

# COLLEGE of CHARLESTON

## OFFICIAL POLICY

4.2

**Gift Acceptance Policy**

1/19/16

### **Policy Statement**

The College of Charleston encourages the solicitation and acceptance of philanthropic contributions to advance and fulfill the mission of the College of Charleston through the College of Charleston Foundation, the College of Charleston Alumni Association and the Cougar Club.

Contributions from individuals, corporations, foundations and others are required to be recorded in an accurate, timely way, and conform to federal and state law. This gift acceptance policy has three purposes:

To define the types of gifts and pledges that are acceptable, the roles and responsibilities of various offices for accepting them, and the minimum standards for receipting, acknowledging and counting them;

To assure compliance with relevant College of Charleston policies and applicable Internal Revenue Service guidelines; and

To establish procedures for creating and naming various funds, facilities, programs and spaces for donor recognition.

This policy shall be known as the College of Charleston Gift Acceptance Policy since all gifts are for the benefit of the College of Charleston, even if gifts are actually received and administered by one of the not-for-profit organizations named above.

---

### **Policy Manager and Responsible Department or Office**

College of Charleston Foundation

---

## Purpose/Reason for the Policy

---

## Departments/Offices Affected by the Policy

---

## Procedures Related to the Policy

### I. Introduction

#### A. Definitions

The University of Charleston, known as the College of Charleston, or familiarly as “the College”, is a political subdivision of the State of South Carolina. As such, it is not subject to federal income tax under Section 115 of the Internal Revenue Code. Therefore, it may receive philanthropic contributions that qualify for deduction on federal income and estate tax returns.

The College of Charleston is currently supported by three (3) organizations: The College of Charleston Foundation, Inc. (hereinafter referred to as the Foundation), The College of Charleston Alumni Association, Inc. (hereinafter referred to as the Alumni Association) and the Cougar Club. These three (3) organizations are independent, tax exempt, non-profit institutions whose sole purposes are to support the College of Charleston (hereinafter referred to as the College) in the accomplishment of the College’s stated goals and objectives. While they all support the College, they are not “supporting organizations” as defined under Section 509 of the Internal Revenue Code.

For purposes of this policy, the College of Charleston, the College of Charleston Foundation, the Alumni Association and the Cougar Club shall be known collectively as the “Charitable Recipients.”

A gift, or contribution, is a voluntary and irrevocable transfer of money, securities, tangible personal property or real property to any of the Charitable Recipients made by a donor without any expectation or receipt of direct economic benefit or provision of goods or services from the recipient. Donors may also make pledge commitments and deferred gift commitments that will be fulfilled in the future. Donors may be individuals, estates, partnerships, corporations, foundations or organizations.

A grant is defined as a voluntary transfer of money or property to any of the Charitable Recipients for the primary intent to carry out a public purpose of support without direct benefit to the sponsor. Non-governmental grants are considered gifts and may be accepted directly by any of the Charitable Recipients and should be coordinated with the office of Research and Grants Administration (ORGA). Governmental grants, however, are not considered philanthropic gifts and should be received and managed directly through ORGA.

Contracts or Licensing arrangements are agreements representing the transfer of money, property, or services by a sponsor to the College, in exchange for specified services or activities (e.g., research and development), including requirements for financial and/or technical reporting by the recipient as to the actual use of the money and results. The agreement is enforceable by law, and performance is usually to be accomplished under time constraints with payment being subject to being revoked for cause. The Office of Research and Grants Administration (ORGA) is responsible for these agreements and contracts. However, agreements which reflect marketing or licensing regarding Athletic programs shall be received and managed directly by the Division of Athletics.

In addition, the Office of Alumni Relations shall directly manage and coordinate royalty or other agreements regarding alumni programs. Contracts and/or licensing agreements that purport to bind the College shall be sent to the Office of Legal Affairs (OLA) for legal review prior to signature by an authorized signatory.

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

The standards of accounting and reporting established by the Council for Advancement and Support of Education (CASE) and the National Association of College and University Business Officers (NACUBO)<sup>1</sup> as printed in CASE Management Reporting Standards - Standards for Annual Giving and Campaigns in Educational Fundraising, shall govern the management and reporting of gifts to the Charitable Recipients. The Annual Gift Report produced by the Foundation shall also conform to the Council for Aid to Education's (CAE) annual Survey of Voluntary Support of Education (VSE).

*1 The Charitable Recipient is required to follow Financial Accounting Standards Board (FASB) requirements for financial reporting. Where NACUBO guidelines may propose Governmental Accounting Standards Board (GASB) rules, the Foundation will elect to follow FASB.*

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

The Charitable Recipients receive gifts for the benefit of the College. Upon receipt, the terms, restrictions, and conditions of the gift will be recorded. Gifts will be deposited through any of the Charitable Recipients for use according to the purposes specified by donors. The appropriate Charitable Recipient will send a receipt of the gift, which shall comply with the substantiation regulations of the IRS, in a timely manner. Pledges will be recorded, and each of the Charitable Recipients will maintain a pledge payment reminder system.

In the normal course of business, Charitable Recipients prepare financial statements based on generally accepted accounting practices. Additionally, the Charitable Recipients will prepare fundraising statements to report philanthropic activity of the Charitable Recipients. Therefore, fundraising statements and financial statements may differ.

