



**Division of Institutional Advancement
Policy Manual**

For

Gift and Pledge Acceptance, Recording and Receipting

Gift and Pledge Campaign Accounting

Retention and Destruction of Gift and Pledge Records

**Adopted 2002
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SECTION I

Introduction

Preface

The President, appointed by the Board of Trustees, is the Chief Fundraising Officer of the College. The President shall be responsible for all fund raising efforts of the College ensuring proper fund raising goals are set and accomplished in consultation with the Board of Trustees and the Development Committee. The President shall report to the Board on the results of all fund raising efforts on a regular basis.

It is the responsibility of the President to recruit and hire Vice President(s) to lead the fund raising operations through the Division of Institutional Advancement. The Vice President for College Relations is the senior administrator responsible for constituency relations and the Vice President for Development is the senior administrator responsible for fund raising. Each Vice President reports directly to the President, serves at his/her discretion, and is responsible for the coordination, supervision and direction of the activities as assigned by the President and dictated by the College's mission and strategic plan.

Purpose

This policy is intended to establish the guidelines for the acceptance, processing and reporting of all current and deferred gifts to Spelman College ("the College" or "the Organization") and to inform all discussions between donors, and their advisor(s), college staff and volunteers acting on behalf of the College.

Mission of Institutional Advancement

"The mission of Institutional Advancement is to advance the College's mission by increasing private and public financial support for the College; promoting awareness of the College to key publics and involving our constituents in the life of the College." To that end, Institutional Advancement will properly steward all gifts and give appropriate recognition to the accomplishments of our volunteers, alumnae and students.

To fulfill its mission, Spelman College solicits and receives gifts, pledges of money and other property, both real and personal, through outright gift, by deferred gift arrangements, and by bequest. Institutional Advancement is the primary channel for all gifts to the College from all private, non-governmental sources.

Institutional Advancement recognizes the critical importance of philanthropic contributions to the continued existence of the College. Institutional Advancement further recognizes its responsibility to ensure that gifts from external sources:

- Are appropriate to the mission of the College;
- Do not carry restrictions or conditions that may compromise the College;
- Are legal;
- Are from donors whose intents are charitable; and
- Are administered to protect donor's rights and wishes.

Spelman College cannot accept gifts that involve unlawful discrimination based upon race, religion, sex, age, national origin, color, handicap, or any other basis prohibited by federal, state, and/or local laws and regulations. Nor can the College accept gifts which obligate it to violate any other applicable law or regulation or which violate the charter or mission of the College.

Institutional Advancement will keep confidential all information about donors and prospective donors, including but not limited to their names, address, telephone numbers, gift amounts, and personal financial status of any kind. This policy shall be revised annually and shall supersede any existing policy or policies purporting to cover the subject matter of this document. Institutional Advancement will adhere to the AFP Code of Ethical Principles and Standards and the Donor Bill of Rights.

AFP Code of Ethical Principles and Standards



ETHICAL PRINCIPLES • Adopted 1964; amended Sept. 2007

The Association of Fundraising Professionals (AFP) exists to foster the development and growth of fundraising professionals and the profession, to promote high ethical behavior in the fundraising profession and to preserve and enhance philanthropy and volunteerism. Members of AFP are motivated by an inner drive to improve the quality of life through the causes they serve. They serve the ideal of philanthropy, are committed to the preservation and enhancement of volunteerism; and hold stewardship of these concepts as the overriding direction of their professional life. They recognize their responsibility to ensure that needed resources are vigorously and ethically sought and that the intent of the donor is honestly fulfilled. To these ends, AFP members, both individual and business, embrace certain values that they strive to uphold in performing their responsibilities for generating philanthropic support. AFP business members strive to promote and protect the work and mission of their client organizations.

AFP members both individual and business aspire to:

- practice their profession with integrity, honesty, truthfulness and adherence to the absolute obligation to safeguard the public trust
- act according to the highest goals and visions of their organizations, professions, clients and consciences
- put philanthropic mission above personal gain;
- inspire others through their own sense of dedication and high purpose
- improve their professional knowledge and skills, so that their performance will better serve others
- demonstrate concern for the interests and well-being of individuals affected by their actions
- value the privacy, freedom of choice and interests of all those affected by their actions
- foster cultural diversity and pluralistic values and treat all people with dignity and respect
- affirm, through personal giving, a commitment to philanthropy and its role in society
- adhere to the spirit as well as the letter of all applicable laws and regulations
- advocate within their organizations adherence to all applicable laws and regulations
- avoid even the appearance of any criminal offense or professional misconduct bring credit to the fundraising profession by their public demeanor
- encourage colleagues to embrace and practice these ethical principles and standards
- be aware of the codes of ethics promulgated by other professional organizations that serve philanthropy

ETHICAL STANDARDS

Furthermore, while striving to act according to the above values, AFP members, both individual and business, agree to abide (and to ensure, to the best of their ability, that all members of their staff abide) by the AFP standards. Violation of the standards may subject the member to disciplinary sanctions, including expulsion, as provided in the AFP Ethics Enforcement Procedures.

MEMBER OBLIGATIONS

1. Members shall not engage in activities that harm the members organization, clients or profession.
2. Members shall not engage in activities that conflict with their fiduciary, ethical and legal obligations to their organizations, clients or profession.
3. Members shall effectively disclose all potential and actual conflicts of interest; such disclosure does not preclude or imply ethical impropriety.
4. Members shall not exploit any relationship with a donor, prospect, volunteer, client or employee for the benefit of the members or the members' organizations.
5. Members shall comply with all applicable local, state, provincial and federal civil and criminal laws.
6. Members recognize their individual boundaries of competence and are forthcoming and truthful about their professional experience and qualifications and will represent their achievements accurately and without exaggeration.
7. Members shall present and supply products and/or services honestly and without misrepresentation and will clearly identify the details of those products, such as availability of the products and/or services and other factors that may affect the suitability of the products and/or services for donors, clients or nonprofit organizations.
8. Members shall establish the nature and purpose of any contractual relationship at the outset and will be responsive and available to organizations and their employing organizations before, during and after any sale of materials and/or services. Members will comply with all fair and reasonable obligations created by the contract.

9. Members shall refrain from knowingly infringing the intellectual property rights of other parties at all times. Members shall address and rectify any inadvertent infringement that may occur.
10. Members shall protect the confidentiality of all privileged information relating to the provider/client relationships.
11. Members shall refrain from any activity designed to disparage competitors untruthfully.

SOLICITATION AND USE OF PHILANTHROPIC FUNDS

12. Members shall take care to ensure that all solicitation and communication materials are accurate and correctly reflect their organizations' mission and use of solicited funds.
13. Members shall take care to ensure that donors receive informed, accurate and ethical advice about the value and tax implications of contributions.
14. Members shall take care to ensure that contributions are used in accordance with donors' intentions.
15. Members shall take care to ensure proper stewardship of all revenue sources, including timely reports on the use and management of such funds.
16. Members shall obtain explicit consent by donors before altering the conditions of financial transactions.

PRESENTATION OF INFORMATION

17. Members shall not disclose privileged or confidential information to unauthorized parties.
18. Members shall adhere to the principle that all donor and prospect information created by, or on behalf of, an organization or a client is the property of that organization or client and shall not be transferred or utilized except on behalf of that organization or client.
19. Members shall give donors and clients the opportunity to have their names removed from lists that are sold to, rented to or exchanged with other organizations.
20. Members shall, when stating fundraising results, use accurate and consistent accounting methods that conform to the appropriate guidelines adopted by the American Institute of Certified Public Accountants (AICPA)* for the type of organization involved. (* In countries outside of the United States, comparable authority should be utilized.)

COMPENSATION AND CONTRACTS

21. Members shall not accept compensation or enter into a contract that is based on a percentage of contributions; nor shall members accept finder's fees or contingent fees. Business members must refrain from receiving compensation from third parties derived from products or services for a client without disclosing that third-party compensation to the client (for example, volume rebates from vendors to business members).
22. Members may accept performance-based compensation, such as bonuses, provided such bonuses are in accord with prevailing practices within the members' own organizations and are not based on a percentage of contributions.
23. Members shall neither offer nor accept payments or special considerations for the purpose of influencing the selection of products or services.
24. Members shall not pay finder's fees, commissions or percentage compensation based on contributions, and shall take care to discourage their organizations from making such payments.
25. Any member receiving funds on behalf of a donor or client must meet the legal requirements for the disbursement of those funds. Any interest or income earned on the funds should be fully disclosed.

