

# CLARK ATLANTA UNIVERSITY

## Policy 12.02: Gift Acceptance Policy



CLARK ATLANTA UNIVERSITY		
<b>POLICY and PROCEDURES</b>	<b>Subject:</b> Gift Acceptance	
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## 1.0 Policy Statement

Clark Atlanta University (University/CAU) recognizes the importance of charitable giving to the well-being and future of the University, and encourages its community, alumni, staff, neighbors and other friends to contribute generously to its annual fund, capital campaigns, endowment campaigns, and other purposes such as strategic initiatives approved within the University planning process. CAU abides by generally accepted charitable giving accounting standards and those prescribed by the Council for the Advancement and Support for Education (CASE), the Association of Fundraising Professionals, or the National Planned Giving Council. Clark Atlanta University adheres to federal regulations of the Internal Revenue Service of the U. S. Treasury Department, *its* charter, and the laws of the State of Georgia in which it is situated, *when soliciting and accepting* the following types of gifts:

- Outright gifts of Cash, Checks and Credit Cards
- Securities (marketable and closely-held)
- Real Property
- Tangible Personal Property (anything other than real property that is subject to personal ownership)
- Intangible Personal Property
- Gifts-in-Kind or Long-Lived Assets (usually come from companies, corporations, or vendors, in contrast to individuals, who typically give personal property, both tangible and intangible)
- Deferred Gifts and Life Income Agreements

## 2.0 Procedures Narrative - Gift Acceptance

### 2.1.0 Outright Gifts

This section describes the acceptance criteria and procedures for outright gifts, including cash, securities, and property. Information in this section identifies types of outright gifts Institutional 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, checks drawn on U.S. credit card payments, payroll deductions, third-party cash/checks, securities, tangible and intangible property and in-kind donations.

**2.1.1 U.S. Currency/Checks:** The Division of 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 are made payable to Clark Atlanta University. Currency and checks along with all accompanying documentation are forwarded to the Gift Processor/ Donor Records Specialist for initial processing of the deposit. The names of the donors and allocations must be included. The moneys are forwarded to Student Accounts Receivable/Cashiering for deposits.

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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 received and entered into the donor database system.

Notifications: Donors are notified by phone, email or letter when their checks have been returned.

**2.1.2 Credit Card Payments**: The University will accept gifts via credit card pay that are deemed to be from legal sources.

Minimum Gift Level: There is no minimum for credit card gifts.

Authorization for Acceptance: None required.

Acceptance Procedure: Documentation of donors' names as they appear on their credit cards, credit card types (VISA, MasterCard, Discover or American Express only), account numbers, expiration dates, security code, and allocations. 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 processed and entered into the donor database system.

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

### **2.2.0 Employee Payroll Deductions**

1. Acceptance Procedure: To establish a program of recurring payroll deductions, employees must submit a signed payroll deduction form authorizing the deductions to the Office of Advancement Services in the Division of Institutional Advancement (IA). Notice must be provided at least two weeks prior to the start of a pay period. The deduction may be changed by contacting IA in writing.
2. Acknowledgement Process: Employees will receive an acknowledgement letter via email from IA confirming the total amount of the pledge, the deduction amount per pay period and the duration of the deductions. Employees will also receive a formal acknowledgement letter from the Vice President for Institutional Advancement or the President. Employees will receive an annual receipt acknowledging their total deduction for the year for tax purposes.
3. Recording Standards: A pledge will be recorded into the donor database system based on the amount of the deduction. Payments are recorded upon receipt of the deduction reports from the Payroll Office. For continuous deductions, the pledge is recorded with a given fiscal year.
4. Termination: The deduction may be stopped by contacting IA in writing (email will suffice). Unless otherwise advised, the payroll deduction pledge of employees terminate their employment with the University will be reduced to reflect the amount paid.
5. Notifications: Employees will be notified by email when their payroll deduction pledges have been fulfilled or if a problem is encountered in the processing of their payroll deduction.

**2.3.0 Assignments of Income:** Institutional Advancement will accept third- party gift assignments. A donor may assign to the University 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 Clark Atlanta University.

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 into the donor database system upon receipt from either the donor or the third party.

Note: Per Internal Revenue Service requirements, unless it is known that a Form 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.

**2.4.0 Quid Pro Quo Contributions:** Institutional Advancement will accept quid pro quo contributions, such as contributions resulting from fund-raising 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 must exceed the value of the benefit received by the donor from the University. (*IRS regulation*)

Authorization for Acceptance: None required.

Acceptance Procedure: Forward contributions to the Gift Processor and Donor Records 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 through the donor database system as a gift and the quid pro quo portion as a non-gift. The University 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>

**2.5.0 Securities:** 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 University, or (c) electronically transferred securities are received into the University’s brokerage account.

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

Authorization for Acceptance: Authorized representatives authorized by the University may accept gifts of securities which are publicly traded. Gifts of securities which are not publicly traded are subject to review and approval by the Division of Finance and Business Services, and, where appropriate, a professional investment advisor.

Acceptance Procedure: Authorized representatives are responsible for notifying Division of Finance and Business Services, the Division of Institutional Advancement pending gifts of securities and 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, authorized representatives will work directly with donors and their professional advisors to effect gifts of securities in accordance with University's prevailing policies and procedures. (*see Investment Endowment Policy*)

Recording Standards: All gifts of securities will be registered to the University regardless of restrictions on uses of gifts. The gift of securities will be recorded in the Division of Finance and Business Services as of the date issued to the University and the value as determined below.

### **2.5.1 Valuation of Securities Received**

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.

**2.5.2 Non-Publicly Traded Securities**: Before the University will accept gifts of securities that are not publicly traded, these gifts shall be reviewed by the Chief Financial Officer, SVP, Business & Financial Services, 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 University must adhere. Gifts of such stocks will be recorded only when assets pass irrevocably from donors' control. In valuing gifts of such stocks, The University will adhere to standards described in *CASE's 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 University may rely on an appraiser's valuation set forth in the Internal Revenue Service guidelines and 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.

## **2.6.0 Real Property**

*Description:* Improved or unimproved real property, including real estate or raw land, buildings, farms, personal residences, rights attached to real estate, and vacation homes.

*Gift Procedure:* All proposed gifts of real property must be reviewed by the Vice President for Institutional Advancement, General Counsel, Chief Real Estate Officer, and Chief Financial Officer, SVP, Business & Financial Services. This group will make a recommendation to the President as to whether the University should accept the gift. The President will consider the recommendation and, if s/he so desires, will make a subsequent recommendation for acceptance to the Board of Trustees through its governance process.

Clark Atlanta University will not accept delivery of real property, either as an outright *gift recipient* or in its fiduciary capacity as a trustee, unless the Institutional Advancement Committee, Buildings and Grounds Committee and Executive Committee are satisfied that the requirements of Section 2.6.2. [pertaining to Title of Real Property] and Section 2.6.3 [pertaining to Environmental Hazards of Real Property] have been met.

After acceptance by the University Board of Trustees, a gift of real property is complete upon delivery of a properly executed and notarized deed, capable of being recorded, that names Clark Atlanta University as grantee or otherwise identifies the University as the owner or beneficiary of the real property. Delivery may be made directly to an officer of Clark Atlanta University or to an agent acting on behalf of Clark Atlanta University. Timing of the University's receipt of the gift of real property is not dependent upon actual recording of the deed, which may be delayed at the discretion of Clark Atlanta University.