Fundraising by the Charitable Recipients for the College of Charleston shall be measured by two methods: New Commitments and Actual Receipts. New commitments shall be reported as a measure of total fundraising at the College of Charleston and shall include: pledges, cash, marketable securities (stock), gifts in kind, revocable and irrevocable deferred (planned) gifts. Actual receipts shall provide a measure of gifts received and shall include: pledge payments, cash and marketable securities and in kind gifts.

See Section VII.B. for more information regarding various types of gifts accepted.

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

All fundraising staff at the College of Charleston will abide by the Association of Fundraising Professionals' *Code of Ethical Principles and Standards of Professional Practice*, as amended from time to time (adopted in 1964; amended October 1999).

## **II. Governance**

The College of Charleston Foundation is the primary recipient of private philanthropy for the College. As such, all Charitable Recipients agree that the Foundation will offer leadership on process and structure for the acceptance of charitable gifts. The Foundation's process and structure is designed to serve the interests of and be accessible for use by all Charitable Recipients as determined and agreed to by the governing boards of each Charitable Recipient.

### **The Board of Directors Development Committee**

The College of Charleston Foundation is governed by a Board of Directors. The Foundation's Development Committee is responsible for the duties listed in the Committee's charter, which includes reviewing and endorsing the College of Charleston Gift Acceptance Policy.

## **A. The Gift Acceptance Council**

The Gift Acceptance Council (GAC) ensures that all proposed gifts have been appropriately reviewed and that they are in conformity with the Gift Acceptance Policy. The GAC determines the educational, historical and/ or tangible value of each gift. The GAC makes recommendations regarding all proposed gifts that require individual documentation. The GAC may convene periodically to review gift proposals or gift commitments valued at \$50,000 or more at the request of the Vice President for Development. Actions taken by the GAC may be reported to the Development Committee of the College of Charleston Foundation Board of Directors as appropriate.

The chair of the GAC will be the Vice President for Development. The GAC will include the Vice President for Development, the Executive Director of the Foundation, the Associate Vice President of Development, the Director of Financial Services of the Foundation and the Director of Stewardship and Donor Relations. The GAC will also include the Director of Alumni Relations and/or the Executive Secretary of the Alumni Association when a gift is under consideration from an alumnus/alumna and likewise, the GAC will include the Executive Director of the Cougar Club when a gift is being considered from a member of the Cougar Club. The chair may invite other individuals to assist with determining the acceptability of a gift. Decisions may be finalized based on the agreement of a majority of the GAC.

The GAC will secure the approval of the Provost and the Executive Vice President for Business Affairs when a proposed gift is intended to create an academic appointment such as a professorship or chair or to establish a new academic program, as appropriate. (See Section V. Naming Opportunities)

The Vice President for Development may approve gift proposals or gift solicitations valued at less than \$50,000 and which are outside of the scope of normal annual giving program efforts, in consultation with any other staff he or she deems appropriate.

The GAC shall be responsible for overseeing the process for the creation, review and execution of gift agreements.

The philanthropy of donors may include certain unique gifts with special circumstances, restrictions or conditions. If, in the professional opinion of the Vice President of Development, a proposed gift is deemed to be unique and/or involving issues, and/or discernment beyond the scope and authority of the GAC and/or potentially lacking in educational, historical and/or tangible value, the Vice President will seek additional consideration of the gift from the Executive Vice President for Institutional Advancement and the Executive Vice President for Business Affairs. If a proposed gift poses potential legal and/or reputational risks to the College of Charleston, the Vice President shall consult with OLA prior to acceptance of the gift.

## **B. The Gift Naming Council**

The College of Charleston may choose to honor the support of a donor by naming a building, school, space, academic/administrative program or fund for the donor or a person that the donor may recommend. The Gift Naming Council (GNC) provides the initial review and recommendations for all naming opportunities being considered.

The chair of the GNC will be the Vice President for Development. The chair will include the following people, or their designee, in the evaluation of naming opportunities: the Executive Vice President of Institutional Advancement, the Director of Financial Services of the Foundation, the Executive Vice President for Business Affairs, the Provost, the Vice President for Facilities Planning, the Director of Alumni Relations and/or the Executive Secretary of the Alumni Association. The following people may also be included depending on the facility or project to be named: the Athletics Director, the deans, the Associate Vice President for Development or the chair of the Institutional Advancement Committee of the Board of Trustees. The GNC will also include the Executive Director of the Cougar Club when a naming gift is being considered from a member of the Cougar Club. (See also Section V. Naming Opportunities)

## **III. Forms of Giving**

### **A. Cash Transactions**

All charitable gifts contributed in the form of cash, checks, money orders, traveler's checks, electronic fund transfers, and credit or debit card transactions shall be received at face value and will be recorded, receipted, and acknowledged in accordance with cash handling policies, and current IRS and FASB regulations. The date of gift for cash gifts will be determined by one of the following criteria:

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

### **B. Publicly Traded Securities**

All publicly traded securities will be accepted based on the full fair market value of the securities, which shall be valued, recorded, receipted and acknowledged in accordance with current IRS regulations. Upon receipt of a gift of securities, Charitable Recipient personnel shall fulfill brokerage requirements for immediate sale of the securities as soon as practicable by the broker unless otherwise directed the Treasurer of the Charitable Recipient.

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

- the date an electronic transfer of securities from a donor's account is received into a brokerage account owned by a Charitable Recipient
- the date of hand delivery of certificates that are signed over to a Charitable Recipient
- the date of U.S. postal cancellation on envelopes containing a certificate(s) accompanied by a properly executed stock power(s)

Gifts of publicly traded securities will be acknowledged to the donor in writing by identifying the name(s) of the securities and the actual number of shares given. The donor will be advised to seek professional tax advice on the deductibility of the gift.