Donor Bill of Rights



Philanthropy is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To assure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the nonprofit organizations and causes they are asked to support, we declare that all donors have these rights:

- I. To be informed of the Organization’s mission, of the way the Organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.
- II. To be informed of the identity of those serving on the Organization’s governing board and to expect the board to exercise prudent judgment in its stewardship responsibilities.
- III. To have access to the Organization’s most recent financial statements.
- IV. To be assured their gifts will be used for the purposes for which they were given.
- V. To receive appropriate acknowledgment and recognition.
- VI. To be assured that information about their donation is handled with respect and with confidentiality to the extent provided by law.
- VII. To expect that all relationships with individuals representing Organizations of interest to the donor will be professional in nature.
- VIII. To be informed whether those seeking donations are volunteers, employees of the Organization, or hired solicitors.
- IX. To have the opportunity for their names to be deleted from mailing lists that an Organization may intend to share.
- X. To feel free to ask questions when making a donation and to receive prompt, truthful, and forthright answers.

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The Donor Bill of Rights was created by the American Association of Fund Raising Counsel (AAFRC), Association for Healthcare Philanthropy (AHP), the Association of Fundraising Professionals (AFP), and the Council for Advancement and Support of Education (CASE). It has been endorsed by numerous organizations.

SECTION II

Gift Acceptance

Outright Gifts

This section describes the criteria and procedures for accepting outright gifts, including cash, securities, and property. Information in this section identifies types of outright gifts Institutional Advancement will accept, defines minimum gift level requirements for gifts types, identifies those authorized to accept gifts, details acceptance procedures, and gives recording standards.

Institutional Advancement will accept gifts of cash, including U.S. currency, foreign currency, checks drawn on U.S. and foreign banks, credit card payments, payroll deductions, third-party cash/checks, securities, tangible and intangible property, and in-kind donations.

U.S. Currency/Checks

Institutional Advancement will accept outright gifts of U.S. currency and checks drawn on U.S. banks that are deemed to be from legal sources.

Minimum Gift Level: There is no minimum gift level.

Authorization for Acceptance: None required.

Acceptance Procedure: Checks made payable to Spelman College. Currency and checks along with all accompanying documentation is forwarded to the Donor Services Specialist for deposit. The names of the donors and allocations must be included.

Recording Standards: The amount of gifts of U.S. currency and checks drawn on U.S. banks are recorded as of the date they are entered.

Foreign Currency/Checks

Institutional Advancement will accept outright gifts of foreign currency and checks drawn on foreign banks that are deemed to be from legal sources.

Minimum Gift Level: There is no minimum gift level.

Authorization for Acceptance: None required.

Acceptance Procedure: Checks are made payable to Spelman College. Currency and checks along with all accompanying documentation is forwarded to the Donor Services Specialist for deposit. The names of the donors and allocations and the value of the gifts based on exchange rates on the date of receipt must be included. *Note: The College may incur substantial bank charges to process gifts of foreign currency.*

Recording Standards: Foreign currency and U.S. currency drawn on foreign banks will be recorded as gifts as the date they are received. Gift values will be based on exchange rates on the date of receipt. Donors will receive credit in U.S. dollars for the amounts at which gifts are valued.

Return Check Notifications: Upon notification by the Office of Business and Financial Affairs that a donor's check has not been honored by their banking institution, a letter is sent to the donor notifying them of this fact.

Credit Card Payments

The College will accept gifts via Credit Cards that are deemed to be from legal sources.

Minimum Gift Level: There is no minimum for one time credit card gifts. The minimum gift level for recurring credit card payments is \$10 per month.

Authorization for Acceptance: None required.

Acceptance Procedure: Documentation of donors' names as they appear on their credit cards, credit card types (VISA, MasterCard or American Express only), account numbers, expiration dates, and allocations. It is not necessary to be in possession of the credit card to accept a credit card gift. Institutional Advancement staff will take all reasonable precautions to keep donors' credit card information confidential.

Recording Standards: Credit card gifts are recorded as of the date they are accepted. For recurring credit card payments, the number of monthly deductions is pre-determined by the donor.

Credit Card Notifications: Donors are notified by phone, email or letter when their credit card has been declined, expires, or if required information is missing.

Payroll Deductions

Minimum Gift Level: The minimum gift is \$5 per pay period.

Acceptance Procedure: To establish a program of recurring payroll deductions, employees must submit a signed payroll deduction form authorizing the gift deductions to Institutional Advancement. Notice must be provided at least two weeks prior to the start of a pay period. The deduction may be changed by contacting Institutional Advancement in writing.

Recording Standards: A pledge will be recorded based on the amount of the deduction. Payments are recorded upon receipt of the deduction reports from the Payroll Office using the Banner automated payroll deduction process. For continuous deductions, the pledge is recorded for a 24 month period.

Termination: The deduction may be stopped by contacting the Director of Advancement or the Donor Services Specialist in writing. Unless otherwise advised by employees who end their service with the College and have not fulfilled their pledge that they intend to fulfill their pledge by check, their payroll deduction pledge will be reduced to reflect the amount paid.

Payroll Deduction Notifications: Employees are notified by email when their payroll deduction pledges have been fulfilled or if a problem is encountered in the processing of their payroll deduction. The Office of Annual Giving is copied on the email.

Electronic Funds Transfer

Minimum Gift Level: The minimum gift level is \$10 per month.

Acceptance Procedure: Interested donors must fill out an authorization form (which can be obtained from the Spelman College website) and attach a voided check. The donor's account will be debited at a date of the donor's choosing. The number of monthly deductions is pre-determined by the donor and will continue until notification is received from the donor.

Recording Standards: An annual pledge is recorded based on the amount of the monthly EFT. Payments are recorded on a monthly basis following the execution of the bank debit process by the Donor Services Specialist. Donors are notified when their debits are declined.

Termination: The EFT may be stopped by contacting the Director of Advancement Services or Donor Services Specialist in writing. Three consecutive declines will result in termination of the EFT.

EFT Notification: Office of Advancement Services notifies donors by email or telephone when their EFT is not honored by their banking institution. Upon the second consecutive occurrence, the donor is referred to the Office of Annual Giving for follow-up prior to terminating the EFT.

Assignments of Income

Institutional Advancement will accept third-party gift assignments. A donor may assign to the College income the donor is entitled or authorized to receive from a third party, such as payment for service on a corporate board, honoraria, consulting payments, etc. Donors may also endorse checks written in their name to be paid to Spelman College.

Minimum Gift Level: There is no minimum gift level.

Authorization for Acceptance: None required.

Acceptance Procedure: Properly endorsed check from donor. Assigned gifts from third parties should identify the donor making the assignment and the specified designation, if any.

Recording Standards: Gifts will be recorded upon receipt of payment from either the donor or the third party.

Note: Per Internal Revenue Service requirements, unless it is known that a 1099 will be sent by the third party to the donor directing the assignment of income, the third party will be legally receipted for the contribution. Soft credit will be given to the individual to whom payment would otherwise have been made.

Quid Pro Quo Contributions

Institutional Advancement will accept quid pro quo contributions, such as contributions resulting from fundraising events. The Internal Revenue Service defines quid pro quo contributions as “a payment made partly as a contribution and partly in consideration for goods or services provided to the payer by the recipient organization.”

Minimum Gift Level: The amount received from the donor exceeds the value of the benefit received from the College. (IRS regulation)

Authorization for Acceptance: None required.

Acceptance Procedure: Forward contributions to the Donor Services Specialist specifying the amount of the contribution, quid pro quo benefit, the names of the donors, and the designations.

Recording Standards: The contributions are recorded as a gift and the quid pro quo portion as a non-gift. The Internal Revenue Service defines a quid pro quo as the portion the donor received in goods or services from the recipient organization. The College considers gifts generated by fund raising events, including but not limited to “benefit auctions”, to be quid pro quo contributions and will record them as such.

Please note: Donors must opt out of the benefit at the time the offer is received in order to receive the full deduction for their gift.

More information on quid pro quo contributions can be found at:

<http://www.irs.gov/pub/irs-pdf/p526.pdf>

Securities/Wire Transfer

Institutional Advancement will accept gifts of securities, including stocks and bonds, that are deemed to be derived from legal sources and that are passed irrevocably from a donor's control. Gifts of securities pass irrevocably from a donor's control when (a) a donor puts them in the mail, (b) they are hand delivered to the College, or (c) electronically transferred securities are received into the College's brokerage account.

Minimum Gift Level: There is no minimum gift level for gifts of securities.

Authorization for Acceptance: Solicitors authorized by the College may accept gifts of securities which are publicly traded. Gifts of securities, which are not publicly traded, are subject to review and approval by Business and Financial Affairs, and, where appropriate, a professional investment advisor.

Acceptance Procedure: Solicitors are responsible for a) notifying Business and Finance, Advancement Services and when appropriate, the Institutional Advancement of pending gifts of securities and b) for securing from donors the number of shares and name of the securities to be given, as well as the gift designation.