**2.6.1 Real Property Conditions and Limitations:** Generally, because the receipt of gifts of real property potentially creates significant legal and economic issues, the University will only accept gifts of real property that advance the University's strategic and/or financial objectives and will not require undue financial commitment over an uncertain period of time. The University will not consider gifts of real property with back taxes, outstanding liens, obligations or other encumbrances. Other considerations for determining whether to accept a gift of real property include the following:

- a. When Clark Atlanta University, through the procedures cited above, decides to accept a gift of real property, the University will be responsible for all or its pro rata share of the costs of maintenance, upkeep, insurance, taxes and debt service. It is the policy of Clark Atlanta University that these expenses be paid out of the earnings of the donated asset, to the extent foreseeable. Clark Atlanta

University will not accept a proposed gift of real property unless the anticipated expenses can be covered by earnings from the donated asset, or any excess is deemed nominal or temporary. A "temporary" shortfall is considered a duration of six months or less.

- b. Real property subject to a lease may be accepted, provided all leases are fully assigned, together with the fee interest, and there is no lease with donor at less than fair market value.
- c. A gift of real property may be the entire fee interest, a partial undivided interest, an interest subject to an intervening term of years or a remainder interest subject to an intervening life estate.

### **2.6.2 Title of Real Property**

A proposed gift of real property, whether outright or in trust, shall be subject to the following preconditions:

- a. A Preliminary Title Report shall be ordered by the Division of Finance and Business Services. The Report shall be reviewed by the University's General Counsel and Chief Real Estate Officer for: (1) proper legal ownership by the Donor, (2) the existence of any covenants, conditions or restrictions which may affect its value, use or compatibility to Clark Atlanta University, (3) the rights which any other party may have in the use of the surface, air or sub-surface of the property through easements, options or the like, and (4) the existence of any tax liens, encumbrances or judgment liens.
- b. The General Counsel will opine on the status of title based on this Report.
- c. A policy of title insurance shall be purchased by the Division of Finance and Business Services when acquiring title to any and all real property.

### **2.6.3 Environmental Hazards of Real Property**

All proposed gifts of real property, whether outright or in trust, shall be subject to a Phase I Environmental Review ("Phase I Review") unless the Institutional Advancement Committee, Buildings and Grounds and Executive Committee of the University Board of Trustees, upon advice of General Counsel, approve otherwise. Where appropriate or recommended either by General Counsel, Buildings and Grounds Committee or the Institutional Advancement Committee, a Phase II Environmental Review ("Phase II Review") shall be required.

- a. Phase I Review

Assessment by qualified experts of the potential environmental contamination in the proposed gift property resulting from past or present land use. The environmental assessment should be based on site inspections and interviews, adjacent land use surveys, regulatory program reviews, aerial photograph evaluations and other background research. The scope of the review is usually limited to analysis of existing data, excluding core samplings or physical testing.

- b. Phase II Review

Subsurface investigation of the proposed gift property through selected soil samples, laboratory analytical data and testing, followed by a detailed report with conclusions and recommendations.

### **2.6.4 Real Property Acceptance Procedures**

The Office of Real Estate will prepare 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), programs(s), or endowment(s) to benefit from the gift; an appraisal of the property and disclosure of the University's interest in the property's fair market value and marketability; disclosure/discussion of any potential for



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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 University uses of the real property; descriptions of any special arrangements requested by the donor concerning disposition of the real property; and title information. The written summary shall be submitted to the General Counsel, Vice President for Institutional Advancement, and Chief Financial Officer, SVP, Business & Financial Services.

The authorized representative or other appropriate departmental official will inform the donor in writing of whether the proposed gift of real property has been (a) accepted, (b) rejected, or (c) the decision is postponed pending receipt of additional information. In cases where the University rejects the proposed gift of real property, the donor will be encouraged to sell its interest in the property, independent of the University's involvement, and contribute the proceeds to CAU.

The authorized representative will inform the donor that the University will neither appraise nor assign value to the proposed gift of real property and that it is the donor's responsibility to establish a value for the gift of real property and provide, at his or her expense, a qualified appraisal as required by the Internal Revenue Service.

The gift of real property will be completed upon the execution and delivery of a deed of gift or other appropriate instrument of conveyance. The costs associated with the conveyance and delivery of the gift, recording fees, a current survey, title insurance, 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.

The authorized representative 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 authorized representative 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 above, the University's receipt of the gift will be recorded in the University's records and receipted as of the date the University receives the fee simple/quit claim deed of gift or other appropriate instrument of conveyance evidencing the University ownership of the property. The deed of gift or other instrument of conveyance will be recorded in the appropriate county deed records registries. The value assigned to the gift will be the amount set forth in a qualified appraisal provided by the donor.

### **2.7.0 Tangible Personal Property:**

Gifts of tangible personal property are defined as those gifts, other than land and improvements to land, that "can be touched" and physically moved from one location to another. Institutional Advancement will accept gifts of tangible personal property, including, but not limited to, fixtures, tools, machinery, leasehold improvements, furniture, sports equipment, boats, motor vehicles, and computer hardware and software.

Other forms of tangible personal property, such as works of art, books and manuscripts, audio and video productions, may be accompanied by intangible personal property rights, such as copyrights, trademarks and patents. In such cases, the procedures outlined in this policy for accepting such property must be followed.

*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, is from a prolific donor, or otherwise approved by the

President.

Authorization for Acceptance: Gifts of tangible personal property may be accepted by authorized representatives authorized by the University in consultation with the University officials. Gifts of collectibles, such as art works, must be made with the knowledge or involvement of the director of The University's Art Gallery. Gift of books, manuscripts and other publications must be made with the knowledge or involvement of the Office of Academic Affairs. Any donor desiring to donate a gift of tangible personal property that is accompanied by intangible personal property rights, such as copyrights, trademarks and patents, must at the time of donation attest and certify to the University in writing that the donor is the rightful owner of the gift and that the gift is unencumbered.

Acceptance Procedure:

1. Completion of Non Cash Gift form or 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 University 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, authorized representative 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 University 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 authorized representative 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 authorized representative will inform the donor that the University 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 authorized representative 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 \$500, and that this form should be sent to the authorized representative for execution by Institutional Advancement. The authorized representative 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 three 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 University 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 University directly or b) upon receipt of a legally binding document conveying ownership of the property from the donor to the University. 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 required (as is the case where

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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.

**2.8.0 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:* 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 authorized representatives authorized by the University in consultation with the Vice President for Institutional Advancement. Acceptance of gifts of intangible personal property will be based on whether the property (a) is readily marketable, (b) is needed by The University for use in a manner which is related to the purposes for which its tax exempt status was granted, and (c) promotes its tax exempt purpose.

*Acceptance Procedure:*

1. Completion of Non Cash Gift form or 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 University 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 authorized representative 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 authorized representative will inform the donor that the University 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 authorized representative 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 \$500, and that this form should be sent to the authorized representative for execution by Institutional Advancement. The authorized representative 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 three years. Such disposition, if below the appraised gift value, could have a negative impact on the donor's tax situations.
4. The gift will be completed upon the execution and delivery of a gift or other appropriate conveyance acceptable to the University or upon delivery of the property, as applicable.