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

Closely held or restricted securities, sole proprietorships, options, warrants, general or limited partnership interests, S corporate stock, and/or REITS may be accepted as contributions only after review and approval by the Gift Acceptance Council. Receipt of such gifts shall be recorded, receipted and acknowledged in accordance with all applicable IRS regulations.

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

### **D. Real Estate**

Charitable Recipients will consider gifts of real estate on a case-by-case basis. Real estate may be given outright or through other methods such as but not limited to, a bargain sale arrangement or for the purpose of funding a life income charitable giving arrangement. All gifts of real estate must be approved by the Gift Acceptance Council. The GAC may consult with the Property Committee or the Development Committee of the Foundation Board, or the Executive Vice President for Business Affairs of the College, when considering such gifts.

All gifts of real estate will be handled in accordance with College policy. A representative from the College must review the College's real estate acceptance procedure with the prospective donor. Proposed gifts of real estate shall be evaluated based on the following criteria:

- 1) Does it assist in achievement of the educational mission of the College?
- 2) Does it have potential for producing income?
- 3) How marketable is the property?
- 4) Does it have strategic use in the future?
- 5) What are the annual expenses of ownership?
- 6) Does the property pose known or potential legal risks?

The following should be taken into account when considering a gift of real estate:

- Actual inspection of the property by a knowledgeable College representative
- Environmental assessment (Phase I)
- Survey
- Recent appraisal
- Preliminary title examination (mortgages, liens, easements, etc.)
- Taxes paid currently
- Termite bond
- Zoning
- Pending assessments
- Rental income – leases
- Home owner association and costs
- Timber cruise
- Marketability estimate

### **E. Tangible Personal Property**

Gifts of tangible personal property may be accepted by a Charitable Recipient based on their expected benefit to the College of Charleston. The Charitable Recipient may accept gifts of tangible personal property as long as the property donated has tangible, historic or educational value to the College of Charleston or can be placed in service in support of the mission of the College of Charleston. If the gift does not have tangible, historic or educational value or cannot be placed into service, then it should be liquidated to produce cash.

Prospective donors of gifts of tangible property should be advised that a Charitable Recipient reserves the right to sell, exchange or otherwise dispose of donated personal property at any time, if such action is deemed financially advisable or necessary. If a Charitable Recipient chooses to sell exchange or otherwise dispose of the property (valued at \$500 or more) within three years from the date of receipt, the Charitable Recipient will file Form 8283 in compliance with IRS requirements. However, if it is possible that a gift of tangible personal property may be sold within three years of receipt, then this possibility should be discussed with the Donor since it may result in adverse income tax consequences.

Gifts of tangible personal property will be credited at the full fair market value regardless of the donor's charitable deduction. Gifts with fair market values exceeding \$5,000 will be recorded with the values determined by an independent, qualified appraisal in accordance with IRS regulations for valuing non-cash charitable contributions. The responsibility of obtaining the qualified appraisal rests with the donor. Gifts of \$5,000 or less will be credited at the value placed on them by the donor or by someone with knowledge in the field as required by IRS guidelines. All in-kind gifts shall be accompanied by written documentation.

Gifts of tangible personal property with a value in excess of \$5,000 may be accepted upon the approval of the Gift Acceptance Council. Gifts in kind with a value of less than

\$5,000 may be accepted with the approval of the Charitable Recipient.

Gifts of services and the use of property are gratefully appreciated and acknowledged even though they are not recognized by the Internal Revenue Service as deductible from income. Therefore, no gift receipt will be issued for such gifts.

#### **IV. Endowed Funds**

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

The College of Charleston Foundation will hold and administer all endowment funds benefitting the College of Charleston. The Foundation shall define and manage endowment funds in accordance with FASB definitions and rules. The Foundation will also apply the Uniform Prudent Management of Institutional Funds Act (UPMIFA) or its successor as enacted by the State of South Carolina and as directed by the Board of Directors.

Endowments shall be governed by a written agreement executed by the donor and the Foundation and if appropriate, the College of Charleston. This agreement must be approved and executed by the Executive Director for the Foundation or his or her designee before it is presented to the donor.

Endowments may be funded with outright contributions including contributions pledged over a recommended maximum period of five years and must meet the required minimums. Endowments may also be funded with deferred contributions such as bequests, life insurance policies, retirement plan designations, charitable remainder trusts, charitable gift annuities, charitable lead trusts and similar instruments and arrangements. Any exceptions to the policy must be approved by the Gift Acceptance Council.

Endowments may be designated by the donor for restricted use in any school/college, department or program within the College and may be named in honor or memory of individuals. In the event that the above-stated use becomes impracticable, or in the event that the pledge is not fulfilled in its entirety, then such funds may be used for such other educational uses and purposes as the Board of Directors of the College of Charleston Foundation shall deem necessary and advisable, keeping in mind the intent and goals for which the fund was originally established. In such event, the Foundation will make every effort to consult with the donor or donor's heirs.

Endowments created by testamentary transfer shall be administered in accordance with the donor's wishes as set forth in the relevant testamentary document; provided that the donor clearly intends to establish an endowment and the intended use is not prohibited by law or College policy. If the intended use does fall outside of the law and/or College policy, or if the gift fails to meet the prevailing required minimum for an endowed fund at the time it becomes available to the Foundation, the Foundation will adhere to the laws and regulations of the State of South Carolina regarding such matters.