To facilitate securities transfers, solicitors will work directly with donors and their professional advisors to ensure gifts of securities are in accordance with the College's prevailing policies and procedures.

Recording Standards: All gifts of securities will be registered to the College (taxpayer identification number 58-0566243), regardless of restrictions on uses of gifts. The gift of securities will be recorded as of the date issued to the College and the value as determined below.

Internal Revenue Service regulations require that securities be valued as follows:

- Publicly Traded Stocks: Value is determined by the average of the high and low trades on a public exchange (the "mean market value") on the date of the gift.
- Over-the-Counter Stocks: Value is determined by the mean of the bid/ask prices of the stock on the date of the gift.
- Publicly Traded Bonds: Value is determined by the mean of the bid/ask prices of the bond on the date of the gift.
- Non-Traded Stocks and Bonds: Assets may be transferred through a broker or bank with a value and quality rating, or assets may be valued in consultation with professional experts or institutions in related trade or business as an appraisal value.

Donors will be advised to consult their financial advisors for specific information regarding the tax consequences of any gift of securities. The value of the gift is not stated on the official receipt.

Non-Publicly Traded Securities: Before the College will accept gifts of securities that are not publicly traded, these gifts shall be reviewed by the Vice President of Business & Financial Affairs, and, where appropriate, a professional investment advisor.

This review is required because (a) these stocks are not traded on stock exchanges and are difficult to value, (b) they may be subject to shareholder or other agreements that may limit the ability to convert them into cash, and (c) there may be SEC regulations and blue sky laws to which the College must adhere. Gifts of such stocks will be recorded only when assets pass irrevocably from donors' control. In valuing gifts of such stocks, the College will adhere to standards described in the *Case Management Reporting Standards*, as detailed below.

- Gifts of securities that are not publicly traded exceeding \$10,000 in value should be recorded at the fair market value placed on them by a qualified independent appraiser as required by the Internal Revenue Service. In such instances, the College may rely on an appraiser's valuation set forth in the Internal Revenue Service Form 8283.

- Gifts of securities which are not publicly traded and do not exceed \$10,000 in value may be recorded at per-share cash purchase price based on the most recent transaction. Normally, this transaction is the redemption of stock by the corporation. If no redemption is made during the reporting period, the gift may be recorded at the value determined by a qualified independent appraiser. An independent Certified Public Accountant (CPA) who maintains the books for a corporation whose stock is not publicly traded is deemed to be qualified to value the stock of that corporation.

Property

Institutional Advancement accepts gifts of property, including tangible personal property, intangible personal property, real property, and other gifts-in-kind. Such gifts must be consistent with the mission of the college.

The College reserves the right to decline gifts of property if acceptance of said gift is not in the best interest of the College. Questions on the appropriateness of a gift of property will be referred to the College's Gift Acceptance Committee.

In cases where an appraisal is required, the appraisal should be dated within six months of the gift. Appraisals that pre-date six months will be accepted at the discretion of the Gift Acceptance Committee.

The solicitor will inform the donor whether the Internal Revenue Service requires the donor to file Form 8283 for the gift of property valued at more than \$5,000 and that this form should be sent to the solicitor for execution by Institutional Advancement. The solicitor is also responsible for advising the donor that Institutional Advancement must report the disposition price to the Internal Revenue Service on Form 8282 if the gift is sold within two years. Such disposition, if below the appraised gift value could have a negative impact on the donor's tax situations.

Tangible Personal Property: Gifts of tangible personal property are defined as those gifts, other than land and improvements to land, that "can be touched." Institutional Advancement will accept gifts of tangible personal property such as works of art, books and manuscripts, audio and video productions, boats, motor vehicles, and computer hardware and software.

Minimum Gift Level: Institutional Advancement will accept gifts of tangible personal property for which there is a ready market and for which it can reasonably expect to net a minimum of \$5,000 if sold. Institutional Advancement may waive the minimum gift requirement if the gift may lead to other gifts, is part of a larger estate gift, or is from a prolific donor.

Authorization for Acceptance: Gifts may be accepted by solicitors authorized by the College in consultation with the Office of Gift Planning and/or other College officials. Gifts of art works must be made with the knowledge and/or involvement of the director of The College's Fine Arts Museum. Gift of books, manuscripts and other publications must be made with the knowledge and/or involvement of the College's archivist.

Acceptance Procedures:

1. Completion of Non Cash Gift Form along with other documentation that includes: a description of the asset; the purpose of the gift; identification of the department(s), program(s) or endowment(s) to benefit from the gift; an estimate or appraisal of the gift's fair market value and marketability; descriptions of any potential College uses, including written review(s) by department(s) to benefit from the asset and descriptions of any special arrangements concerning disposition of the asset. For gifts of art, solicitor will also obtain written statements or contracts from donors that define gifts of art as short-term loans, long-term loans or irrevocable gifts. *Note: A "promised gift" of art will be treated as a long-term loan until such time as the art becomes an irrevocable gift, either outright or through a bequest. The College will not take possession of any collection or piece of art that is not clearly designated in writing as a short-term loan, long-term loan or irrevocable gift.*

2. The solicitor or other appropriate departmental official will inform the donor in writing of whether the proposed gift has been (a) accepted, (b) rejected, or (c) the decision is postponed pending receipt of additional information.
3. The solicitor will inform the donor that the College will neither appraise nor assign value to the gift property. It is the donor's responsibility to establish a value for the gift and to provide, at his or her expense, a qualified appraisal as required by the Internal Revenue Service for gifts of tangible personal property valued in excess of \$5,000. The solicitor will also inform the donor that the Internal Revenue Service requires the donor to file Form 8283 for gifts of tangible property valued at more than \$5,000, and that this form should be sent to the solicitor for execution by Institutional Advancement. The solicitor will also advise the donor that Institutional Advancement must report the disposition price to the Internal Revenue Service on Form 8282 if the gift is sold within two years. Such disposition, if below the appraised gift value, could have a negative impact on the donor's tax situation.
4. The gift will be completed upon the execution and delivery of a deed of gift or other appropriate conveyance acceptable to the College and/or upon delivery of the property, as applicable.

Recording Standards: Provided a gift of tangible personal property meets the criteria set forth above, the gift will be recorded a) when physically delivered by the donor to the College directly or b) upon receipt of a legally binding document conveying ownership of the property from the donor to the College. The value assigned to the gift will be the amount set forth in a qualified appraisal provided by the donor. If no appraisal is required, as is the case where the value of the donated tangible property is less than \$5,000, the amount reported as the fair market value of the property by the donor.

If no value is provided, the gift will be recorded with a value of one cent. The value of the gift is not stated on the official receipt.

Intangible Personal Property: Institutional Advancement will accept gifts of intangible personal property, such as patents, copyrights, goodwill, trade names and trademarks, partnership interests, and installment obligations.

Minimum Gift Level: The Divisions of Institutional Advancement will accept gifts of intangible personal property for which there is a ready market and for which it can reasonably expect to net a minimum of \$5,000 if sold. Institutional Advancement may waive the minimum gift requirement if the gift may lead to other gifts, is part of a larger estate gift, or is from a prolific donor.

Authorization for Acceptance: Gifts may be accepted by solicitors authorized by the College in consultation with the Office of Gift Planning and/or other College officials. Acceptance of gifts of intangible personal property will be based on whether the property (a) is readily marketable, (b) is needed by the College for use in a manner which is related to the purposes for which its tax exempt status was granted, and/or (c) promotes its tax exempt purpose.

Acceptance Procedures:

1. Completion of Non-Cash Gift Form along with other documentation that includes: a description of the asset; the purpose of the gift; identification of the department(s), program(s) or endowment(s) to benefit from the gift; an estimate or appraisal of the gift's fair market value and marketability; descriptions of any potential College uses, including written review(s) by department(s) to benefit from the asset and descriptions of any special arrangements concerning disposition of the asset.
2. The solicitor or other appropriate departmental official will inform the donor in writing of whether the proposed gift has been (a) accepted, (b) rejected, or (c) the decision is postponed pending receipt of additional information.
3. The solicitor will inform the donor that the College will neither appraise nor assign value to the gift property. It is the donor's responsibility to establish a value for the gift and to provide, at his or her expense, a qualified appraisal as required by the Internal Revenue Service for gifts of property

valued in excess of \$5,000. The solicitor will also inform the donor whether the Internal Revenue Service requires the donor to file Form 8283 for gifts of property valued at more than \$5,000, and that this form should be sent to the solicitor for execution by Institutional Advancement. The solicitor will also advise the donor that Institutional Advancement must report the disposition price to the Internal Revenue Service on Form 8282 if the gift is sold within two years. Such disposition, if below the appraised gift value, could have a negative impact on the donor's tax situation.