*Recording Standards:* Provided a gift of intangible personal property meets the criteria set forth earlier, Advancement Services will record it as having been made upon receipt of a legally binding document conveying ownership of the property from the donor to The University. 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

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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.*

### 2.9.0 Non-Cash Gifts - Valuing, Recording, and Acknowledging

**2.9.1 Gift-in-Kind:** Gifts-in-kind are non-cash donations of materials. Gifts of materials or long-lived assets that serve the purpose of the University 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 events, etc. For items such as equipment and software, the gift will be reported at the educational discount value – that is, the value the University would have paid had it purchased the item outright from the vendor. Gifts-in-kind are defined as tangible property (not services.) The following guidelines are consistent with the CASE Management Reporting Standards and have been developed after reviewing such procedures at other colleges and universities.

**2.9.2 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 institution.

Acknowledgements for gifts-in-kind **will not** state any dollar value; just the type of item will be used (e.g., "one Apple Computer" or "200 Delta Airline Tickets").

The donor's giving record in the donor database system should reflect the value of gifts-in-kind will be included in gift totals. The following should be used to determine value:

1. If a qualified appraisal is provided by the donor, the appraised value should be used.
2. No single-item gift exceeding \$5,000 should be recorded unless the gift is accompanied by a qualified appraisal.
3. For gifts valued at less than \$5,000 where the donor has stated a value that he or she has determined informally, the value stated by the donor can be recorded.
4. or gifts valued at less than \$5,000, where the donor has not stated a value, a **nominal amount** should be recorded gift entry form, (e.g., gifts of books, CD's, etc.). In this case, a total of more than \$5,000 could be recorded without an appraisal, e.g., a gift of 2,000 books or compact disc at \$5 each would total \$10,000).

Gifts-in-kind cannot be used to reduce balances of outstanding pledges.

When an individual donor report, which includes gifts-in-kind, is prepared and presented to the donor, the report must be accompanied by a letter explaining that the responsibility for establishing value for tax purposes belongs to the donor and that the University is not able to provide official appraisals of gifts-in-kind.

All gifts-in-kind will be recorded into the donor database system as contributions to unrestricted operations.

Acknowledgment letters signed by the University president will not be sent for gifts-in-kind unless valued at \$5,000 or more and accompanied by a qualified appraisal. Those letters, consistent with other acknowledgement letters, will not include the value of the gift

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 University.

Acceptance Procedure: Authorized representatives are responsible for completion of documentation that includes: a description of the asset; the purpose of the gift; identification of the department(s) or, programs(s) to benefit from the gift; an estimate or appraisal of the gift's fair market value and marketability; descriptions of any potential University uses, including written review(s) by department(s) to benefit from the asset; and descriptions of any special arrangements concerning disposition of the asset.

Recording Standard: Gifts will be recorded into the donor database system and receipted as of the date the documentation is received. The value assigned to the gift will be documented, and 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.

### **2.9.3 Memorabilia Gifts:**

Memorabilia Gifts are defined as personal property offered by a donor that uniquely reflects an aspect of the University's past. Memorabilia hold sentimental value to the donor, the institution, or both. The entire gift acceptance procedures set forth in the Tangible Personal Property section of this document applies to gifts of memorabilia.

Once memorabilia is donated, it cannot be reclaimed by the donor or any family member or designee of the donor. Clark Atlanta University reserves the right to determine the display type, location and duration of the display. Memorabilia not currently on display will be held in storage in University archives. The University will make reasonable efforts to maintain and repair all displayed memorabilia. Clark Atlanta University cannot be held responsible for theft or damage to any item on display or in storage.

## **2.10.0 Appraisals**

### **2.10.1 General Standards**

All gifts of real or personal property, whether outright or deferred, must be subject to a readily ascertainable value.

The following gifts do not require formal appraisal:

- a. Cash or cash equivalents;
- b. Marketable securities traded on a registered public exchange (including New York, NASDAQ, and regional stock exchanges);
- c. Closely held securities with a claimed gift value of not more than \$10,000;
- d. Other non-cash gifts with a claimed gift value of not more than \$5,000.

All other gifts require an appraisal or valuation.

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It is the responsibility of the Donor to secure and pay for the appraisal for income tax reporting purposes.

Clark Atlanta University may obtain its own appraisal, in order to substantiate value, but may accept either report if it is reasonable to do so.

- a. This procedure is appropriate if there is an appearance of a conflict of interest, the appraiser selected by the Donor does not have the requisite qualifications, or the potential risks and costs to Clark Atlanta University merit it.
- b. Any conflict in the appraisals must be explained and resolved between the Donor and Clark Atlanta University so that there is mutual agreement of value.

### **2.10.2 Appraisal Standards and Procedures**

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

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

The appraisal must include the following information:

- a. A description of the property in sufficient detail for a person who is not generally familiar with the type of property to ascertain that the property that was appraised is the property that was (or will be) contributed;
- b. In the case of tangible property, the physical condition of the property;
- c. The date (or expected date) of contribution to Clark Atlanta University;
- d. The terms of any agreement or understanding entered into (or expected to be entered into) by or on behalf of the Donor which relates to the use, sale or other disposition of the property contributed. This includes restrictions on Clark Atlanta University's right to use or dispose of the donated property, all provisions which confer on anyone, other than Clark Atlanta University, the right to income from the donated property or the right to possession of the property, including voting rights to securities, a right of purchase, or a right to designate the person to receive income, possession or right of purchase, or a provision which earmarks the donated property for a particular use. As an added precaution, all agreements between the Donor and Clark Atlanta University relating to the gift should be attached to the appraisal and incorporated into it by reference;
- e. The name, address, and taxpayer identification number of the qualified appraiser and, if the qualified appraiser is a partner in a partnership, an employee of any person (whether an individual, corporation, or partnership), or an independent contractor engaged by a person other than the Donor, the name, address and taxpayer identification number of the partnership or the person who employs or engages the qualified appraiser;
- f. The qualifications of the qualified appraiser;
- g. A statement that the appraisal was prepared for income tax purposes;

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- h. The date or dates on which the property was valued;
- i. The appraised fair market value of the property on the date (or expected date) of contribution;
- j. The method of valuation used to determine the fair market value, such as the income approach, the market data approach, or the replacement-cost-less-depreciation approach;
- k. The specified basis for the valuation, if any, such as any specific comparable sales transactions;
- l. A description of the fee arrangement between the Donor and the appraiser.  
The appraiser must sign the appraisal summary upon its presentation to the appraiser by the Donor. In this regard, no part of the fee arrangement for a qualified appraisal can be based, in effect, on a percentage (or set of percentages) of the appraised value of the property.

To be a "qualified appraiser," the appraiser must sign and complete Internal Revenue Service Form 8283, Section B, denoted "Appraisal Summary." The Appraisal Summary includes declarations by the appraiser that:

- a. The individual holds himself or herself out to the public as an appraiser;
- b. Because of the appraiser's qualifications as described in the appraisal, the appraiser is qualified to make appraisals of the type of property being valued;
- c. The appraiser is not:
  - (i) The Donor or the taxpayer who claims or reports the deduction under Section 170 for the contribution of the property being appraised;
  - (ii) A party to the transaction in which the Donor acquired the property being appraised (e.g., the person who sold, exchanged or gave the property to the Donor, or any person who acted as an agent for the transferor or for the Donor with respect to such sale, exchange or gift), unless the property is donated within twelve (12) months of the date of acquisition and its appraised value does not exceed its acquisition price;
  - (iii) The gift recipient of the property;
  - (iv) Any person employed by any of the foregoing persons or related to any of the foregoing persons under Section 267(b) of the Internal Revenue Code (e.g., if the Donor acquired a painting from an art dealer, neither the art dealer nor persons employed by the dealer can be qualified appraisers with respect to that painting);
  - (v) Any person whose relationship with any of the persons listed in (i) through (iv) above would cause a reasonable person to question the independence of such appraiser. For example, an appraiser who is regularly used by any person described in (i) through (iii) above and who does not perform a substantial number of appraisals for other persons has a relationship with such person that is similar to that of an employee and cannot be a qualified appraiser with respect to the property contributed.
- d. The appraiser understands that a false or fraudulent overstatement of the value of the property described in the qualified appraisal or appraisal summary may subject the appraiser to a civil penalty under Section 6701 for aiding and abetting an understatement of tax liability, and,

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consequently, the appraiser may have appraisals disregarded pursuant to 31 U. S. C. Section 330(c).