A donor (and the donor's family or designee) who establishes a scholarship or award shall not have controlling authority in the selection of recipients. Final decision on the selection

of scholarship and award recipients is the sole right of the College of Charleston. However subject to applicable law, the donor may be advised regarding the process for selection of recipients. The nature of the donor's and/or his/her family's or designee's involvement must be clearly defined in the gift agreement between the donor, the Foundation and if applicable, the College of Charleston. In all cases, participation is advisory in nature.

Endowments that establish chairs and professorships must adhere to all College policies on chairs and professorships and must be approved by the Provost and the Executive Vice President for Business Affairs in collaboration with the Gift Naming Council.

## **B. Endowment Funding**

The value of gifts necessary to establish an endowment fund is determined and set from time to time in collaboration with the other Charitable Recipients and with recommendations from the GAC and the GNC. These necessary amounts may be adjusted from time to time. If a donor wishes to establish an endowment for a designation not contained in this document, the Gift Acceptance Council will review the donor's intent and interests on a case-by-case basis.

## **V. Naming Opportunities**

### **A. General Policy**

The College of Charleston may honor the philanthropic support of a donor by naming a building, school, space, academic/administrative program or fund for the donor or someone that the donor may recommend.

The Gift Naming Council (GNC) provides the initial review and recommendation for all naming opportunities being considered, as described in Section II.B. of this policy. The GNC shall submit any and all naming opportunities funded at \$1,000,000 or more to the President for approval. Regarding the naming of buildings or schools; chairs or professorships; or other distinctive philanthropic opportunities as determined by the President, the President, upon consultation with the GNC, will make a recommendation to the Board of Trustees for its approval. The GNC will make a final determination for any other naming opportunities, which may include academic /administrative programs, spaces, endowed funds, unendowed funds, or any other academic or athletics initiatives not covered above. Please see Appendix A (Institutional Naming Guidelines for Academic Initiatives) and/or Appendix B (Institutional Naming Guidelines for Capital Projects) for additional information.

### **B. Funding Requirements**

The funding plan for a naming opportunity must be in writing and consistent with the Policies and Procedures of the College of Charleston.

## **VI. Responsibilities to Donors**

### **A. General Policy**

The Charitable Recipients are honored to receive the philanthropy of donors and commit to treat them with the utmost respect and professionalism. Donors' wishes for designating the use of their gifts for any legitimate and approved program within the College will be honored. All donors will be acknowledged and thanked for their gifts in writing within a reasonable period of time. Endowment fund donors will receive annual statements describing the status of the fund created, any disbursements made from the fund and any administrative fees charged to the fund.

All representatives of the Charitable Recipients and the College of Charleston shall use their professional ability to help donors make educated and informed gift decisions. Each representative should be knowledgeable about philanthropy and should disclose to the donor advantages and disadvantages that could reasonably influence the decision of the donor to make a gift to one of the Charitable Recipients. In particular, planned gift items subject to variability (such as market value and income payments) should be discussed fully.

None of the Charitable Recipients will knowingly accept a gift that is contrary to the donor's best interests.

The Charitable Recipient and the College will honor the request of donors who wish to remain anonymous. Every effort will be made to determine the degree of anonymity requested.

All information that the College and the Charitable Recipient has gathered on its donors, prospects and alumni will be held and maintained by the College and the respective Charitable Recipient in strict confidence and consistent with the Privacy Policy of the College of Charleston.

### **B. Donor's Bill of Rights**

Donors wishing to benefit the College of Charleston through a College of Charleston Charitable Recipient have the following rights:

1. 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.
2. To be informed of the identity of those serving on the organization's governing boards, and to expect the board to exercise prudent judgment in its stewardship responsibilities.
3. To have access to the organization's most recent financial statements.
4. To be assured their gifts will be used for the legitimate purposes for which they were given.
5. To receive appropriate acknowledgement and recognition.

6. To be assured that information about their donation is handled with respect and with confidentiality to the extent provided by law.
7. To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.
8. To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.
9. To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.
10. To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.

## **VII. Ways of Giving**

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

The Charitable Recipient may accept current/outright gifts of cash, securities, or real and personal property.

### **B. Pledges**

The Charitable Recipient records written pledges and oral pledges that have been confirmed in writing in accordance with generally accepted accounting standards and FASB rules. Multi-year pledges are recorded when substantiated in writing from the donor.

### **C. Deferred Gifts**

The Office of Planned Giving within the Office of Institutional Advancement will coordinate the receipt of all deferred gifts. Deferred gifts include bequests made through wills or living trusts, retirement plan designations, gift annuities, charitable remainder trusts, charitable lead trusts, and retained life estates.

Donors of life income giving arrangements may designate the remainder value of their gift to any approved program within the College. The Office of Planned Giving does not offer formal legal or tax advice and all donors will be asked to retain independent counsel to provide for legal and tax issues.

The Office of Planned Giving will coordinate the processing of all legal documents associated with deferred gifts. Prior approval by the Gift Acceptance Council is required before any legal document may be executed by an approved College officer. The GAC shall determine if deferred gift instruments require outside, third party legal review.

**1. Bequests and Retirement Plan Designations.** The Charitable Recipients will accept charitable bequests and retirement plan designations, and will abide by any restrictions or designations indicated in appropriate documents assuming such restrictions and designations are applicable to current programs within the College and do not violate College policy. A Charitable Recipient will not abide by any restrictions that are considered

to be in violation of federal, state or local laws. If the intended use does fall outside of the law and/or College policy, the Charitable Recipient will adhere to the laws and regulations of the State of South Carolina regarding such matters.