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

Recording Standards: Provided a gift of intangible personal property meets the criteria set forth earlier, the Donor Services Specialist will record it as having been made, upon receipt of a legally binding document conveying ownership of the property from the donor to the College. The value assigned to the gift will be the amount set forth in a qualified appraisal provided by the donor or, if no appraisal is available (as may be the case where the value of the donated property is less than \$5,000), the amount reported as the fair market value of the property on the donor's Internal Revenue Service Form 8283.

Note: Ownership of intangible personal property, especially patents and copyrights, can often result in earned income; such income, however, is not to be treated and recorded as a gift if the value of the underlying intangible personal property has already been recorded.

Real Property

Institutional Advancement will accept gifts of real property; improved and unimproved, including detached single-family residences, condominiums, apartment buildings, rental property, commercial property, farms, and acreage. These gifts may include real property subject to a retained life estate or other planned gift vehicles. Donors may make outright and planned gifts of real property, undivided interests in real property, and real property subject to debt.

Minimum Gift Level: Institutional Advancement will accept gifts of real property for which it can reasonably expect to net a minimum of \$100,000 if sold. The minimum gift requirement may be waived if the gift may lead to other gifts, is part of a larger estate gift, or is from a prolific donor. Gifts of property below the minimum levels will be referred to the College's Gift Acceptance Committee for approval.

Authorization for Acceptance: Solicitors authorized by the College may accept gifts in consultation with the Vice President of Business and Financial Affairs.

Acceptance of gifts of real property will be based on:

- Market value and marketability based on a reasonably current appraisal from a qualified appraiser indicating the fair market value of the property and interest in the property that the College would receive.
- Potential environmental risks based on Phase I environmental audits that must be obtained for any preferred gift of real property. This audit may be waived for residential property that has been used solely for residential purposes at the discretion of the College.
- Limitations and encumbrances, including any and all mortgages, deeds of trust, restrictions, reservations, easements, mechanics' liens and other limitations of record. No gift of real estate will be accepted until all mortgages, deeds of trust, liens and other encumbrances have been discharged. Exceptions may be made when the fair market value of the College's interest in the property net of all encumbrances is deemed to be substantial, or when a separate agreement to pay any encumbrances, that might be charged to the College has been executed by a financially responsible party.
- The existence and amount of any carrying costs, including real estate taxes, insurance, utility services, transfer fees, and property owners' association or membership dues.

- Title information in the possession of the donor, such as the most recent survey of the property, a title insurance policy, and/or an attorney's title opinion.

Note: It is the College's policy to dispose of all gifts of real estate (other than property which the College wishes to retain) as expeditiously as possible.

Acceptance Procedures:

1. A written summary of the gift proposal that includes: a description of the real property; the purpose of the gift; identification of the department(s), program(s), or endowment(s) to benefit from the gift; an appraisal of the property and disclosure of the College's interest in the property's fair market value and marketability; disclosure/discussion of any potential for income and expenses, encumbrances, and carrying costs prior to disposition; disclosure/discussion of any environmental risks or problems revealed by audit or survey; descriptions of any potential College uses of the real property; descriptions of any special arrangements requested by the donor concerning disposition of the real property; and title information.
2. The solicitor or other appropriate departmental official will inform the donor in writing of whether the proposed gift has been (a) accepted, (b) rejected, or (c) the decision is postponed pending receipt of additional information.
3. The solicitor will inform the donor that the College will neither appraise nor assign value to the gift property. It is the donor's responsibility to establish a value for the gift of property and to provide, at his or her expense, a qualified appraisal as required by the Internal Revenue Service.
4. The gift will be completed upon the execution and delivery of a deed of gift or other appropriate conveyance. The costs associated with the conveyance and delivery of the gift, recording fees, a current survey, title insurance, and/or an attorney's title opinion will be either paid by the donor or charged to the fund code of the department(s), program(s) or endowment(s) to benefit by the donation.
5. The solicitor is responsible for informing the donor that the IRS requires donors to file Form 8283 for gifts of property and for instructing donors to send this form to the solicitor after it has been signed by the appraiser for execution by Institutional Advancement.

Recording Standards: Provided a gift of real property meets the criteria set forth earlier, the gift will be recorded and receipted as of the date the College receives the free simple/quit claim deed of gift or other appropriate conveyance evidencing the College ownership of the property. The value assigned to the gift will be the amount set forth in a qualified appraisal provided by the donor.

Gifts-in-Kind

Gifts-in-kind are non-cash donations of materials or unreimbursed cost incurred by a donor for the benefit of the College. Gifts of materials or long-lived assets that serve the purpose of the College should be reported at their face (fair market) value. Gifts-in-kind might include such items as equipment, software, printed materials, expenses associated with hosting dinners or other Spelman events, etc. For items such as equipment and software, the gift will be reported at the educational discount value – that is, the value the College would have paid had it purchased the item outright from the vendor.

Minimum Gift Level: There is no minimum gift level for gifts-in-kind.

Authorization for Acceptance: Gifts-in-kind are accepted at the discretion of the College and may be referred to the Gift Acceptance Committee or other authorized representative of the College for approval.

Acceptance Procedure: Solicitors are responsible for completion of the Non-Cash Gifts form or other documentation that includes: a description of the asset; the purpose of the gift; identification of the

department(s), programs(s), or endowment(s) to benefit from the gift; an estimate or appraisal of the gift's fair market value and marketability; descriptions of any potential college uses, including written review(s) by department(s) to benefit from the asset; and descriptions of any special arrangements concerning disposition of the asset.

For unreimbursed costs, solicitors are responsible for obtaining an itemized statement of payments made by the donor on behalf of the College.

Recording Standards: Gifts will be recorded and receipted as of the date the documentation is received. The value assigned to the gift will be the amount set forth on the Non-Cash Gift form or other documentation. A gift-in-kind receipt will be issued that gives a description of the asset received. The value of the gift is not stated on the official receipt.

Contributed Services

Per IRS guidelines, contributions of professional time or company services are not classified as charitable deductions; Contributed services are recorded as non-gifts but, will be included a donor's recognition totals. Although, donors do not receive an official tax deductible receipt, they are appropriately acknowledged by the College.

Minimum Gift Level: There is no minimum gift level for contributed services.

Authorization for Acceptance: None required.

Acceptance Procedure: The solicitor is responsible for the completion of a Non-Cash Gift form or other documentation that includes: a description of the service; the purpose of the gift; identification of the department(s) or programs(s) to benefit from the service; an estimate or appraisal of the service's fair market value; descriptions of college uses, including written review(s) by department(s) to benefit from the asset; and descriptions of any special arrangements associated with the service.

Recording Standards: The contributed service will be recorded as a non-gift as of the date the service was received or the date the service was performed. The value assigned to the service will be the amount set forth on the Non-Cash Gift form. No official tax deductible tax receipt will be issued. However, the contribution will be acknowledged by the College.

SECTION III

Gift Types

Deferred Gifts

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

As needed, gift agreements will be established to fulfill any donor restrictions specified within the contents of the planned giving document

Campaign and cash reports generated by Institutional Advancement will count irrevocable deferred gifts at face value. This amount may differ from the donor's charitable income tax deduction. It may also be different from the amount the College is required to include on its books according to FASB standards or as directed by its auditors. Additionally, as required, future reports submitted to CASE and CAE will include present value.

Life Income Gifts

Life income gifts are those that provide recipients with annual incomes, including trusts, annuities, and pooled income funds.

Trusts

Trusts include:

1. *Charitable Lead Trust*: Agreements by which the College accepts assets in trust for a specified term of years, during which it receives periodic distributions from the trust. At the expiration of the time period determined by donors, assets are transferred back to donors and/or beneficiaries specified by donors.
2. *Charitable Remainder Trusts*: Agreements that provide distributions to one or more term beneficiaries. Established during life or at death, the donor (or his or her estate) receives a current income for estate tax deduction and the beneficiary(ies) receives periodic distributions from the trust. When the trust terminates, the remaining trust funds are paid over to the College for purposes designated by the donor. Charitable Remainder Trusts can last either for the life of the income beneficiary(ies) or for a term between one and twenty years. Charitable Remainder Trusts may take the forms of Charitable Remainder Annuity Trusts and Charitable Remainder Unitrusts (straight entrusts, net income entrusts or net income with make-up entrusts).

Minimum Gift Level: The College will accept Charitable Lead and Remainder Trusts initially funded with a minimum gift of \$50,000. In the case of a Charitable Remainder Trust, the value of the College's remainder interest must be 50% or more of the value of the assets transferred, and all income beneficiaries must be at least 60 years of age at the time the trust begins income payments.

Authorization for Acceptance: Approval is needed from the Vice Presidents of Institutional Advancement and Business and Financial Affairs of all documents pertaining to all life income gifts, including Charitable Lead and Remainder Trusts.

