

GIFT ACCEPTANCE POLICY

Introduction

The Boise State University Foundation is a not-for-profit entity organized under the laws of the State of Idaho (hereinafter referred to as the “Foundation”). The Foundation encourages the solicitation and acceptance of gifts that will help the Foundation in the furtherance of its mission to foster private financial support for Boise State University. This Gift Acceptance Policy shall apply to all gifts received by the Foundation for any of its programs or services. Reporting as described here may be different from reporting for financial statement purposes.

Purpose

The Board of Directors, staff of University Advancement and the Foundation, University President, Deans, and others solicit current and deferred gifts from individuals, corporations, foundations and other private entities to secure the financial growth and fulfill the mission of the Foundation. The purposes of this policy are the following:

- To give guidance and counsel to those individuals within the Foundation concerned with soliciting, recording, and reporting gifts; and
- To provide guidance to prospective donors and their advisors when making gifts to the Foundation, so as to facilitate the gift-giving process

Gift Definition

For tax and gift reporting purposes, a gift is defined as a voluntary transfer of assets from a person or an organization to the Foundation where no goods or services are expected, implied or forthcoming for the donor. Gifts usually take the form of cash, securities, real property or personal property. The following criteria generally identify a gift:

- A gift is motivated by charitable intent.
- Gifts are irrevocable transfers of assets. The Foundation is not obliged to return unexpended funds. If, for some reason, the Foundation is unable to comply with the donor's intent or less funds have been expended than expected, or the gift has been misdirected to the Foundation, a return of gift may be issued at the Foundation's discretion and with approval of the Executive Director. Out-of-pocket expenses may be deducted from the gift before it is returned. The return of a gift for any other reason must be reviewed and approved by the Executive Committee.
- Gifts are not generally subject to an exchange of consideration or other contractual duties between the Foundation and the donor, except for certain deferred gifts.
- A period of performance is not demanded by the donor or Gift Agreement.
- Formal financial accounting to the donor is not required as it would be, for example, with a research grant. A general report is not considered a formal accounting.
- Generally, funds received from individuals, closely-held corporations, and family foundations will be classified as gifts. A portion of these funds may also be included in Office of Sponsored Program's grant reporting as appropriate.
- Funds received from corporations, corporate foundations, and major foundations are classified as gifts unless the grant requires performance or other consideration. These funds may also be included in Office of Sponsored Programs reporting as appropriate.
- A gift is not completed until it has been accepted by the Foundation.

Restricted Gifts

A gift may be either unrestricted or restricted to a general area of use that contributes to the benefit of the University or one of its component units. Restriction(s) placed on the use of the funds contributed to the Foundation may be rendered illegal, unreasonable or unable to be fulfilled due to circumstances,

including, but not limited to, the following: the termination of a University program; a surplus of funds available from other sources to fulfill the designated purpose; the insufficiency of the restricted funds to fulfill the designated purpose where no funds from other sources are available to supplement the restricted funds; or the designated purpose is no longer consistent with the mission of the University and its individual programs. If the donor(s) are unavailable to alter the account restriction(s), the Foundation, if reasonably practicable, shall consult with donor's representative or close family members to restructure the gift to make funds available for another closely related purpose. The Foundation may also request a recommendation from the University Provost to identify a closely-related academic area to which the funds may be directed. In the absence of agreement, the Foundation may seek approval of a court with jurisdiction to remove or modify such restriction(s). If termination of the restriction(s) is obtained, the Foundation may seek to use the funds for a purpose deemed appropriate or closely tied to the donor's original intent. The terms of the gift agreement shall supersede this policy.

Gift Acceptance Conditions

The Foundation will accept only gifts, grants, and other funds that are consistent with the core educational values of the University and meet the following conditions:

- Compatible with the missions of the University and of its individual programs;
- In compliance with the Internal Revenue Code of 1986, as amended, ("IRC") and other federal statutes, regulations, rulings, or court decisions that stipulate the conditions under which contributions can be tax favored;
- Compatible with the Foundation's tax-exempt status.