The GAC will review all instances where a Charitable Recipient has been named to serve as the personal representative of a decedent's estate.

**2. Life Insurance.** Charitable Recipients will accept gifts of life insurance policies (where the Charitable Recipient is named as both owner and beneficiary of the policy) based on the following:

a) The policy must have a death benefit of \$50,000 or more, unless the policy is fully paid up. Any future policy premiums due will be paid by regular contributions from the donor to the Charitable Recipient. If the donor refuses to make regular contributions equal to the premium amount, the Charitable Recipient may allow the policy to lapse.

b) Term policies of any amount will be declined unless the donor irrevocably pledges to make regular contributions to the Charitable Recipient equal to the regular premium amount.

c) A Charitable Recipient may surrender an existing life insurance policy for its surrender value based on prior review and approval of the Gift Acceptance Council. The donor will be consulted prior to surrender although the Charitable Recipient has final decision-making authority.

d) A Charitable Recipient will record a gift of a life insurance policy only on the basis of its fair market value for general accounting purposes.

e) All donations of life insurance policies and contributions made to pay life insurance policy premiums will be receipted and acknowledged to the donor in accordance with prevailing IRS regulations.

**3. Charitable Gift Annuity.** The Charitable Recipients may establish gift annuity contracts with donors in accordance with applicable federal law, IRS regulations and the laws and regulations of the State of South Carolina. Additionally, the issuance of gift annuities will follow the guidelines below:

a) All gift annuity contracts must be approved by the Gift Acceptance Council.

b) Age and gift minimums for gift annuity contracts will be set by the Gift Acceptance Council and may be periodically adjusted at its discretion.

c) The payout rates should be guided by the recommended published rates of the American Council of Gift Annuities (ACGA). Deviation from the ACGA rates may be approved by the Gift Acceptance Council.

d) All assets given to fund a gift annuity may be invested to fulfill the terms of the contract. Income and principal will be used to pay any annuity obligations of the contract until all income beneficiaries under the contract are deceased or are no longer entitled to receive income.

e) The issuance of gift annuities is governed by the laws of the state where the donor resides. Each state has its own requirements regarding the issuance of gift annuities to any of its residents.

**4. Charitable Remainder Trust (CRT).** At times a Charitable Recipient may be asked to serve as trustee for a CRT in addition to being named as a beneficiary. Each of the Charitable Recipients may serve as trustee for a charitable remainder trust if approved by the GAC. If a Charitable Recipient accepts a fiduciary appointment as trustee, it will accept and administer distributions to the CRT in accordance with applicable federal law, IRS regulations, and the laws and regulations of the State of South Carolina. Below are additional applicable guidelines in the event that a Charitable Recipient serves as trustee:

a) Generally, a Charitable Recipient may accept appointment as trustee if it is named as the sole, irrevocable remainder beneficiary and the trust corpus is marketable securities. The GAC will review other situations on an individual basis.

b) The governing board of each Charitable Recipient, after consultation with the Gift Acceptance Council, will establish from time to time the minimum initial gift to a CRT.

c) A Charitable Recipient may retain one or more third party entities to provide trust administration and custodial and/or investment services for CRT agreements.

d) The Gift Acceptance Council must approve all CRT agreements prior to their execution when a Charitable Recipient has been named as the trustee. All CRT payout rates agreed to by the Charitable Recipient must also conform to applicable federal law, IRS regulations, and the laws and regulations of the State of South Carolina. The GAC may request that outside legal counsel review the trust agreement.

e) If a Charitable Recipient is named as trustee of a CRT, the Charitable Recipient may charge the trust or the income beneficiary(ies) of the trust any direct administrative, management, tax preparation or brokerage fees that are expended to operate the trust.

**5. Charitable Lead Trust.** A Charitable recipient may receive distributions from a charitable lead trust (CLT). Income distributed by a CLT for a Charitable Recipient may be restricted and designated in accordance with policies established for any other cash contributions. A Charitable Recipient may not serve as a trustee of a CLT.

**6. Retained Life Estates.** A Charitable recipient may receive gifts of retained life estates in real property if the donor agrees in writing to be responsible for all maintenance, insurance costs, and taxes associated with the property for as long as they retain their right to reside in the property. There shall also be a written agreement regarding handling

of the property if the life tenant(s) leave the property prior to death, such as to move into a retirement community. Gifts with a retained life estate must also conform to all other College policies regarding gifts of real estate. Gifts of a remainder interest will be credited to the donor in the year the transfer of ownership is completed from the donor to the Charitable Recipient at the charitable remainder value of the contributed real estate.

#### **D. Trusts Held by a Third Party**

The Charitable Recipient will record such trusts, and gifts from such trusts, in accordance with generally accepted accounting principles.

#### **E. Temporary Custody Agreements**

From time to time donors may grant temporary custody of tangible personal property to a Charitable Recipient. The Gift Acceptance Council shall review and approve all such transactions, particularly if it is possible that at some future date, the Charitable Recipient may receive absolute ownership.

### **VIII. Effective Date and Amendments**

#### **A. Effective Date of Policy**

The effective date of this amended policy is August 7, 2015.

#### **B. Authority to Make Amendments**

The governing board of each Charitable Recipient may propose amendments to this policy at any time. Proposed amendments shall be submitted to the Executive Vice President for Institutional Advancement (or the equivalent executive officer of the College, as designated by the President), who will oversee a collaborative process for consideration of the proposal(s) among all Charitable Recipients. The Board of Trustees shall approve any proposed amendments to the Gift Acceptance Policy prior to it becoming effective.