Acceptance Procedures: The Planned Gifts Officer and, if applicable, the Development Officer responsible for soliciting the gift is responsible for ensuring that the interests of the donor are served and that they are not subjected to undue influence. The College will not knowingly enter into an agreement that jeopardizes donors' interests and well being.

The College makes every effort to ascertain prior to solicitation that donors have sufficient financial resources to sustain themselves during their lifetimes; however, it shall be the sole responsibility of the donor to make this determination to his or her own satisfaction. If assessment suggests a donor is not fully capable of making a rational, informed decision regarding a charitable deferred gift, consultation with family members and professional advisors will be sought as the gift is being negotiated.

- Approval is needed from the Vice Presidents of Institutional Advancement and Business and Financial Affairs of all documents pertaining to deferred gifts. Documents will be executed in duplicate, one original copy for the donor and the other copy for the Office of Planned Giving. If legal counsel is required, the Planned Gifts Officer will secure the advice of legal counsel and the approval of the Associate Vice President of Institutional Advancement. For deferred gifts that require legal counsel, no agreement will be approved without the advice of the College legal counsel and approval of the Vice President of Institutional Advancement.
- If donors designate deferred gifts for a restricted use, gift agreements will include wording that allows for modification of the agreement if unforeseen circumstances prevent the College from using the funds in accordance with donors' original purpose.
- If the Associate Vice President of Institutional Advancement determines that a gift will place unreasonable constraints and/or conditionals upon the resources and finances of the College, the Development Officer will contact the donor or executor of the donor's estate to request that unacceptable restrictions be altered or eliminated. If these restrictions cannot be altered or eliminated, the College may refuse to accept the gift.
- In every instance, the role of the Associate Vice President of Institutional Advancement and Development Officers is to act professionally and responsibly on behalf of the College by informing, assisting and guiding donors in the fulfillment of their philanthropic objectives as they relate to the College. In this regard, whenever circumstances warrant, the Planned Gifts Officer and development officers shall consult with the Associate Vice President of Institutional Advancement, and/or other senior officers of the College in order to evaluate a deferred gift proposal.

Recording Standards:

Charitable Lead Trusts: Only the actual amount received each year from a charitable lead trust during the term of the trust will be recorded and receipted.

Charitable Remainder Trusts: Gifts made to establish charitable remainder trusts (regardless of whether or not the College is the trustee) where the remainder designation to the College is irrevocable will be reported as a deferred future commitment at both the full face value of the gift made to establish the trust and the discounted present value of the designated remainder interest which the Internal Revenue Service allows the donor to claim as an income tax charitable deduction for the gift.

Annuities

Charitable gift annuities are contractual agreements between a donor and the College under which the donor makes a gift and, in return, guarantees a fixed annual payment for one or two lives. The rate of the annual payment is determined by reference to the suggested rates as adopted by the National Committee on Gift Annuities. While payout is not insured by any governmental agency, it is backed by the assets of the College. A gift annuity provides a current income tax deduction and a payout that may be current or may be deferred for one year or more.

Minimum Gift Level: The College may accept charitable gift annuities that meet a minimum gift level of \$10,000, provided that all annuity payment recipients must be at least 55 years age at the time the annuity payments begin.

Authorization for Gift Acceptance: Approval is needed from the Vice Presidents of Institutional

Advancement and Business and Financial Affairs of all documents pertaining to all life income gifts.

Acceptance Procedure: Same as Trusts.

Recording Standards: Gifts will be recorded and receipted at the full fair market value and reported as a deferred future commitment at the full fair market value. When provided, the present value of the real property which the Internal Revenue Service allows the donor to claim as an income tax charitable deduction for the gift is also recorded.

Pooled Income Funds

A pooled income fund is a trust established and supervised by the College. The fund operates to accept, commingle and invest the gifts of numerous donors. Donors may contribute cash, securities or other assets. The College invests those assets in a large diversified portfolio. Donors receive income from the fund proportionate to the value of their contributions. Donors also receive income tax deductions based on the fund's rate of return of the previous three years, the number of beneficiaries, and the ages of the beneficiaries. Obtaining a "unit" in a pooled-income fund is similar to buying a share of a mutual fund. Upon the donor's death, his or her portion of the assets in the fund is severed and turned over to the College. The fund itself does not terminate, but continues to administer the gifts of other donors.

Minimum Gift Level: The College may accept initial contributions toward pooled income funds that meet a minimum gift level of \$5,000 and additional contributions that meet a minimum gift level of \$1,000, provided that all income beneficiaries must be at least 40 years of age at the time income payments begin.

Authorization for Acceptance: Approval is needed from the Vice Presidents of Institutional Advancement and Business and Financial Affairs of all documents pertaining to all life income gifts.

Acceptance Procedure: Same as Trusts.

Recording Standards: Gifts will be recorded and receipted at the full fair market value and reported as a deferred future commitment at the full fair market value of the real property. When provided, the present value of the real property which the Internal Revenue Service allows the donor to claim as an income tax charitable deduction for the gift is also recorded.

Retained Life Estates

A life estate is a form of deferred gift whereby a donor irrevocably transfers legal ownership of a personal residence or a farm property to the College but retains the right to live in or on or otherwise use the property for the remainder of his or her life (or for the lives of the donor and his or her spouse or partner) or until such time as the donor or his or her spouse or partner may elect to relinquish or terminate the retained life interest.

Minimum Gift Level: The College will accept gifts of real property subject to a retained life estate if the fair market value of the remainder interest in the property at the time the gift is made is a minimum of \$10,000. The Vice President of Institutional Advancement may waive the minimum gift requirement if the gift may lead to other gifts, is part of a larger estate gift, or is from a prolific donor.

Authorization for Acceptance: Approval is needed from the Vice Presidents of Institutional Advancement and Business and Financial Affairs of all documents pertaining to acceptance gifts of real property subject to a retained life estate. Acceptance of such gifts will be based on:

- Market value and marketability based on a reasonably current appraisal from a qualified appraiser of the fair market value of the property and interest in the property that the College would receive.
- Potential environmental risks based on Phase I environmental audits that must be obtained for any

proffered gift of real property. The College may waive this requirement for residential property that has been used solely for residential purposes.

- Limitations and encumbrances, including any and all mortgages, deeds of trust, restrictions, reservations, easements, mechanic's liens, and other limitations of record. A gift of real estate subject to a retained life that is encumbered may be accepted when the fair market value of the College's interest in the property net of all encumbrances is deemed to be substantial, or when a separate agreement to pay any encumbrances that might be charged to the College has been executed by the donor or another financially responsible party.
- The existence and amount of any carrying costs, including real estate taxes, insurance, utility services, transfer fees, and property owners' association or membership dues.
- Title information in the possession of the donor, such as the most recent survey of the property, a title insurance policy, and/or an attorney's title opinion.

Acceptance Procedure: In addition, all procedures set forth in trusts with regard to the acceptance of gifts of real estate shall apply also to the acceptance of gifts of real estate subject to a retained life interest.

Recording Standards: Gifts will be recorded and receipted at the full fair market value and reported as a deferred future commitment at the full fair market value of the real property. When provided, the present value of the real property which the Internal Revenue Service allows the donor to claim as an income tax charitable deduction for the gift is also recorded.

Life Insurance

The College will accept gifts of whole life insurance policies.

Minimum Gift Level: There is no minimum gift level for gifts of life insurance policies.

Authorization for Acceptance: Approval is needed from the Vice Presidents of Institutional Advancement and Business and Financial Affairs of all documents pertaining to offers of all gifts of life insurance by reference to the following preferred criteria:

The policy is a whole life insurance policy which is either (a) paid-up as of the date of gift, or (b) not paid-up as of the date of the gift but has a payment schedule, not to exceed ten (10) years, which requires charitable contributions from the donor to the College in the amount of any premiums, including unscheduled premiums, which may become due.

Acceptance Procedure: If a gift of life insurance meets all of the criteria above, the Planned Gifts Officer is the point of contact for all life insurance policies and may accept it if the purpose of the gift is otherwise acceptable.

The Vice President of Business and Financial Affairs is responsible for reviewing the life insurance policy, including type, face value, premium payment schedule, interest rate, age of insured(s), and other relevant information, and the purpose of the gift and the department(s), program(s), or endowment(s) to benefit from the gift, in order to (a) approve the proposed gift, (b) reject the proposed gift or (c) impose any conditions for approval, including but not limited to requiring donor pledges for contributions to cover premiums and revising proposed payment schedules.

1. If a proposed gift of a life insurance policy is approved, the Vice President of Institutional Advancement is responsible for acknowledging receipt of the gift on behalf of the College. The gift will be completed upon the execution and delivery of the life insurance policy to the College or upon assignment of the policy if the donor is not the original owner of the policy.