Unless a specific exception is granted by the Executive Committee, the Foundation will not accept any gift which does any of the following:

- Violates any federal, state or local statute or ordinance;
- Creates a fund with restrictive clauses that could cause embarrassment to the University, or that reserve to the donor or his/her representative the right to designate the recipient (e.g., scholarships, fellowships, professorships, lecture series);
- Contains a condition that requires any action on the part of the University that is unacceptable to University administration; Commits the University to name a fund where the gift is potentially revocable in any way;
- Requires the University and its administration to employ a specified person;
- Contains unreasonable conditions (i.e. a lien or other encumbrance) on gifts of partial interests and property;
- Requires tuition payments for a family member of the donor;
- Exposes the Foundation to litigation or other liabilities;
- Requires the payment of maintenance costs or other expenses (e.g. debt service) for which no specific provision has been made;
- Generates unrelated business income tax; or
- Appears to be financially unsound.

Unless a specific exception is granted by the Executive Committee, the Foundation will immediately sell all gifts of stock or property so that it can invest the proceeds in accordance with the Foundation's investment policies.

The following types of funds will be accepted but will not be reported or credited as gift revenue by the Foundation:

- Sponsored research funds specifically if they involve contract deliverables, fee-for-services, proprietary research, or drug protocols.

- Sponsorship revenue.
- Advertising revenue.
- Contributions and/or revenue from cities and regional governments, even though those entities may be incorporated; government funds whether local, state, or federal (including state matching grants).
- Other grants and awards which are not gifts as defined above.
- Earned income such as ticket income, event fees, and sale of merchandise.
- Gifts or pledges, outright and deferred, that have previously been counted.
- Tuition payments.
- Investment earnings.

General Policy

Review of Gifts

Certain gifts, including, but not limited to, those involving unusual funding arrangements, will not be routinely processed, but will be reviewed by the Development Committee, Executive Committee, and/or other appropriate Board committees (for instance, Real Estate Committee for real estate gifts) which receive their authority from the Foundation Board of Directors, the Foundation's Executive Director, and University Advancement staff (for instance, the Vice President,; Executive Director-Planned Giving), as described within this policy statement. The University has a role in this process to help the Foundation assess any University concerns or limitations. All final decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Executive Committee of the Foundation.

The types of gifts which will be referred to the appropriate Board Committee include, but are not limited to, the following:

- Gifts requiring unusual funding arrangements or other commitments, such as unrelated business income tax.
- Gifts of intangible or unusual personal property.
- Gifts of non-publicly traded securities.
- Gifts of partnership interests and other non-traditional investments.
- Gifts of real estate as defined further in this policy statement.
- Certain life income contracts as defined further in this policy statement.
- Gifts with special restrictions that may be difficult or costly to administer.
- Any gifts that are exceptions to existing guidelines or which fall outside the definition of acceptable gifts as defined by this policy statement.
- Pledges in excess of five years.



The appropriate Board committee will review the information that has been presented by staff and, if the issues involved have been satisfactorily resolved, may accept or reject the gift in question. If the issues involved have not been satisfactorily resolved, the Board committee will either request additional information or decline or return the donation. The Board Committee will endeavor to respond promptly so that the gift can be completed in a timely manner to ensure donor good will.

Receipting, Processing, & Acknowledgment of Gifts & Pledges

It shall be the responsibility of the Foundation to record and acknowledge receipt of all grants, pledges and irrevocable gifts, including cash, life-income gifts, securities, trusts, insurance policies, real estate and other gifts-in-kind. All gifts, along with their original correspondence, received by any campus, school, department or administrative office are to be transmitted to the Foundation at the earliest possible opportunity for processing. A complete and accurate record of every donor to the University and its

affiliated entities shall be maintained by the Foundation and shall be kept strictly confidential. Donor anonymity in publications will be protected whenever desired by the donor unless required by a Court of law to be disclosed. All gifts will be processed and acknowledged in a timely fashion, following the procedures outlined in the Foundation's "Gift and Pledge Entry Procedures."

Donor Relations

The interests of matching prospective donors with opportunities for support of the University shall be the primary consideration with respect to any gift to the Foundation. Pressure techniques are not acceptable, and no program, agreement, trust or contract shall be presented which would benefit the Foundation or its beneficiary units at the expense of the donors' best interests and charitable motivations.

All information obtained from or about donors or prospects shall be held in strictest confidence by the Foundation. The Foundation will respect donor wishes in regard to publication of information or other forms of recognition.

The tax deductibility of gifts is the responsibility of the donor. All prospective donors will be advised to consult their own legal or financial counsel regarding the tax implications of a gift and matters relating to estate planning.

Other Policies

The Foundation Board of Directors has approved this Policy subject to other established policies to be followed in the solicitation and acceptance of gifts and private grants to the University and its affiliated entities. Examples include Boise State University's Naming Policy and Procedure, the Endowed Chair Policy, and Naming Opportunities Policy.