#### **1. Dates of Official Enactment and Amendments:**

Adopted in accordance with the *Campus Wide Policy Formation Procedures* of the College of Charleston on January 22, 2013 and amended on August 7, 2015.

#### **2. History:**

This policy supersedes and replaces all prior sections of the College of Charleston Gift Acceptance Policies.

---

## APPENDIX A

# COLLEGE of CHARLESTON

## INSTITUTIONAL NAMING GUIDELINES FOR ACADEMIC INITIATIVES

### INTRODUCTION

The following guidelines will be utilized in the naming of academic appointments, programs and centers at the College of Charleston. These guidelines are intended to apply to all professorships, centers, institutes, departments, scholarships and program support funds.

The guidelines are designed to serve as a general set of recommendations to inform university leadership regarding academic naming opportunities across campus. They are, therefore, not binding and should not be interpreted as such.

### I. ADMINISTRATION OF THIS POLICY

The Gift Naming Council (GNC) shall administer these guidelines with assistance, as appropriate/applicable, from executive administration and the Office of the President.

### II. METHODOLOGY FOR CALCULATING NAMING COSTS

#### A. SCHOOL AND/OR PROGRAM NAMING

- Calculation method to be used to recommend an estimated value for a school, program, or center.
  - o Naming value =
    - Multiply annual operating budget (X) by three to get base value (3X)
    - GNC to factor-in strategic value index (Y)
      - Values from 1-3 related to distinction, research capacity, external impact, philanthropic worth (probability of funding) and donor capacity
    - Total Naming Value = 3X(Y)

---

<sup>2</sup> As outlined by Vincent Duckworth of the university development advising firm Duckworth and Associates

- Two-thirds of gift into an endowed account to exclusively support school/program
- Remainder to be used at the discretion of the appropriate campus administrator

Opportunity	Annual Operating Budget (X)	Base Value (3X)	Strategic Value Index (1-3) (Y)	Naming Value/Cost to Name (3X(Y))	Endowment Value (Two-Thirds or 66% of Naming Value)
Center for Energy Policy	\$100,000	\$300,000	2	\$600,000	\$400,000

## B. ACADEMIC APPOINTMENT AND SCHOLARSHIP NAMING

The following two tables represent guidelines for the naming of academic appointments and scholarships.

### APPOINTMENTS

Private gifts to establish named positions (as outlined in the table below) apply only to existing budgeted positions, except for Visiting Distinguished Professor. Payout is supplemental to existing College of Charleston funding.

Other considerations:

- Use of Funds:
  - o Percent (%) to salary/compensation
  - o Percent (%) to program (research, travel, etc...)

Position	Minimum Endowment Requirement	Payout* (4.5%)	Support Provided	Approval/Implementation
<b>Deanship</b>	\$5 Million	\$225,000	A salary supplement to support the most prestigious academic appointment at the College. To be filled by an acclaimed researcher, teacher, and leader with a proven track record for excellence in all academic areas. To serve as a source of distinction for the university/a foundation of pride, wisdom, and inspiration for the entire CofC community.	President / Provost
<b>Distinguished Chair</b>	\$3.5 - \$4 Million	\$157,500 – \$180,000	College of Charleston's premier faculty recognition; in addition to salary support, funding includes support of some program costs such as travel, administrative support, visiting lecturers, graduate students, etc.	President/ Provost
<b>University Chair</b>	\$2.5 Million	\$112,500	Retention and/or recruitment of recognized, senior-level faculty leaders; in addition to salary support, funding includes support of some program costs such as travel, administrative support, visiting lecturers, graduate students, etc.	President/ Provost/ Dean
<b>Distinguished Professor</b>	\$1.5 Million	\$67,500	Retention and support of existing faculty with exceptional scholarly attainments by means of a salary supplement and/or research or related scholarly support.	President/ Provost/ Dean

<b>Research /Teaching Fellow</b>	\$200,000 and Up	\$9,000+	Opportunity offered to current faculty to recognize excellent performance in research or teaching; funds may support salary stipend, equipment, travel, visiting lecturers or collaborators, etc.	Provost/Dean / Chair
<b>Visiting Distinguished Professor</b>	\$1,250,000 - \$2,500,000	\$56,250 - \$112,500	An acknowledged disciplinary expert who will teach classes, lecture, and interact with the College and local community; fully funded by private gifts; usual term of one or two semesters; may be half-time (\$55,000) or full-time (\$110,000).	Provost/Dean / Chair
<b>Distinguished Director</b>	\$2,500,000	\$112,500	Directs a C of C program and has both teaching and administrative responsibilities.	Provost/Dean/ Chair
<b>Distinguished Head Coach</b>	\$1 Million	\$45,000	A salary and discretionary supplement that positions the university to properly award top coaches for strong performance. A key vehicle in the ongoing effort to attract and retain talented, ambitious coaches.	Athletic Director/ President
<b>Provost Fund for Academic Excellence</b>	\$1 Million to Endow (\$1,000 and up for current-use contributions)	\$45,000	A discretionary reserve for use by the Provost/Office of Academic Affairs to foster academic enrichment/accelerate faculty-driven achievement. Applications include research stipends, summer stipends, travel costs, professional development opportunities, support for strategic programs.	Provost/ Academic Affairs

□ **NAMED SCHOLARSHIPS**

Distinguished scholarships to cover the cost of tuition based on school year 2010-2011. Amounts will be adjusted annually according to tuition fluctuations (except for the *Gateway or Four Year "In and Out" Named Scholarship*).

