreement.

A. In working with prospective donors, care will be taken to assure that the person creating the fund fully understands that the fund is irrevocable and the process by which the funds will be used within the University.

B. All endowment-related gift agreements entered into with the University must benefit the University and must not be unduly restricted in a manner that negates the ability of the University to engage in a productive use of the proceeds.

C. Distributions from endowed funds will be made from net income to specific programs. In the event the specific program no longer exists, every effort will be made to distribute the income to another program that would most closely comply with the donor's original wishes and intent with respect to the gift. University Advancement will reach out to the donor (or donors heirs) to notify that new use of the endowment and annual donor endowment reports will reflect the new use.

D. The Board of Directors retains the right to set and modify spending guidelines for endowments.

E. The minimum amount required to establish an endowment fund or named endowment, including named endowed scholarships, is $50,000.

F. Due to the long-term impact of endowed funds and their associated operating restrictions, the GRC must approve all gift agreements associated with the creation of an endowment.

Procedures

When John Carroll University enters into an Endowment Fund Agreement:

1. Prepare and have donor sign an endowed fund agreement or other appropriate gift agreement. The University President countersigns the document and it is returned to the donor.

2. Donor receives appropriate gift acknowledgment documentation.

3. University Advancement provides endowment guidelines to relevant University unit affected by the gift.

Gift Acceptance Policies and Procedures
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Policy 15

Policy and Guidelines for Naming Opportunities

General Guidelines

Naming Opportunities are a unique form of recognition available to donors and other individuals who make significant contributions to John Carroll University. This policy provides guidelines for the creation of both honorific and philanthropy-related naming recognition at John Carrol University.

Definitions

1. ***Naming Opportunity*** is the naming of a building, physical space, academic program or position.

Policy

1. **Authority:** Unless otherwise noted, All Naming Opportunities must be approved by the GRC and the University President. Additionally, any naming opportunity associated with a gift in excess of $5 million dollars must be approved by the John Carroll University Board of Directors, who may delegate such authority to the Board's Advancement Committee. Naming and/or Recognition opportunities may be approved via alternative processes only to the extent that such processes or exceptions are specifically noted in this policy.

2. **Giving Thresholds:** Unless a naming opportunity is honorific, the minimum threshold for a naming opportunity associated with a gift is specified in the current "JCU Naming Opportunities Schedule", which outlines the current Board of Directors approved thresholds for University naming opportunities and any funding requirements associated with such thresholds. University Advancement will maintain the official JCU Naming Opportunities Schedule and will discuss alternative Naming Opportunities on a case-by-case basis. Generally speaking, University Advancement will discontinue the active solicitation for a particular Naming Opportunity once a donor has given a written commitment to make a gift in connection with that opportunity. Naming will generally be effective for the useful life of a physical asset or space. For an academic program or position, the Naming Opportunity will generally cease if that program or position ceases to exist at John Carroll University.

3. **Philanthropic Recognition:** Philanthropic naming opportunities are available for donors making gifts pursuant to the John Carroll University Gift Acceptance Policies and Procedures.

4. **Honorific Naming:** Naming recognition may be given to Individuals who have made unique contributions to John Carroll University, to the broader world and/or to their professional field. Generally, such recognition will not be given while an individual is currently working at the University, serving on the Board of Directors, or holding public office. The following categories constitute a non-exhaustive list of reasons that an individual may be recognized by the University with an Honorific Naming: i) While serving in an academic capacity at John Carroll University, the individual has achieved an outstanding and particularly notable level of national or international recognition in their field; ii) while serving in a non-academic capacity the Individual has made an exceptional contribution to the University that warrants recognition; or iii) has made some other contribution to the wellbeing of the University or has distinguished themselves in a way that warrants an Honorific Naming in the opinion of the University.
5. **Other Physical Tributes, Commemorations, and Acknowledgement:** University Advancement, with approval of the GRC, is authorized to create and modify as needed programs to create and recognize small tributes, commemorations or acknowledgements that honor a donor other others, but do not rename a space or create a permanent obligation upon the University to maintain such an arrangement. Such opportunities will have a maximum required donation of $50,000. Provided that such opportunities comply with University Advancement guidelines, the Vice President for University Advancement may approve such opportunities.

6. **Revocation of Naming Opportunities:** John Carroll University, upon approval of the Board of Directors, may revoke, discontinue or remove Naming Opportunities when:

    a) After being given a reasonable amount of time, the applicable donor does not fulfill the terms of the gift agreement or pledge associated with the Naming Opportunity;

    b) When a building or space is demolished, extensively renovated, or has a fundamental change in purpose while making a good faith effort to acknowledge the original name in an appropriate manner;

    c) When a named program/position no longer exists or has otherwise been indefinitely discontinued; or

d) When continuing to honor the named person would be detrimental to the character and reputation of John Carroll University. For example, this may occur after information concerning the named party, such as a criminal conviction or other acts of moral turpitude, comes to light.

Procedures & Additional Guidelines

1. **Vetting:** All individuals being considered for a Naming Opportunity must be vetted by University Advancement staff to ensure that the naming opportunity would align with John Carroll University's values and reflect positively on the University. This vetting will be based upon the information available information available to John Carroll University at the time of consideration.

2. **Gift Agreement:** Gift agreements are required for philanthropic naming and recognition opportunities. The gift agreement must reference and incorporate by reference John Carroll University's Gift Acceptance Policies and Procedures, specify the details of the Naming Opportunity and comport with this policy. Gift agreements for naming opportunities must be approved by the GRC unless otherwise specifically excluded.