Guidelines

The Foundation will accept unrestricted gifts and gifts for specific programs and purposes, provided that such gifts are consistent with its stated mission and do not violate the terms of its mission or this policy, and provided that donor restrictions do not significantly diminish the value of the gift. Gifts received by the Foundation must not inhibit it from seeking similar or different gifts from other donors. No gift can be received which funds a specific student or faculty member unless prior written approval is given by the University President or Provost or a Vice President or Dean.

- A. The Foundation will provide all possible staff and volunteer assistance to potential donors to discuss the organization's funding priorities, the donor's interests, and the various ways to give. However, gifts of cash or negotiable securities are the forms of donor commitment that will have the greatest impact on Boise State University and its plans for the immediate future.
- B. Gifts to support Boise State University and its affiliated entities should be made in the name of the Boise State University Foundation and will be received and administered under the direction of the Foundation Board of Directors. All gifts should be directed to the Foundation where they will be accepted, acknowledged and administered in accordance with these policies.
- C. When non-cash gifts are given directly to the University, the Foundation will acknowledge on behalf of the University and record the gift in the Foundation donor database.

- D. Outright gifts of \$10,000 or more and all pledges must be made in writing, including a statement of intended use. Pledges must commit to a specific dollar amount that will be paid according to a fixed time schedule. Outright gifts of less than \$10,000 will be in writing if they establish a named fund. The maximum pledge payment period is five years. Exceptions must be approved by the Development Committee.
- E. Individuals making gifts and pledges that are eligible for company matching gifts are encouraged to utilize these programs to maximize the value of their gift or pledge to the Foundation. Donors will be notified by the Foundation if they receive any benefits in exchange for their gift that are more than IRS threshold.
- F. Any planned gift agreement, which does not meet the requirements of the current Foundation policies and guidelines, shall require the approval of the Executive Committee on behalf of the Board of Directors.
- G. The Foundation reserves the right to accept (or, in cases where absolutely necessary, to decline) any commitment that is offered to them. It also reserves the right to determine how any commitment will be credited and/or how such commitments will be recognized.
- H. The Foundation will acknowledge and recognize all gifts appropriately according to its gift acknowledgement and recognition procedures. A donor whose gift is matched by their company will be recognized for the total amount of their individual gift plus the matching portion on their gift record. They will receive the name recognition associated with the appropriate gift club for that total amount. The Foundation will credit an individual donor for the matching gift associated with their personal gift at the time the matching gift is received from the company. At this time the corporation will also be credited with the matching gift so that it can be recognized appropriately.
- I. Matching gifts will be recorded as gift income when the matching gift check is received. Matching gifts will only be recorded as pledges if and when an intent-to-pay / acknowledgement letter is received from the corporation prior to receiving a matching gift check. Gift income reports for each group of constituents (e.g., Alumni, Faculty, and Foundation Board) will include personal gifts only. The associated matching gifts will be reported separately in the matching gift category.
- J. The Foundation will use the accepted IRS formula for determining present value of deferred gifts. When the receipt of funds is not due until a future date, the present value of the expected cash inflow is counted and reported as a gift at the time the gift becomes irrevocable.
- K. IRS regulations stipulate that the tax deductibility of a gift to fund scholarships prevents donor involvement in the selection process. However, selection will be based on the criteria established in the fund guidelines.

Fees

- A. Finder's Fees or Commissions
Consistent with the codes of ethics of the Association of Fundraising Professionals and

the National Committee on Planned Giving, no finder's fee or commission of any type will be paid by the Foundation to any party in connection with the completion of a gift to the Foundation.

B. Professional Fees

Reasonable costs of gift acquisition, such as transaction costs and professional fees, will normally be borne by the donor. However, there may be occasions when a prospective donor conditions the gift on the Foundation's agreement to pay such costs. The Foundation will verify the reasonableness of the costs and that the cost reimbursement complies with state and federal requirements, including but not limited to tax laws and professional ethical guidelines. If appropriate, the Foundation may agree to cover gift acquisition costs from its operating budget.

C. Administrative Fees

To the extent permitted by law, the Foundation reserves the right to levy administrative fees where appropriate. The Foundation's Board of Directors will establish fees annually.

Policy Effective Date

This revised Gift Acceptance Policy was approved by the Boise State University Foundation Board and shall supersede prior policies. It is effective January 28, 2010.