The Donor must file a completed Form 8283, Section B, Appraisal Summary, signed by the qualified appraiser and Clark Atlanta University, and should attach the form to the return upon which the Donor first claims his deduction. If the Donor fails to attach a properly completed Appraisal Summary, his deduction will not be lost if he files the Appraisal Summary within ninety (90) days of an IRS request that he do so, provided that the Donor's failure to originally file the Appraisal Summary was a good-faith omission.

Once Clark Atlanta University completes and signs Form 8283, Section B, Part II (the Appraisal Summary), it is obligated to file Form 8282 with the IRS and the Donor if it sells, exchanges or otherwise disposes of the "charitable deduction property" (property for which a Form 8283 was signed by the charity) within three (3) years of the date of the gift. The Form 8282 must be filed within ninety (90) days of the disposition of the "charitable deduction property."

### **2.10.3 Exceptions**

- a. According to the IRS, Form 8282 need not be filed if the Donor signed Part III of the Appraisal Summary indicating that a specific item given to Clark Atlanta University did not exceed \$500 in value. The exception applies only for items separately or so specified.
- b. Also according the IRS, Form 8282 need not be filed if the property is distributed by or consumed by Clark Atlanta University in a manner in furtherance of its exempt function.

### **2.10.4 Cost of Appraisal**

Clark Atlanta University will not normally fund the Donor's cost of appraisal; however, the President, or the Vice President for Institutional Advancement has the discretion to approve this expenditure, in consultation with the Chief Financial Officer, SVP, Business & Financial Services, provided:

- a. The subject property which has or may be gifted to the organization is or would be approved under the gift acceptance criteria;
- b. The amount of the appraisal is reasonable and prudent;
- c. The proportion of the expense incurred is no greater than the proportion of the property which will be gifted to Clark Atlanta University;
- d. The appraiser is qualified and willing to perform under the criteria set forth in section et seq.;
- e. There is full disclosure to the Donor of the legal or tax implications of Clark Atlanta University's action.

### **2.11.0 Deferred Gifts**

**2.11.1 Deferred Gifts:** The University will accept deferred gifts, including life income gifts, gifts of life insurance and bequests made through donors' wills. The University 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. As required, future reports submitted to Council for the Advancement and Support of Education (CASE) and Council for American Education (CAE) will include present value.

**2.11.2 Life Income Gifts:** Life income gifts are those that provide recipients with annual incomes, including trusts, annuities, and pooled income funds.

### **2.12.0 Life Insurance**

Clark Atlanta University will not count/report gifts of insurance prior to settlement unless it is named both owner and irrevocable beneficiary of the policy. In instances where Clark Atlanta University is named beneficiary, but not owner of an insurance policy, the full amount of the insurance company's settlement at the death of the donor shall be reported as a gift on the date the University receives the proceeds. Clark Atlanta University may be named the beneficiary of a life insurance policy with or without its knowledge.

#### *2.12.1 Clark Atlanta University as a Beneficiary and Owner*

Gifts of life insurance policies can be considered a gift only if Clark Atlanta University has been named both owner and irrevocable beneficiary of the policy. When the University is named owner and beneficiary of the policy, the donor will be asked to make payments to Clark Atlanta University for the full amount of the premium payment(s). The University will then in turn make the premium payments to the insurance provider. This usually allows the donor to take a charitable contribution deduction for the full amount of the premium(s). It also provides confirmation to the University of who is making a premium payment since it will actually be receiving it, which is important because the University is obligated to provide an IRS-acceptable receipt to the donor. If the donor discontinues making premium payments, the decision regarding the policy continuance may be made by the Vice President for Institutional Advancement in consultation with the President. Additionally, the ownership of a paid-in-full policy may be transferred to Clark Atlanta University.

In order to maximize the benefits of gifts of life insurance for both the donor and the University, the following guidelines shall be adhered to:

- a. Clark Atlanta University will accept any gift of a life insurance policy, provided that it is under no pre-arranged obligation to expend its assets to maintain the policy, except by gifts from the previous owner or the insured; provided further, that no portion of the proceeds is paid to anyone or any organization that is not qualified as a tax-exempt entity under Internal Revenue Code Section 501(c)(3); and, provided further, that Clark Atlanta University has the unrestricted right to exercise fully its powers as the owner, including the power to surrender, select payment options, designate beneficiaries and withdraw or borrow cash values.
- b. The owner and beneficiary of any *insurance* policy gifted to *the institution* shall read as:  

"CLARK ATLANTA UNIVERSITY"
- c. The *insurance* policy shall be retained in a secure location under the control of the President or his designee.
- d. If the policy is fully paid up, i.e., requiring no further premiums, the records of the Donor shall reflect a completed gift.

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- e. If a Donor fails to make sufficient contributions necessary to continue the insurance policy in force, the Board of Trustees shall not utilize the assets of the organization or the cash value of the policy to do so, except where:
  - (i) The Board of Trustees determines that it is in the best interests of the organization; or
  - (ii) The insurance policy has been in existence for at least five (5) years and there is significant cash value; or
  - (iii) The face amount of the insurance policy can be reduced to a level such that future premiums will not be required.
- f. If the policy is to be discontinued, the Donor shall be notified at least thirty (30) days in advance and be offered an opportunity to continue contributions for Clark Atlanta University in paying the premium.
- g. Any proceeds received upon cancellation of the insurance policy shall be utilized, to the extent possible, in furtherance of the gift instructions provided.

If the insurance policy is to be discontinued, the Donor shall be notified at least thirty (30) days in advance and be offered an opportunity to continue contributions for Clark Atlanta University in paying the premium.

- For Clark Atlanta University to accept a gift of life insurance, the minimum death benefit value shall be \$50,000.
- The policy shall be fully paid within five years.
- Annual lump-sum premium payments shall be made no later than 30 days before the insurance carrier's due date.
- The donor, working with a qualified representative of Clark Atlanta University, shall specify in writing the school program, project or area to benefit when the death benefit is realized.
- In instances when the ultimate purpose of the death benefit is to establish and endowment, the face value of the policy shall meet the minimum funding requirements for that type of endowment (exceptions will be made to grandfather in gifts that do not meet new, increased minimum funding requirements).

While Clark Atlanta University will promote the use of insurance policy as a charitable gift, it shall not enlist the services of any insurance agent to approach its prospective donors for insurance gifts, unless a competitive process has been conducted.

### **2.13.0 Use of Gifts**

Many options are available for donors to direct how their contributions may be used for greatest benefit to the University. Gifts to the University can be divided into three classes – unrestricted, temporarily restricted and permanently restricted.

#### **2.13.1 Unrestricted Gifts**

Unrestricted gifts are gifts for which the donor designations have been satisfied because the University is already meeting the designation at the time the donor makes the gift. For example, a gift designated

to “scholarships” is considered unrestricted because the University has a budget for scholarships. With these gifts, the funds must be spent in the fiscal year in which they are received.