2. The Planned Gifts Officer is responsible for forwarding the policy to the College's Business Office which will examine it to verify that the College is the owner and beneficiary, enter it into the control sheet and place it in the safe.
3. The Planned Gifts Officer is responsible for administering and maintaining records of all gifts of life insurance, including records of all donors, contribution schedules, and donor designations of death benefits. The Planned Gifts Officer also shall be responsible for monitoring payments of premiums, and upon receipt of death benefits, for providing notice to the department(s), program(s) or endowment(s) to benefit from the gift.
4. The College's Business Office is responsible for confirming the existence and cash value of all policies in force at least annually and for collecting and distributing death benefits.

Recording Standards: If the College is both the owner and the irrevocable beneficiary of the life insurance policy, the following reporting standards will apply:

The policy will be reported as an outright gift at its cash surrender value.

- Premium payments made by the donor directly to the insurer or to the College, which then makes the payments to the insurer, will be reported as an outright cash gift at the full value of the premium paid.
- Premium payments made by the College directly to the insurer with no offsetting payment received from the donor will be reported as an operating expense and not as a gift.
- Realized death benefits will be reported as a gift only if the cash surrender value of the policy has not previously been reported or if any donor paid premiums have not previously been reported.

If the College receives the proceeds of an insurance policy in which it was named beneficiary but not owner, the full value of the proceeds paid by the insurer will be reported as a cash gift on the date the proceeds are received.

Bequests

A bequest is a gift made upon the death of a donor to the College in a donor's will or other legally binding testamentary document. Gifts made via a bequest may be outright or contingent, unrestricted or restricted, and may include any item or thing of value.

Bequest are recorded and receipted based on the type of gift (i.e. check, personal property, etc.) received by the College as established by the previously stated policies.

Minimum Gift Level: There is no minimum gift level.

Authorization for Acceptance: The Planned Gifts Officer is responsible for approving and accepting gifts made through bequests. Gifts of art must be made with the knowledge and/or involvement of the director of the Spelman College Museum of Fine Art.

Acceptance Procedures:

1. The Planned Gifts Officer shall determine initially if the bequest is to the College. If it is to the College, the Planned Gifts Officer will cooperate with the executor of the donor's estate to complete whatever action is required to affect legal transfer of the gift from the donor's estate to The College.
2. If a donor designates a bequest for restricted use, the Planned Gifts Officer will prepare a fund

agreement for execution by the donor's next-of-kin or if none are known, the executor of the donor's estate, which will include wording that allows for modification of the agreement if unforeseen circumstances prevent the College from using the bequest in accordance with the donor's original purpose.

3. If the Planned Gifts Officer determines that a bequest will place unreasonable constraints and/or conditions upon the resources and finances of the College, or that any restrictions regarding the use of a bequest gift are unreasonable, or legally impermissible, the Planned Gifts Officer will contact the executor of the donor's estate to request that unacceptable restrictions be altered or eliminated. If this approach is not successful, the College may consider engaging legal counsel to petition an appropriate court for permission to alter or eliminate a restriction; alternatively, acceptance of the bequest may be refused or waived.

Recording Standards: When the bequest is realized and received, it will be reported as a gift of either, as the case may be, cash at its full value on the date it is actually received by the College or property or other non-cash asset at its full fair market value on the date of the donor's death.

Bequest Intentions

A bequest intention is expectancy, a provision in a will, trust, or other testamentary document providing for a gift to Spelman upon the death of a donor. Bequest intentions are revocable unless accompanied by a legally enforceable contract. The gift may be designated as property (personal or real), a specific dollar amount, a percentage of an estate, etc.

Minimum Gift Level: There is no minimum gift level.

Authorization for Acceptance: The Planned Gifts Officer is responsible for approving and accepting bequest intentions. Gifts of art must be made with the knowledge and/or involvement of the director of the Spelman College Museum of Fine Art.

Acceptance Procedures:

1. The Planned Gifts Officer shall determine initially if the bequest intention is to the College.
2. If a donor designates a bequest intention for restricted use, the Planned Gifts Officer will prepare an agreement for execution by the donor, which will include wording that allows for modification of the agreement if unforeseen circumstances prevent the College from using the bequest in accordance with the donor's original purpose.
3. If the Planned Gifts Officer determines that a bequest intention will place unreasonable constraints and/or conditions upon the resources and finances of the College, or that any restrictions regarding the use of a gift are unreasonable, or legally impermissible, the Planned Gifts Officer will contact the donor to request that unacceptable restrictions be altered or eliminated.

Recording Standards: A bequest provision or other testamentary intention that is a revocable expectancy will be recorded as a non binding pledge at the face and present value provided by the Planned Gifts Officer.

The exception being, revocable bequest intentions received from donors 70 years of age and older will be counted in the College's campaign fundraising totals. Other donors who wish to have bequest-type contributions counted in the Campaign are encouraged to establish a non-revocable trust or some other form of non-revocable planned gift. Donor must provide a copy of the page in the will designating Spelman as a beneficiary.

SECTION IV

Gift and Pledge Recording/Campaign Accounting

Gift Accounting Standards

Outright

Outright Gifts of cash, securities, and property will be recorded only when the assets are in the possession of the College. Gifts will be valued on the date donors relinquish control of assets to the College. Securities will be valued on the date the College takes control of the asset. Except as previously noted, gift values will be determined without regard to (a) donors' personal estimates of gift valued or (b) the worth and date of gifts reported by donors to the Internal Revenue Service.

Irrevocable Deferred Gifts

Irrevocable Deferred Gifts will be recorded at their face and present values upon the College's notification of the gift. During the course of a campaign, irrevocable deferred gifts will be counted in internal and external reports at their face value. Gifts will be valued as of the date of the College's notification of the existence of the gift.

Revocable Deferred Gifts

Revocable Deferred Gifts will be recorded at their face and present values upon the College's notification of the gift. The College reserves the right to count revocable gifts made by donors age 70 and over in the College's campaign totals. Revocable deferred gifts such as bequest will be identified as such on campaign reports.

Defaults for Deferred Gifts

To facilitate the timely recording of all deferred gifts in the absence of specific data provided by the donor the following defaults have been established by the Office of Planned Giving:

Face Value	\$.01
Present Value	\$.00
PG Vehicle Code	PG Vehicle Unknown
Designation	Annual Fund

Undesignated Bequests

Bequests made to and received by the College that are under \$50,000 and not designated for a specific purpose, unless otherwise specified by the President and/or Vice President of Institutional Advancement, will be designated for the Annual Fund.

Bequests \$50,000 and over not designated by the donor will be submitted to the President, Vice President of Institutional Advancement and, as appropriate, the Chief Fundraising Officer for designation.

Legal Credit

Legal credit will be given to the individual/entity from whom/which a contribution is received. These donors can legally treat their gifts as charitable contributions for federal income tax purposes.

Credit to Last Entity

The CASE/NACUBO *Management Reporting Standards for Educational Institutions* (February 1996) states on page 10: *"In most cases where a contribution passes through several entities-such as from an individual to an organization to an institution, or from an organization to another organization to an institution-cite as the source, the last of the entities through which it passes before being received by the institution."*

Therefore, a gift made by an organization on behalf of an individual or other donor will be credited to the entity distributing the gift. Such gifts include but are not limited to gifts from family foundations, community foundations, and family or closely held corporations, and other donor-directed gifts not personally given.

Corporate Checks

The CASE/NACUBO *Management Reporting Standards for Educational Institutions* states specifically: *"A check drawn from a business account should be credited to the Corporations and Businesses category."* Failure to follow this policy could result in false information being provided to the Internal Revenue Service and

negatively affect corporate fund raising totals. This policy applies to corporate matching gifts and any other corporate gifts. Any possible exceptions to this policy will be addressed on a case-by-case basis. In this regard, the College recognizes that, for some donors, there is little difference between personal and business checking accounts; therefore, in appropriate instances a decision may be made to give credit to the donor by inserting the following at the bottom of the gift transaction forum: *On behalf of [name of individual]*.

Donor-Advised Funds/Donor Directed Funds

Donor-Advised Funds are 501(c) (3) charitable organizations that are established to accept, invest, and distribute irrevocable contributions to other 501(c) (3) charitable organizations. A donor who contributes to a donor-advised fund can "recommend" that the donor-advised fund make distributions to other non-profits of the donor's choice. However, because donors lose legal control over their gifts to a donor-advised fund, the donor-advised fund is not required to follow the donor's recommendation. Hence, the donor-advised fund is considered the legal donor of the distribution to another non-profit.