Undergraduate Scholarship	Non Endowed Amount (Funding for Four Years)	Endowed Amount (Payout would Fund One Year)	Description	Implementation / Assessment / Stewardship
Colonial Scholarship	In State: \$100,000 National: \$161,500	In State: \$600,000 National: \$1 Million	The College's signature scholarship-- Covers tuition, room and board, study abroad and summer research for an exceptional student; recognizes academic distinction, leadership and service.	Academic Affairs/IA/Respective Campus Administrators
South Carolina Presidential	\$43,500	\$275,000	Covers tuition and fees for a top South Carolina student recognized for excellence in academic performance but could have significant need-based component depending on donor's wishes.	Academic Affairs/IA/Respective Campus Administrators
National / International Presidential	\$105,000	\$650,000	Covers tuition and fees for a top out-of-state student recognized for excellence in academic performance but could have significant need-based component depending on donor's wishes.	Academic Affairs/IA/Respective Campus Administrators
Gateway or Four Year "In and Out" Named Scholarship	\$10,000 and Up	\$50,000	Provides \$2,000 - \$2,500 annually toward the cost of education.	Academic Affairs/IA/Respective Campus Administrators

### III. STEPS FOR NAMING

A. To propose a name for an academic appointment, program, or center, an **Institutional Naming Form** must be completed and submitted to the Gift Naming Council for review within 30 days.

B. The GNC will evaluate the recommendation and determine the appropriate Naming Value based on the calculation guidelines outlined above.

C. Factors to be considered by the GNC include:

1. Timeline (period within which commitment must be fulfilled)

2. Fulfillment

a. It is recommended that at least 50% of the commitment be secured (in hand) prior to institutional approval of the name.

b. In the event that institutional approval is extended without satisfying the 50% recommendation, the right to de-name/re-name can be employed (as articulated in section V of this document).

3. Gift Assignment (implementation/application of funds)

To be determined by Executive Vice President of Institutional Advancement, Executive Vice President of Business Affairs and related school/division senior officer with consideration given to:

a. The needs of the university

b. The needs of the school/unit

c. Donor intent

### IV. NAMING PROTOCOL

A. The GNC, through its review process, will determine if the proposed name (its context) would bring distinction and honor to the College and would be consistent with the traditions, integrity, and mission of the College. If it would not, in the opinion of the GNC, the GNC reserves the right to withhold recommendation of the naming opportunity.

B. The GNC, after evaluating the proposed naming opportunity, may approve the naming opportunity if it is within its purview. If it is not, the GNC will submit it to the

appropriate College official(s) for further action and approval, as required, while providing input on:

1. The recommended name and naming value, based on the calculation methodology above.
2. Announcement and recognition of the benefactor, including any potential costs of stewardship.
3. Term length of the naming opportunity, as appropriate.

C. Exceptions to these guidelines may be made only by GNC with final approval from the Office of the President on all naming opportunities valued at \$1 million or more.

#### **V. RIGHT TO RE-NAME**

In the case of academic naming opportunities, the College of Charleston reserves the right to re-name academic appointments, programs, and centers in the event of unusual or compelling circumstances, at all times. The College, under the aegis of the GNC, may exercise this option if a designated name, in its judgment, should bring discredit upon the university. In the event of such re-naming, the College shall have no financial responsibility, despite anything that may be stated or implied to the contrary.

#### **VI. COMMITMENT TO CONTINUED RECOGNITION**

In the event that a named appointment, center or program loses relevance/usefulness/applicability, the College may continue to recognize the sponsor in a distinguished manner. The type/form of recognition will be determined by the appropriate College official(s) and the Office of Institutional Advancement in conjunction with the GNC and the Office of the President.

## APPENDIX B

# COLLEGE of CHARLESTON

## INSTITUTIONAL NAMING GUIDELINES FOR CAPITAL PROJECTS

### INTRODUCTION

The following guidelines will be utilized in the naming of physical structures, or parts thereof, owned by the College of Charleston or by the College of Charleston Foundation. These guidelines are intended to apply to all buildings, portions of buildings (such as classrooms, auditoriums, administrative spaces, etc.), collections of buildings, monuments, fields, open air courtyards, streets, alleys, and other outdoor areas.

The guidelines are designed to serve as a general set of recommendations to inform university leadership regarding capital naming opportunities across campus. They are, therefore, not binding and should not be interpreted as such.

### I. ADMINISTRATION OF THIS POLICY

The Gift Naming Council (GNC) shall administer these guidelines with assistance, as appropriate/applicable, from executive administration and the Office of the President.