Any gift less than \$50,000, received from any source, excluding planned gifts, not restricted by the donor, will be applied to the general operating fund. Unrestricted gifts greater than or equal to \$50,000 or any gifts received through bequests or other estate gifts will be applied to long term investment in the temporarily restricted gift fund (formerly referred to as quasi-endowment fund) unless otherwise designated by the University President. The President will make recommendations to the Board for alternate designation as he/she deems necessary.

### **2.13.2 Restricted Gifts**

Restricted gifts impose a legal obligation on Clark Atlanta University to comply with the terms established by the donor. Therefore, it is necessary that the nature and extent of this obligation be clearly expressed in writing. For this reason, the terms of each restricted gift will be reviewed by the Division of Institutional Advancement with the utmost care to ensure that they do not hamper the usefulness and desirability of the gift. Potential gifts/pledges with complex restrictions will be presented to the President and the Chief Financial Officer, SVP, Business & Financial Services, prior to acceptance, for review and a determination.

If a gift is deemed unacceptable because of a donor’s restrictions, the donor will be counseled to remove or modify the restrictions. Gifts will be refused or returned when the purpose 1) is inappropriate or not in the best interest of the University, 2) is clearly a commercial endeavor, or 3) would obligate Clark Atlanta University to undertake responsibilities, financial or otherwise, which it may not be capable of meeting.

#### *Temporarily Restricted Gifts*

These are contributions with donor restrictions that can be satisfied by board action, the passage of time, or expenditure for a specified purpose. With these gifts, the fund balance is rolled over from year to year until the fund is depleted.

#### *Permanently Restricted Gifts*

These are contributions with donor restrictions that will never expire. With these gifts, the fund balance is rolled over from year to year; only a portion of the fair market value is spent annually. Permanently restricted gifts are more commonly known as endowed gifts.

### **2.13.3 Endowment Gifts**

Endowed funds may be established with gifts of cash or negotiable securities. Gifts of personal property, real property and closely-held stock will be accepted. The minimum amounts to establish endowment funds are outlined in Policy 12.01-Endowment Establishment.

#### *Building an Endowment*

If the minimum level of funding has not been reached in five years, the fund will be terminated by the Chief Financial Officer, SVP, Business & Financial Services in consultation with Vice President for Institutional Advancement and the amounts given used for the general purposes of the institution nearest to the donor’s intent. A full disclosure of these terms shall be included in the endowment agreement provided to the donor. Income from the endowment may be distributed before the pledge amount is fulfilled, assuming that the stated minimum for the endowment has been reached.

***Permanency Clause***

As appropriate, the terms of any restricted or endowed fund must include language to permit the Board of Trustees to assign a different, alternative, or modified but related use of such funds as conditions dictate in some distant future. Such action should be authorized by the donor by including a variation of the following clause in the transfer of assets while living or by bequest:

*“If, in the opinion of the President of Clark Atlanta University and the Board of Trustees, all or part of the earnings of the fund cannot be usefully applied to the purpose designated (or in the manner requested), the Board of Trustees and President may use the same for any purpose within its corporate powers to decide or for any other purpose which, in its opinion, will most nearly accomplish my purposes, wishes and intent.”*

***Unrestricted Designated Gifts***

Unrestricted designated gifts are gifts designated to a school/college, academic program, a campus, the athletic department, etc. One hundred percent of designated monies will be available to the designated division (budget-enhancing). These designated funds are available in the fiscal year in which they are raised, and can be accumulated from year to year. These funds cannot be spent on wages, benefits or other ongoing obligations, such as lease or rentals, which have terms crossing over fiscal years. Designated funds will be allocated to the appropriate sub-fund at the time the gift is made through the gift entry process. The Divisions of Institutional Advancement and Finance and Business Services will provide each dean, campus director, or division head with a report showing the funds designated to each area.

**2.13.4 Pledge Recording Standards**

Pledges are unconditional promises or arrangements to give money in the future. With the exception of Annual Fund pledges, in order to officially record a pledge into the donor database system, appropriate documentation signed by the donor is required -- a pledge form, letter of intent (which may come in the form of an email), etc. 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 authorized representative to write a letter to the donor confirming the University’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. Pledges with a minimum amount of \$25,000 will be recorded in Finance.

*Minimum Gift Level:* There is no minimum pledge level aside from those established for recurring transactions, e.g., Electronic Funds Transfer, payroll deductions, endowments and scholarships.

*Authorization for Acceptance:* None required.

*Acceptance Procedure:* Authorized representatives will provide the Office of Advancement Services with the donor’s name, pledge amount, purpose of the pledge and payment schedule.

1. **Recording Pledges with Written Documentation:** Pledges are to be recorded upon receipt of written documentation either (a) from the donor to the University or (b) from the University to the

donor. Written documentation must provide information about the donor's payment intentions and payment schedule.

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

2. **Recording Annual Fund Pledges:** Pledges made through an authorized annual fund activity or program may be recorded and are exempt from the requirement to secure written documentation.
3. **Recording Pledges in Good Standing:** There must be evidence that pledges are in good standing. Pledges not in good standing (e.g, missed payments), for which there is no correspondence with the donor outlining revised payment terms, are subject to review by the Vice President for Institutional Advancement.
4. **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.
5. **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.
6. **Personal Pledges and Donor-Advised Funds:** Donor-recommended contributions that are received by the University 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.
7. **Recording of pledges with anticipated matching gifts:** Per IRS rules and CASE standards, pledge amounts recorded for a donor employed or affiliated with matching gifts 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.

8. **Non-designated gifts received from donors with open pledges:** Upon receipt of a contribution from a donor with an open pledge that is not designated for that pledge, the Advancement Services unit will either contact the donor or request the authorized representative contact the donor to clarify the intent of the donation.
9. **Pledge Reminders:** Annual Pledges: Sent scheduled reminders by the Office of Advancement Services.

Multi-Year Pledges: Donors with unpaid multi-year pledges will receive a minimum of two reminders each fiscal year, e.g., one month before the end of the calendar year and one month before the end of the fiscal year.

A list of multi-year pledges with payments due in the current fiscal year will be provided by Advancement Services, in consultation with the Division of Finance and Business Services, to the Vice President for Institutional Advancement prior to the end of the fiscal year for review and subsequent action.

10. **Pledge Write-offs**

Annual Fund Pledge: Pledges not paid by June 30th will be written off by both IA and the controller's Office at the beginning of the new fiscal year by Advancement Services.

Multi-year Pledges: At the beginning of each fiscal year, Advancement Services will forward a list of unpaid multi-year pledges to the Vice President for Institutional Advancement for write-off approval, where the pledge donor have received a minimum of two reminders in the prior fiscal year with the contact intended to adjust the donor payment schedule or request payment.

### **2.14.0 Donor Recognition**

Donors are entitled to recognition and gratitude for the benefits that they confer on Clark Atlanta University. Such acknowledgment should be immediate and meaningful. It must be related to the level of the gift (as compared to the size of the transaction), any deferral in the timing of the benefits for Clark Atlanta University, and the expectations and restrictions imposed.

Clark Atlanta University is dependent upon maintaining its strong relationship with its Donors, and this requires adhering to its financial commitments to the Donor and other beneficiaries of a gift instrument, as well as to any obligations or conditions imposed by the Donor and accepted by Clark Atlanta University in connection with the gift.