The College gives the donor-advised fund legal credit for the distribution. The affiliated donor receives gift recognition or "soft" credit. The recommended contribution cannot be applied against the affiliated donor's persistent pledge. If so directed, the donor's personal pledge may be reduced by the amount of the gift from the donor-advised fund. Matching gift companies may or may not match contributions from a donor-advised fund.

Soft Credit

Soft credit will be given to show affiliation with a gift. Soft credit donors cannot regard the gift as a charitable contribution for federal income tax purposes. Examples of gifts for which soft credit will be recorded include but are not limited to:

- Matching gifts from corporations
- Gifts made by one donor on behalf of another (i.e. parent on behalf of student, gifts from family foundations on behalf of the family members, etc.)
- Gifts received from donor advised funds at the recommendation of a donor to that fund
- Alumna receive soft credit for gifts made during reunion in honor of an alumna from other than alumnae in a different reunion classes
- Third party pledge payments

Soft credit is not normally given to persons who personally solicit gifts on behalf of the College. Exceptions are made upon, approval of the Vice President of Institutional Advancement or their designee.

Gifts Pending Designation or Funds/Accounts

Contributions received for which the designation is not known or a new fund/account is required are deposited into the Miscellaneous Grants Fund, an annual restricted fund. Upon receipt of the required information, the designation is adjusted. Bequest intentions for which the designation is not known are allocated to the Annual Fund.

The Miscellaneous Grants Fund/account is periodically reviewed throughout the fiscal year by the Donor Services Specialist to ensure that all gifts are transferred out of the account by the end of each fiscal year, as required by the Office of Business and Financial Affairs.

SECTION V

Pledge Recording Standards

Pledges are unconditional promises or arrangements to give money in the future. With the exception of Telefund Pledges, in order to officially record a pledge into Banner, appropriate documentation signed by the donor is required (a Pledge Form, Letter of Intent, or Campaign Gift Agreement). Pledges are to be recorded only when full payment is expected at a pre-established time in the future.

If the donor is reluctant to sign a Pledge Form, but is quite clear about his or her promise to give, CASE will allow the solicitor to write a letter to the donor confirming the College's understanding of the donor's pledge and provide a copy of the signed letter as documentation of the pledge.

All copies of multi-year pledges of \$1,000 or more will be forwarded to the central files and filed with the corresponding donor's file.

Minimum Gift Level: There is no minimum pledge level aside from those established for recurring transactions (i.e. Electronic Funds Transfer (EFT), Recurring Credit Card (RCC), or Payroll Deductions).

Authorization for Acceptance: None required.

Acceptance Procedure: Solicitors will provide the Donor Services Specialist with the donor's name, pledge amount, purpose of the pledge and payment schedule.

Recording Pledges with Written Documentation

Pledges are to be recorded upon receipt of written documentation either (a) from the donor to the College or (b) from the College to the donor. Written documentation must provide information about the donor's payment intentions or payment schedule.

Pledge Agreements and signed Fund Agreements constitute adequate written documentation for recording pledges. A letter from a solicitor to a donor who has made a verbal pledge may be considered adequate documentation if (a) the letter confirms the development staff officer's understanding of the verbal pledge, or (b) the letter is approved by the Vice President of Institutional Advancement and Advancement Services is in possession of the correspondence. Memos to "file" or other internal memoranda are not adequate forms of written documentation for recording pledges.

Recording Telefund Pledges

Pledges made through an authorized telefund event may be recorded and are exempt from the requirement to secure written documentation.

Recording Pledges in Good Standing

There must be evidence that pledges are in good standing. Pledges not in good standing (i.e. missed payments), for which there is no correspondence with the donor outlining revised payment terms, are subject to review by the Vice President of Institutional Advancement.

Modifications Due to Pledge Overpayments

It is possible that pledges may be overpaid. If the final payment against a pledge will cause the sum of all payments to exceed the original pledged amount, the Donor Services Specialist will accept the payment without requiring a modification to the pledged amount. This situation most likely will occur when the payment is made by a gift of securities. However, pledge overpayments will require modifications in the following circumstances:

- a. If a donor who has made an overpayment indicates he or she is increasing his/her pledge, the pledge record must be modified.
- b. If a donor has made an overpayment and wishes to establish a new pledge with the excess payment, a new pledge record must be created and the payment split accordingly.

Overpayments

If the overpayment does not result in modifications to the pledge or a new pledge, the excess amount will be entered as a gift made by the donor to the same designation as the original pledge.

Personal Pledges and Donor-Advised Funds

Donor-recommended contributions that are received by the College through donor-advised funds cannot be applied against personal pledges. A donor-advised contribution is credited as a gift from the donor-advised fund, and the affiliated donor's personal pledge may be reduced by the gift amount that is received from the donor-advised fund.

Recording of Pledges with Anticipated Matching Gifts

Per IRS rules and CASE standards, pledge amounts recorded for a donor employed or affiliated with matching gift companies will not include the amount of the expected match. Donors cannot create financial obligations for matching gift entities.

Upon receipt of the payment accompanied by the matching gift documentation the expected match will be recorded and soft credited to the donor. The received match will be credited to the same designation as the payment.

Non-designated Gifts Received from Donors with Open Pledges

Upon receipt of a contribution that is not designated from a donor with an open pledge, the contribution will be applied to the open pledge.

Pledge Reminders

Telefund: Monthly reminders sent by Office of Annual Giving.

All Other Pledges

Donors with unpaid pledges will receive a minimum of four reminders each fiscal year.

A list of pledges with payments due in the current fiscal year is provided to the Associate Vice President of Development for review quarterly and subsequent action (i.e., letter, phone call, email or visit).

Pledge Write-offs

1. *Annual and Telefund Pledge*: Pledges not paid by June 30th will be written off at the beginning of the new fiscal year by Advancement Services.
2. *Multi-year Pledges*: At the beginning of each fiscal year, Advancement Services will forward a list of unpaid multi-year pledges that have received a minimum of two reminders in the prior fiscal year to the Vice President of Institutional Advancement, Associate Vice President for Development, Office of Donor Relations and each fundraiser to approve for write-off or, to contact the donor to request payment or adjust the payment schedule.

SECTION VI

Gift Receipting Standards

A gift contribution/donation is an unconditional transfer of cash or other assets from an individual or organization to the College where no goods or services are expected, implied, or forthcoming for the donor.

The Office of Advancement Services is responsible for timely recording and receipting all tax deductible private gifts to the College. All pertinent gift documentation must accompany the gifts forwarded to Advancement Services to ensure the accuracy and timeliness of the receipt. Upon receipt of all required documentation, the legal donor is sent a receipt within forty-eight (48) hours of the processing of the gift by Advancement Services.

With appropriate documentation, tax deductible gifts are receipted and official receipts are sent to the legal donor. The legal donor of a gift/contribution is the person or organization who makes the gift.

Examples: Alumna sends her personal check. The alumna is the legal donor.

Alumna sends a check from her own company. The company is the legal donor.

Alumna makes gift through NAASC. NAASC is legal donor.

Alumna makes a check payable to the College through NAASC. Alumna is the legal donor

The following gifts are not receipted as taxable private gifts:

1. Membership dues/fees
2. Governmental funds, whether local, state, federal, or foreign
3. Contract revenue
4. Contributed Services

If further definition is needed, use the NACUBO Guide to distinguish between Contracts and Gifts (CASE Management Reporting Standards). If the majority of characteristics meet the factors of a gift, then classify as a gift.

Raffle Sales

Due to the legal and tax implications which may jeopardize Spelman's tax exempt status, the College does not endorse the sale of raffles as a fundraising practice by College Staff or those acting as Agents of the College.

Although the College cannot prohibit external organizations fundraising in support of Spelman from selling raffles as a part of their fundraising efforts, staff is instructed to advise clubs and others of the College's policy.

Modifying Gift Records

Written documentation is required to modify gift records; Acceptable written documentation is limited to:

- A letter/email from the donor;
- A letter/email to the donor from a member of the development staff; or
- A completed updated pledge form.

Exceptions

Gift records may be modified without written documentation only in the case of (a) corrections of errors made by the College or (b) personal contact by the donor.

SECTION VII

Supplemental Policies

Gift Acceptance Committee

A Gift Acceptance Committee will be convened at the discretion of the President and/or Vice President of Institutional Advancement to approve gifts and pledges that are exceptions to the aforementioned policies or that are not addressed by the proscribed policies. The Committee shall be comprised of the President, Vice Presidents of Institutional Advancement and Business and Financial Affairs and their designees.

Retention and Destruction of Gift and Pledge Records

Copies of all transmittals, receipts, and gift and pledge documentation are maintained with a copy of the feed report by Office of Advancement Services until the completion of the College's financial audit.

Upon completion of the audit for the given fiscal year, the feed reports and accompanying documentation not meeting the below requirement are placed in secure receptacles for destruction by the College's document disposal service.