### II. METHODOLOGY FOR CALCULATING NAMING COSTS FOR PHYSICAL SPACES (CAPITAL)

#### A. NEW CONSTRUCTION – NAMING AN ENTIRE FACILITY/BUILDING/STRUCTURE

- The naming of a new facility or structure requires the donor to provide at least 50% of the private portion of the total cost of the facility.
  - Calculation:
    - Determine the total project cost to include recognition (Vice President for Facilities Planning)
    - Establish the private portion of the total cost (Institutional Advancement, Business Affairs and related campus administrators)
    - Designate at least 50% of the delineated private cost as the suggested naming value

**B. NEW CONSTRUCTION – INTERNAL SPACE (OFFICES, LABS, RESEARCH STATIONS, ETC.)**

- Individual space within a structure will be assigned value via the following calculation method.<sup>3</sup>

- o Calculation:

- Divide private portion of the total cost by the number of square feet of assigned naming space(s) to earn a price per square foot.

$$\text{Price Per Square Foot} = \frac{\text{Private Portion Cost}}{\text{Total Square Footage of Assigned Space}}$$

- Take price per square foot to calculate cost of individual spaces (per square foot)
- Multiply cost by Strategic Value Index (values of 1 – 3, including fractional amounts if necessary)
  - The Strategic Value Index is a multiplier that is determined by utility and location attributes of the space, such as: function, exposure to specific campus constituents, geography, prestige/acclaim, campus impact, financial objectives, etc.
- Evaluate whether the cost of recognition will be included in the Total Naming Value

**Example:**

SPACE/FACILITY	SQUARE FOOTAGE	PRICE PER SQUARE FOOT	COST	STRATEGIC VALUE INDEX	NAMING VALUE	COST OF RECOGNITION	TOTAL NAMING VALUE
First Floor Lab	625	\$125	\$78,125	2	\$156,250	\$3,750	\$160,000

**C. RENOVATION OF AN EXISTING FACILITY/STRUCTURE/BUILDING**

- Determine private portion of the entire renovation cost
- Donor must provide at least 50% of the private portion of the renovation cost of the entire renovated structure
- The calculation method described above (B) will be employed to assign value to space within the renovated space/building

**D. EXTERIOR SPACES (LAWNS, COURTYARDS, SITTING AREAS, RECREATIONAL SPACES, ETC.)**

- The following calculation method will be used to generate an estimated Naming Value for exterior spaces valued at \$25,000+

---

<sup>3</sup> As outlined by Vincent Duckworth of the university development advising firm Duckworth and Associates

- Use current value of parent facility as determined by the GNC in conjunction with the VP for Facilities Planning (i.e. Addlestone Library for Rivers Green) to calculate price per square foot then multiply by Strategic Index value.

IA and Office of Facilities Planning will work with related campus administrators to determine naming value of spaces less than \$25,000 (plaques, benches, bricks, trees, etc.)

### **III. STEPS FOR NAMING**

A. To propose a name for a physical structure, or parts thereof, an Institutional Naming Form must be completed and submitted to the Gift Naming Council for review within 30 days.

B. The GNC will evaluate the recommendation and determine the appropriate naming value based on the calculation guidelines outlined above.

C. Factors to be considered by the GNC include:

1. Timeline (period within which commitment must be fulfilled)

2. Fulfillment

a. It is recommended that at least 50% of the total commitment be secured (“cash in hand”) prior to institutional approval of the name (e.g. physically assigning the name to a building, space, etc.). It is likely that this suggestion will apply more frequently to new construction cases predicated on the full receipt of funds prior to commencement of work.

Due diligence to be conducted by the GNC will focus on the following considerations:

i. New or existing construction

ii. Financial status of donor/nature of wealth

iii. Donor intent

iv. Naming term (fixed period of time within which the naming remains relevant)

v. Timeline for pledge fulfillment

vi. Method of payment

b. In the event that the institutional approval is extended without satisfying the 50% recommendation, the right to de-name/re-name can be employed (as articulated in section V of this document).

### 3. Gift Assignment (implementation/application of money)

To be determined by Executive Vice President of Institutional Advancement, Executive Vice President of Business Affairs and related school/division senior officer with consideration given to:

- a. The needs of the university
- b. The needs of the school/unit
- c. Donor intent

## IV. NAMING PROTOCOL

A. The GNC, through its review process, will determine if the proposed name (its context) would bring distinction and honor to the College and would be consistent with the traditions, integrity, and mission of the College. If it would not, in the opinion of the GNC, the GNC reserves the right to withhold recommendation of the naming opportunity.

B. The GNC, after evaluating the proposed naming opportunity, may approve the naming opportunity if it is within its purview. If it is not, the GNC will submit it to the appropriate College official(s) for further action and approval, as required, while providing input on:

1. The recommended name and naming value, based on the calculation methodology above.
2. Announcement and recognition of the benefactor, including any potential costs of stewardship.
3. Term length of the naming opportunity, as appropriate.

C. Exceptions to these guidelines may be made only by GNC with final approval from the Board of Trustees for naming opportunities valued at \$1 million or more.

## V. RIGHT TO RE-NAME

In the case of capital naming opportunities, the College of Charleston and the College of Charleston Foundation both reserve the right to re-name their physical structures, or parts thereof, in the event of unusual or compelling circumstances, at all times. The College and the Foundation, under the aegis of the GNC, may exercise this option if a designated

name, in their judgment, should bring discredit upon the university. In the event of such re-naming, neither the College nor the Foundation shall have any financial responsibility, despite anything that may be stated or implied to the contrary.

#### **VI. COMMITMENT TO CONTINUED RECOGNITION**

In the event that a named structure's original function loses relevance/usefulness/applicability, the Foundation may continue to recognize the sponsor in a distinguished manner. The type/form of recognition will be determined by the appropriate College official(s) and the Office of Institutional Advancement in conjunction with the GNC and the Office of the President.

---

**Issue Date: 1/19/16**  
**Date of Policy Revision: 1/19/16**

**Next Review Date: 10/19/20**

**POLICY APPROVAL**

**(For use by the Office of the Board of Trustees or the Office of the President)**

Policy Number: 4.2

President or  
Chairman, Board of Trustees



Date: 1/19/16