#### **2.14.1 Distinguishing Recognition from Reporting**

Donor recognition is a function of the size, nature and timing of the gift, and may be different from the reporting requirements established by general accounting principles and the Financial Accounting Standards Board or CASE. It may be appropriate to advise current and future Donors of this distinction, to avoid any embarrassment or confusion.

#### **2.14.2 Donor Confidentiality**

Notwithstanding the benefits to Clark Atlanta University in promoting its fund-raising efforts and its Donors, the needs and concerns of the Donor shall be considered first. No recognition program, or public announcement, shall be made without obtaining the written approval of the Donor (or Donor's family, where appropriate). The financial and personal details of the Donor, the gift arrangement and the economics of the gift, must be kept confidential, except where such information is specifically authorized by the Donor to be disclosed. The staff, including volunteers and Board of Trustees of Clark Atlanta University shall

adhere strictly to this policy.

### **2.14.3 Gift Agreement**

In order to confirm the Donor's intent regarding the use of funds, recognition and public disclosure of the terms of the gift, major gifts should be accompanied by a written Gift Agreement (*See Appendix B*). The form of such agreement may vary, depending upon the nature of the transaction and Clark Atlanta University's relationship with the Donor, but the contents should include each of the above topics.

### **2.14.4 Receipting, Processing and Acknowledgment of Gifts and Pledges**

Institutional Advancement *shall* record and acknowledge receipt of all grants, pledges and irrevocable gifts to Clark Atlanta University or any agency thereof, including cash, life- income gifts, securities, trusts, insurance policies, real estate and other gifts-in-kind. Institutional Advancement works in conjunction with the University *Controller's* Office to enter and reconcile gifts and grants to the institution's general ledger via the university-wide donor database system, following established procedures.

All gifts, along with their original correspondence, received by any campus, school, department or administrative office are to be transmitted to Institutional Advancement at the earliest possible opportunity for processing. A complete and accurate record of every donor to Clark Atlanta University shall be maintained by Institutional Advancement and shall be kept strictly confidential *from unauthorized personnel*. Donor anonymity in publications will be protected whenever desired by the donor.

All gifts will be processed and acknowledged by Institutional Advancement in a timely fashion.

## **3.0 Entities Affected by This Policy**

This policy affects all *donors*, schools, departments, and programs of the University.

## **4. Definitions**

- A. **Blue sky law** is a state law in the United States that regulates the offering and sale of securities to protect the public from fraud. They all require the registration of all securities offerings and sales, as well as of stock brokers and brokerage firms.
- B. **Authorized representative** is a person who, for financial or other consideration, solicits contributions for, or on behalf of the university, whether such solicitation is performed personally or through his [or her] agents, servants, or employees or through agents, servants, or employees specially employed by, or for a charitable organization.,
- C. **Tangible Personal Property** is defined as those gifts, other than land and improvements to land, that "can be touched."
- D. **Quid Pro Quo Contribution** is a payment made partly as a contribution and partly in consideration for goods or services provided to the payer by the recipient organization.

## **5.0 Forms - (Starts on Next Page)**



APPENDIX A  
**CLARK ATLANTA UNIVERSITY  
IRREVOCABLE PLEDGE AGREEMENT  
GENERAL**

To: The President, Vice President for Institutional Advancement

CLARK ATLANTA UNIVERSITY  
223 James P. Brawley Drive, SW  
Atlanta, Georgia 30314

To help Clark Atlanta University keep its promise as a leading educational institution for present and future generations, and in consideration of the gifts of others toward its fundraising goals, I/we hereby irrevocably pledge to give Clark Atlanta University the sum of \$\_\_\_\_\_ in dollars, or the following assets:

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This gift is:

To be used where the need is greatest, at the discretion of the President or Board of the Trustees

To be designated for the following purpose(s):

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In publications and donor honor rolls, I/we wish my/our name(s) to read as follows:

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(Signature)

---

(Date)

---

(Signature)

---

(Date)

---

(Name(s))

---

(\_\_\_\_\_) (Phone)

---

(Address)

I wish to remain anonymous



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- This gift may be matched by my employer:

Contact Name: \_\_\_\_\_

Contact Phone: \_\_\_\_\_

Contact E-Mail: \_\_\_\_\_

Clark Atlanta University is a qualified charitable organization. Please make checks payable to *Clark Atlanta University*.

My/our gift will be paid in the following manner:

\$\_\_\_\_\_ immediately.

The balance to be paid in equal  annual  biannual  quarterly installments beginning \_\_\_\_\_ and ending \_\_\_\_\_.

Other: \_\_\_\_\_

**OR**

\$\_\_\_\_\_ to be paid by \_\_\_\_\_ (date)

Installments  
 Annual  Biannual  Quarterly  Other: \_\_\_\_\_  
beginning \_\_\_\_\_ and ending \_\_\_\_\_.

Other: \_\_\_\_\_

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In the event of my/our death before completion of the pledge, I/we direct that this commitment shall be honored in the settlement of my/our estate.



**APPENDIX B**  
**CLARK ATLANTA UNIVERSITY**  
**GIFT AGREEMENT/MOU**

This agreement is entered into between \_\_\_\_\_ ("Donor(s)") and Clark Atlanta University in connection with a proposed gift by Donor(s). The purpose of this Agreement is to clarify the intent of the Donor(s) with respect to the use of the Gift proceeds by \_\_\_\_\_, and the mutual duties and expectations of the parties.

1. Gift Arrangement

**[Option 1: Charitable Remainder Trust]**

Donor(s) intend(s) to establish a charitable remainder trust, designed to pay \_\_\_\_\_ percent (\_\_\_%) to Donor(s) for (his/her/their) lifetime(s), with \_\_\_\_\_ percent (\_\_\_%) of the remainder interest passing irrevocably to Clark Atlanta University. The (estimated/appraised/established) fair market value of the asset to be contributed is \$\_\_\_\_\_.

**[Option 2: Bequest]**

Donor(s) intend(s) to provide a bequest in (his/her/their) (will/ living trust) naming Clark Atlanta University as a beneficiary of (\$\_\_\_\_\_/\_\_\_\_\_%) of the estate).

**[Option 3: Insurance or Pension Beneficiary Designation]**

Donor(s) intend(s) to designate Clark Atlanta University as a beneficiary of (\$\_\_\_\_\_) (\_\_\_\_\_% ) in the following (insurance policy/IRA/pension/Keogh/profit sharing/401(k) account):

Name of (insurance policy) (account): \_\_\_\_\_  
(Policy) (Account) number: \_\_\_\_\_  
Name of (agent) (broker): \_\_\_\_\_  
Address of (agent) (broker): \_\_\_\_\_

**[Option 4: Outright Gift]**

Donor(s) intend(s) to gift, outright and concurrently with this Agreement, to Clark Atlanta University, the following assets, with an (estimated/appraised/established) aggregate fair market value of \$\_\_\_\_\_:

Asset: \_\_\_\_\_ Value: \$ \_\_\_\_\_  
Asset: \_\_\_\_\_ Value: \$ \_\_\_\_\_

**[Option 5: Outright Gift and Pledge]**

Donor(s) intend(s) to gift, outright to Clark Atlanta University the sum of \$\_\_\_\_\_.

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[over the following period of time][over their lifetimes]. Any amount not paid during the lifetime of Donor(s) shall become a debt of the estate of [Donor][the surviving Donor], and Donor(s) agree(s) to include a provision in [his/her/their] will(s) or living trust(s) that any such unpaid amount shall be distributed to Clark Atlanta University in accordance with this Agreement, as it may be amended from time to time.