Documentation for all gifts and pledges of \$1,000 or more and all trustees gifts of any amount, along with copies of receipts and acknowledgement letters are retained in Institutional Advancement files for a minimum of five (5) years.

Documentation retained by the Office of Advancement Services is secured in the office's central file and resource room which is locked nightly.

Soliciting Sponsorships and Donations

This document outlines the official policy related to the solicitation of sponsorships and donations from companies, institutions, or organizations by specific Spelman College constituents (alumnae, reunion classes, NAASC chapters, registered student organizations, etc.). The policy is applicable for any solicitation of money or in-kind donations.

Spelman maintains ongoing funding and programmatic relationships with numerous national and local businesses, corporations and their affiliate private foundations. The College strives to build long-term, dynamic and productive relationships with its partners. Specifically, these entities lend financial support to institutional priorities, as identified by the President and Board of Trustees. **Therefore, it is imperative that clearance is obtained through the Office of Institutional Advancement—via the Corporate and Foundation Relations department—for any solicitation targeted toward current and potential partners for non-College sponsored initiatives.**

The steps for clearance are as follows:

1. College constituents should submit a list of targeted prospects, in writing, to the Corporate and Foundation Relations department prior to solicitation of said prospects. Your list should include the following information for each: name, address, and contact person for the prospect; the requestor's relationship, if any, to the prospect (i.e. connection to an employee); and the nature of the request (cash or in-kind). Submissions must be received at least one month prior

to the need. *We recommend a minimum of six months lead-time for the greatest fundraising effectiveness.*

2. Upon receipt and review of the list, the designated staff representative (see contact information below) will advise the requestor if any of the targeted prospects present a conflict (i.e. existing, pending or planned gift solicitations from the College for specific institutional priorities). Additionally, the College will provide additional resource recommendations whenever possible. Please allow ten (10) business days for a response.
3. If a funding conflict is not cited, the requestor is free to pursue the targeted prospects.
4. If a funding conflict is cited, the requestor may not pursue the targeted prospects —however, an alternative approach might be available. These options can be discussed with the designated staff representative.
5. Approval or disapproval status applies only to the specific request and may change for subsequent requests, due to the ever-changing nature of the relationships.
6. The Corporate and Foundation Relations department is happy to provide guidance on the development of prospect lists, sponsorship packets (samples are available upon request) and follow-up strategies. However, we are only your consultants—the actual work will be done by you.

It is our intent to secure adequate funding to help meet Spelman’s fiscal needs each year. Furthermore, it is our intent to support the fundraising efforts of our constituencies that are working on behalf of the College. We aim to accomplish both these goals in a mutually beneficial manner that yields the maximum financial support.

Please note the following:

- The College is required by law to process (record, deposit, issue tax receipt, etc) all gifts (from individuals, corporations, foundations, etc) payable to Spelman College.
- Corporate sponsorships (or fundraising proceeds) cannot be used toward class participation.
- Soft credit will be given to show affiliation with a gift. Soft credit donors cannot regard the gift as a charitable contribution for federal income tax purposes. Soft credit can include matching gifts from corporations. However, these gifts cannot be used toward class participation.
- For reuniting classes, corporate sponsorships (or fundraising proceeds) processed by the College will be included in the Most Significant Class Gift Award only. *This award will be given to the class with the largest total amount raised from the beginning of Fiscal Year 2014 to the Reunion Giving Deadline (Friday, May 16, 2014 at 2:00 pm EST).*

For clearance of corporate prospects, additional information or questions, please contact:

Shana Chance, Corporate & Foundation Relations Officer
Rockefeller Hall, 2nd Floor, Office 203 M
404-270- 6427(office)
404-270-5050 (fax)
schance@spelman.edu

GLOSSARY of Terms

Administrator	The person appointed by the court to settle an estate when a person had died without a valid will.
AFP*	Association of Fundraising Professionals
Alumni Participation	The alumni participation rate is determined by calculating the percentage of alumni donors out of a pool of active alumni.
Annual Fund Credit	Amount of an individual's gift that's credited to the Annual Fund and factored into Fund totals.
Annual Gift	A donation made each year, usually with few restrictions.
Annuity	A contracted right to receive payments of a specific amount at stated intervals in life, or for a term of years, in consideration of a transfer of cash or other assets.
Beneficiary	The person or organization that receives a bequest under a will, death benefits from a life insurance policy or payments from a trust.
Bequest	A sum of money committed to an organization by will or trust and made available upon the donor's death. The donor retains all assets during his or her lifetime
CAE*	Council for Aid to Education
Capital Campaign	An organized drive to raise substantial funds in support of an institution's major needs such as construction or renovations, endowment, or special programs.
CASE*	Council for the Advancement and Support of Education
Charitable	Giving to those in need; Giving for benevolent purposes.
Charitable/deferred gift annuity	An agreement between the college and a generous donor whereby the donor makes a contribution in exchange for the College's promise to pay one or two annuitants a fixed income for life. Funds remaining after the death of the last annuitant will be used by the College for purposes specified by the donor at the time of the gift. The minimum gift to fund a charitable gift annuity is \$10,000
Charitable Remainder Unitrust (CRUT)	A popular type of charitable remainder trust that pays a percentage of the fair market value of the trust, valued annually, to a maximum of two beneficiaries age 55 or older. The minimum gift to a unitrust is \$100,000.
College	Spelman College
Contingent Fee	Any fee for services provided where the fee is only payable if there is a favorable result.
Contribution	The act of contributing.
Death Benefit	The amount payable by an insurance company to the beneficiary(ies) at the death of the insured.
Donation	A transfer of cash or other assets to an entity or a cancellation of the entity's liabilities in a voluntary, nonreciprocal transfer by another entity.
<u>Done</u>	<u>A person or organization that receives a gift.</u>

Donor	A person, organization, corporation, or foundation that makes a gift.
EFT*	Electronic Funds Transfer
Endowment	The principal amount of gifts and bequests that are stipulated to be kept intact and invested to create a source of income for an organization.
FASB*	Financial Accounting Standards Board
FERPA*	Family Educational Rights and Privacy Act (FERPA)
Fiduciary	A person, such as a trustee or executor, responsible for the affairs or the estate of another person (such as a beneficiary or donor) or organization.
Fundraising	The raising of assets and resources from various sources for the support of an organization or a specific project.
Gift	Donation. To endow or present with a gift. Also contribution; donation.
Gifts In Honor	Like memorial gifts, gifts in honor accomplish two significant goals at once: They honor someone whom the donor loves or admires, and they further the Institute’s service to society. Gifts in honor, like memorial gifts, may be designated toward a specific program or fund, or their use may be left to the discretion of the College.
In-kind Contribution	Non-cash gift of services or of tangible property—equipment, works of art, books, etc.—rather than of cash or appreciated property. In-kind contributions (also referred to as “gifts in kind”) must be appraised or evaluated before they are accepted by the College.
Matching Gift	A grant program whereby a company will contribute a specific amount of money to the College based on the amount of a gift made by an employee (and sometimes by the employee’s spouse or a retiree) to the College. Specific guidelines are set by each employer. Matching gifts are included in the Annual Fund dollar total, and are added to an individual’s gift total for purposes of donor recognition.
IRS*	Internal Revenue Service
NAASC*	National Alumnae Association of Spelman College
NACUBO*	National Association of College University Business Officers
NCPG*	National Committee on Planned Giving
OAG*	Office of Annual Giving
Operating Support	Contributions made to cover an organization’s day-to-day, ongoing expenses (e.g., salaries, utilities, office supplies).
Philanthropy	Goodwill to fellow persons; <i>especially</i> : active effort to promote human welfare.
Planned Gift	A form of charitable contribution whereby the donor retains assets for life (in the case of bequests), or the donor and/or the donor’s beneficiaries are given payments for life or for a specified term of years (in the case of life income funds), after which all remaining funds are transferred to the College.
Pledge	A commitment by an individual or corporation to make a future contribution. Some donors, especially when preparing to celebrate a major reunion, make

multi-year pledges. Pledges are not included in Annual Fund totals, but are included in some Reunion Gift campaigns.

PPP*	Partnership for Philanthropic Planning
Prospect	Any potential donor whose linkages, giving ability, and interests have been confirmed.
RCC*	Recurring Credit Cards
Restricted Fund	Contribution made for a clearly specified purpose and none other.
SEC*	Securities Exchange Commission
Senior Gift	The fundraising campaign launched by each year's senior class to raise funds for the College. Often features a class project that reflects the interests of the class.
Solicit	To ask (a person or group) for a contribution of money, resources, a service, or opinion.
Unrestricted Gift	A gift whereby the donor authorizes the College to decide how the money will be used.

*Acronyms