Schedule of payments:

Current gift: \$ \_\_\_\_\_

The balance to be paid in [annual/semi-annual/ quarterly] installments, beginning \_\_\_\_\_ and ending \_\_\_\_\_ or until paid.

***[Option 6: Combination]***

Payment to Clark Atlanta University in satisfaction of the Gift may be made, in Donor(s)'s discretion, by direct, outright, or deferred gifts which vest in Clark Atlanta University, either during the lifetime(s) of Donor(s) or at Donor(s)'s death. This may include charitable remainder trusts, pooled income funds, charitable lead trusts, charitable gift annuities, gifts of property with a retained interest, partial interest gifts and funded life insurance policies. All gifts of nature made to Clark Atlanta University by Donor(s) shall be aggregated for purposes of determining Donor(s)' obligation under this Agreement.

The value of such gifts, for purposes of satisfying the pledged amount, shall be determined as of the earlier of the date of receipt of the gift proceeds by Clark Atlanta University or the date on which the gift arrangement becomes irrevocable. Where the gift is made through a planned or deferred gift arrangement, the value shall be computed in accordance with the method described in Donor Recognition, under paragraph 4 below.

2. Conditions of Gift

There are no preconditions to the payment of this Gift.

3. Purpose and Use of Gift Proceeds

The Donor(s) and Clark Atlanta University agree to use the Gift for the following purposes and in the following manner: [describe in detail; the following is provided as an example only]

- a. Designation of a Gift Fund: Clark Atlanta University shall establish the \_\_\_\_\_ Fund.
- b. Use of Principal or Income: The income from this Fund, as determined by Clark Atlanta University, shall be used to \_\_\_\_\_.
- c. Allocation of Principal: The Gift shall be allocated \_\_\_\_\_.
- d. Changes in Purpose: The Donor(s) and Clark Atlanta University, by mutual agreement, may change the purpose and use of the Gift or its earnings. If

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[Donor][surviving Donor] shall become disabled or die, then the purpose of this Gift may be modified by agreement between Clark Atlanta University and the following designated agents of Donor(s):

Agents of Donor(s): \_\_\_\_\_

- e. Unforeseeable Changes in Circumstances: Notwithstanding the above, in the event that it becomes legally or technically impossible or impractical, in the judgment of Clark Atlanta University, to achieve the specific purposes for which this Gift was intended, then Clark Atlanta University reserves the right to modify such purposes in such manner as it deems appropriate, consistent with the wishes and intentions of Donor(s).

4. Recognition of Donor(s)

- a) Gift Value: In accordance with established policies and procedures of Clark Atlanta University, the value of [Donor's/Donors] Gift is deemed to be \$\_\_\_\_\_. This value is based on the [estimated/appraised/established] value of any outright gifts, and the present value of any deferred, irrevocable gifts. In the event contingent or revocable gifts are added by Donor(s), the value of such gifts will be determined in accordance with this method.

- b) Donor Recognition: In consideration and appreciation for the Gift, Clark Atlanta University shall provide the following to Donor(s):

\_\_\_\_\_

\_\_\_\_\_

- c) Public Disclosure: Clark Atlanta University [shall/shall not] have the right to disclose the name(s) of Donor(s) in its general publications and press releases.

5. Binding Obligation

This Agreement shall be binding upon and inure to the benefit of Donor(s) and Clark Atlanta University, and their respective successors, heirs, assigns, administrators and executors. Donor(s) intend(s) this Gift Agreement to be fully enforceable against Donor('s)(s') estate, to the extent that the obligation has not been satisfied by gifts completed following the date of this Agreement. Donor(s) agree(s) to insert dispositive provisions in [his/her/their] will(s) or living trust(s) that will be consistent with this Agreement. If any portion of this Gift is required to be paid by an organization or entity other than by Donor(s), individually, Donor(s) represent(s) that Donor(s) [have/has] the legal authority to bind such organization or entity.

6. Exempt Status

Clark Atlanta University represents that it is qualified as a charitable organization,

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for which Donor(s) is or will be entitled to charitable contribution tax deductions, under Internal Revenue Code sections 170(b)(1)(A), 170(c), 2055 and 2522.

7. Miscellaneous

- a. Situs: This Agreement is executed in and shall be governed by the laws of the State of Georgia.
- b. Amendment: This Agreement may be amended at any time by written agreement signed by each party.
- c. Irrevocable: Except as otherwise provided, this Agreement shall be irrevocable.
- d. Effective Date: The effective date of this Agreement shall be\_\_\_\_\_.

Executed by:

Donor: \_\_\_\_\_ Date: \_\_\_\_\_

Donor: \_\_\_\_\_ Date: \_\_\_\_\_

**CLARK ATLANTA UNIVERSITY**

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Title: \_\_\_\_\_



**APPENDIX C**  
**CLARK ATLANTA UNIVERSITY**  
**ACCEPTANCE OF GIFTS-IN-KIND**

Gifts-in-kind are non-cash donations of materials. Gifts of materials or long-lived assets that serve the purpose of the University 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 events, etc. For items such as equipment and software, the gift will be reported at the educational discount value – that is, the value the University would have paid had it purchased the item outright from the vendor. Gifts-in-kind are defined as tangible property (not services.)

**TO:** The Vice President for Institutional Advancement

**FROM:** \_\_\_\_\_  
(Department Chair) (Department) (Extension)

**VIA:** \_\_\_\_\_  
(School Dean or Division Head) (School/Division) (Extension)

**Acceptance of this gift by Clark Atlanta University is beneficial and is recommended:**

\_\_\_\_\_  
(Signature) (Print Name) (Date)

\_\_\_\_\_  
(Title) (School/Division)

**NOTE: Attach copies of written correspondence concerning this gift.  
Please make a copy for your files.**

**COMMENTS:**

<u>Name and Address of Donor</u>	<u>Type of Donor</u>	
_____	<input type="checkbox"/> Alumnus	<input type="checkbox"/> Organization
_____	<input type="checkbox"/> Foundation	
_____	<input type="checkbox"/> Friend	<input type="checkbox"/> Corporation

**Estimated Value (with educational discount considered):** \_\_\_\_\_

Date Gift Received: \_\_\_\_\_

**Valuation Method (attach documentation for gifts of \$5,000 or greater):**

- \_\_\_\_\_ 1. Appraisal
- \_\_\_\_\_ 2. Itemized Inventory List
- \_\_\_\_\_ 3. Vendor Documentation (invoice, letter)

Published Value (catalog, etc.) \_\_\_\_\_

Other \_\_\_\_\_

**GIFT INFORMATION:**

Description: Indicate quantity, model number, manufacturer, etc. and whether it needs space, additional support material or services to operate. (Use separate sheet if necessary.)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Property Number Needed:** Yes \_\_\_\_\_ No: ----- **Property Number Assigned:** \_\_\_\_\_

(property number required for assets with an estimated useful life to the University of greater than one year.)

**Gift Restrictions:** List any restrictions set by the donor (e.g., to be used for scholarships, building funds, etc.)

\_\_\_\_\_

**Location (room and building) of Gift:** \_\_\_\_\_

**Intended Use:** \_\_\_\_\_

**Anticipated Monthly/Yearly Maintenance Costs:** \$ \_\_\_\_\_\*

\*Maintenance costs and license fees are the responsibility of the department/program accepting the gift.

**Clark Atlanta University's contact or authorized representative:**

**Name:** \_\_\_\_\_ **Extension:** \_\_\_\_\_

**Department:** \_\_\_\_\_

**E-Mail:** \_\_\_\_\_

**APPROVED:** \_\_\_\_\_  
Chief Financial Officer, SVP, Business & Financial Services Date

**APPROVED:** \_\_\_\_\_  
Vice President for Institutional Advancement Date

**Return this form to Vice President for Institutional Advancement**





**APPENDIX D**  
**CLARK ATLANTA UNIVERSITY**  
**Binding Pledge Agreement (Standard)**  
**Bequest or Estate**

I, \_\_\_\_\_, hereby pledge to give to CLARK ATLANTA UNIVERSITY, located at 223 James P. Brawley Drive, SW, Atlanta, GA 30314, at the time of my death the sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_), to be paid out of my estate or revocable trust in one lump sum payment, in consideration of (1) the mutual promises of myself and other subscribers; (2) the promise of Clark Atlanta University to use this subscription and other funds for \_\_\_\_\_, and (3) my desire to honor the accomplishments of \_\_\_\_\_ and advance the study of \_\_\_\_\_ at Clark Atlanta University.

This pledge is NOT revocable and shall extend to and be binding upon my executors, trustees, administrators, heirs, beneficiaries and assigns and shall be enforceable as an obligation against my estate. My failure to include a specific bequest to CLARK ATLANTA UNIVERSITY in my Will or Trust shall not release my executors, trustees or administrators from the obligation stated in this agreement.

I have agreed to make this pledge on the understanding that CLARK ATLANTA UNIVERSITY will publicly refer to this gift prior to its delivery as a gift promised by me and after delivery, as a donation by me, that CLARK ATLANTA UNIVERSITY may make commitments in reliance on this pledge and that the pledge may be known to the public in the course of soliciting contributions from others.

In the event that such use should prove to be impractical or undesirable for any reason as THE BOARD OF TRUSTEES OF CLARK ATLANTA UNIVERSITY may in the sole discretion determine, the Trustees shall provide for alternate uses for this gift in a manner consistent with, and reflecting the spirit of, the original purpose stated in such Guidelines.

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Signed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
(Type the donor's name), Donor

Address: \_\_\_\_\_

S.S.N. \_\_\_\_\_ (Secured by University)

\_\_\_\_\_  
(Type the spouse's name, if joint donor), Donor

Address: \_\_\_\_\_

S.S.N. \_\_\_\_\_ (Secured by University)

On behalf of the University, [I/we] hereby accept this gift and confirm that this Binding Pledge Agreement correctly states the understanding between the Donor(s) and the University.

By: \_\_\_\_\_

CLARK ATLANTA UNIVERSITY

Title: \_\_\_\_\_

Dated: \_\_\_\_\_



**APPENDIX E**  
**Clark Atlanta University**  
**Real Property Donor Disclosure Form**

Real property is defined as improved or unimproved real property, including raw land, buildings, farms, personal residences and vacation homes. The University will not accept real property as gifts with back taxes or outstanding liens and obligations.

**I. Ownership** (full names and addresses of all owners, use additional pages, if necessary):

Name \_\_\_\_\_

Address \_\_\_\_\_

Work Phone \_\_\_\_\_ Evening Phone \_\_\_\_\_

Type of Ownership: \_\_\_\_\_ Single \_\_\_\_\_ Joint \_\_\_\_\_ General Partnership

\_\_\_\_\_ Limited Partnership \_\_\_\_\_ Community Property

Does ownership include mineral rights, water rights, restrictive easements, covenants, ROWs, etc.?

\_\_\_\_\_  
\_\_\_\_\_

**II. Location**

Address or description \_\_\_\_\_

\_\_\_\_\_

County \_\_\_\_\_

How is the property designated on the tax maps? \_\_\_\_\_

\_\_\_\_\_

What is the nearest city? \_\_\_\_\_

Directions from nearest city? \_\_\_\_\_

\_\_\_\_\_

**III. Financial and Title Information**

How did you acquire this property? \_\_\_\_\_

How long have you owned this property? \_\_\_\_\_

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What did you pay for the property? \_\_\_\_\_

Is there an unpaid mortgage? \_\_\_\_\_ Amount of unpaid mortgage \$ \_\_\_\_\_

Are there any liens or encumbrances on the property? \_\_\_\_\_

Describe any liens or encumbrances on the property \_\_\_\_\_

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Is there any pending litigation with regard to the property? \_\_\_\_\_

Describe any litigation \_\_\_\_\_

---

Are there tenants on the property? \_\_\_\_\_ Annual rental income \$ \_\_\_\_\_

Do you have a recent appraisal? \_\_\_\_\_ If yes, please provide a copy of the appraisal.

Appraisal date \_\_\_\_\_ Appraised market value \$ \_\_\_\_\_

Amount of annual taxes \$ \_\_\_\_\_ When are taxes due? \_\_\_\_\_

How is the property zoned? \_\_\_\_\_

Has the property been the subject of any regulatory designations, e.g., wetlands? \_\_\_\_\_

If so, list type of designation and regulatory agency \_\_\_\_\_

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Are there any tenant leases involving the property? \_\_\_\_\_

If so, describe terms? \_\_\_\_\_

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Is the property enrolled in any government programs (agriculture, forestry, etc.)? \_\_\_\_\_

If so, list type of program \_\_\_\_\_

---

Do you have title insurance? \_\_\_\_\_ If yes, please provide a copy of the policy.

Name of insurance company \_\_\_\_\_

Policy number \_\_\_\_\_

Have any insurance claims been made with regard to the use of this property? \_\_\_\_\_

If so, describe \_\_\_\_\_

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**IV. Description**

\_\_\_\_\_ Residence    \_\_\_\_\_ Vacant Land    \_\_\_\_\_ Condominium    \_\_\_\_\_ Rental

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\_\_\_\_\_ Commercial \_\_\_\_\_ Other

Number of acres \_\_\_\_\_ Approximate dimensions \_\_\_\_\_

Boundaries (roads, water, development, etc.) \_\_\_\_\_

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Natural features (vegetation, water, geological formations, etc.) \_\_\_\_\_

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Improvements (buildings, roads, utility easements, etc.) \_\_\_\_\_

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Wildlife which has been identified on the property with emphasis on rare or endangered species \_

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Give a brief history of how the property was used before and during your ownership \_\_\_\_\_

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Is the property benefitted by any right of easements? \_\_\_\_\_

If so, describe \_\_\_\_\_

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Describe uses on adjacent parcels \_\_\_\_\_

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**V. Disposition**

Do you intend to convey this property to Clark Atlanta University?

\_\_\_\_\_ during your lifetime

\_\_\_\_\_ through your will or trust

How can Clark Atlanta University make arrangements to have a representative visit the property? \_\_\_\_\_

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**VI. Supporting Information**

Please attach any information that will help Clark Atlanta University evaluate the property, such as:

\_\_\_\_\_topography map      \_\_\_\_\_tax map      \_\_\_\_\_aerial photo  
\_\_\_\_\_soil survey      \_\_\_\_\_survey      \_\_\_\_\_latest tax notice

**VII.** Clark Atlanta University will conduct an onsite examination of the property. If there is a concern about possible contamination, Clark Atlanta University will require that an environmental engineer conduct an environmental assessment of the property. These assessments should be used selectively with prior approval of Clark Atlanta University’s president, and with payment of costs negotiated in advance with the donor. If the assessment report indicates that the property is contaminated, Clark Atlanta University will reject the property.