



## **GIFT ACCEPTANCE POLICY**

The MSU-N-Northern Foundation (Foundation) is a not for profit organization under the laws of the State of Montana and encourages the solicitation and acceptance of gifts to the Foundation for the purpose to further and fulfill its mission. The following management policies govern acceptance of gifts made to the Foundation for the benefit of its programs or initiatives.

### **1.0 STATEMENT OF PURPOSE**

The purpose of the Gift Acceptance Policy is to:

Assist donor relations professionals working with prospective constituents interested in making gifts to the Foundation in furtherance of the objectives of Montana State University-Northern (MSU-N).

While the policies and procedures set forth herein are meant to be comprehensive, they will not be exhaustive of every type of proffered gift asset, structure, or administrative circumstance. By setting forth clear management policies relating to the types of acceptable gifted assets, gift forms, and gift administration, this document will guide Foundation staff and volunteers in cultivating and accepting gifts.

By seeking gifts, grants, bequests and other forms of financial support and managing its assets in accordance with its purpose and fiduciary responsibilities, the Foundation seeks to enhance the quality and scope of MSU-N's programs to provide the margin of excellence to ensure the University's future.

### **2.0 FOUNDATION MISSION**

The Montana State University-Northern Foundation engages alumni and friends of the University, enriches student experiences and provides ethical stewardship while supporting the University's strategic goals.

### **3.0 GENERAL POLICIES**

#### **3.1 Acceptance Authority**

It is within the express job descriptions of and within the express authority of donor relations professionals to accept gifts of cash and publicly traded stock in all instances. The donor relations professional is authorized to accept other types of gifts with the approval of his or her supervisor or, when circumstances warrant, with the consultation and approval of the Gift Acceptance Committee (GAC). While third party professionals may be consulted in making acceptance decisions, the Foundation will not pay a "finder fee" for any gift directed to it.

While the above paragraph grants authority to accept gifts, in all instances the intended purpose and use of a gift so accepted shall be for the furtherance of the Foundation's mission.

### **3.2 Acceptance Requirements**

In determining the appropriateness of acceptance, a donor relations professional shall consult management policies, policies governing instruments, spending, income, allocation, disbursement and fee assessment policy.

As part of the acceptance procedure, the donor relations professional or other appropriate Foundation staff will obtain from the donor, a clear and documented understanding as to the donor's intended charitable purpose of the gift which must promote the objective of MSU-N or further the ability of the Foundation to promote the objectives of MSU-N.

Prior to accepting non-cash gifts or gifts of non-negotiable securities, the donor relations professional, in consultation with his or her supervisor, and accounting staff, shall determine all potential liabilities and costs associated with the gift. If the gift is to be retained by the Foundation or MSU-N, cost, liability or other issues related to future operation and financial responsibility for the asset shall be clearly documented.

Gifts accepted by the Foundation shall be receipted and substantiated according to IRS regulations and pursuant to the Foundation accounting policies and procedures. The Foundation may solicit an independent appraisal for accounting and reporting purposes.

### **3.3 Declining Gifts**

Gifts shall not be accepted if doing so is in contravention of applicable federal or state laws or Foundation policies. If a gift is declined, that decision shall be communicated to the donor and, where appropriate, to his/her advisors in a timely manner. The offer and non-acceptance of the gift will be made part of the donor's permanent record.

### **3.4 Documenting Gifts**

In all events of a major gift to the Foundation, defined as at least \$25,000, the gift shall be documented to the donor's permanent record in the following manner:

#### Pledge

In most instances a gift to support the purpose of an existing fund held by the Foundation shall be documented through the signed completion of a pledge form. Upon completion of a pledge form, including any supplemental gift verification documentation, the pledge form shall be submitted to the Director of Operations.

#### Gift Agreement

In instances where a donor's gift will establish a new fund or project, the specific terms of the gift, including the donor's and Foundation's respective obligations, shall be documented with a Gift Agreement or Deferred Gift Agreement, as is appropriate. In most instances, a draft of the Gift Agreement shall be prepared and presented to the donor prior to acceptance of the gift.

#### Amended Gift Agreement

In the event that during the relationship with the donor the terms of an existing Gift Agreement need to be revised, the donor relations professional shall seek to amend the existing Agreement in the same manner as is used to request a Gift Agreement.

#### **4.0 GIFTS ACCEPTED AND ACCEPTANCE CRITERIA**

Subject to the standards set forth below, the following types of gifts may be accepted by the Foundation. In evaluating a proffered gift, the donor relations professional shall utilize the following criteria:

- Cash

Cash or its equivalent (check, money order, credit/debit card transfer, etc.) is acceptable in any form. Checks should be made payable to MSU-Northern Alumni Foundation and mailed or delivered to the Foundation's administrative offices located at: 305 Cowan Hall, PO Box 1691, Havre, MT 59501. If a gift cannot be mailed or delivered to the Foundation's administrative offices or must be delivered to another location, such gifts may be accepted only by an officer or donor relations professional of the Foundation.

- Securities

- Publicly Traded Stock and Securities

Marketable securities traded on the New York Stock Exchange, American Stock Exchange, the NASDAQ, or over the counter can be accepted by the Foundation. In most instances, all marketable securities will be sold upon receipt by the Foundation, or its representatives. In no event may an employee, director, volunteer, or other representative of the Foundation commit to the long-term or perpetual retention of gifted securities. In the event that a donor requests such accommodation, no assurance may be given to the donor without the prior consent of the GAC.

Gifts of mutual funds may be made to the Foundation. Mutual fund shares will be redeemed by the Foundation or its representatives as soon as practical. In no event may an employee, director, volunteer, or other representative of the Foundation commit to the long-term or perpetual retention of gifted securities. In the event that a donor requests such accommodation, no assurance may be given to donor without the prior consent of the GAC.

If required for any purpose, the donor will provide the Foundation with a qualified appraisal, at the donor's expense. The Foundation reserves the right to perform an independent appraisal by a party who is not affiliated with the donor and is selected by the Foundation.

The Foundation will not accept stock or securities that are subject to a contract for sale entered into prior to the gift being executed and accepted or a gift that obligates the Foundation to sell the stock to a designated party.

- Closely Held Securities

Closely held securities include, but are not limited to, debt/equity positions in nonpublicly traded companies and ownership interests in LLPs, LLCs, or other private and/or non-publicly traded businesses. Closely held securities may be accepted by the Foundation, but only

following a thorough examination and in consultation with the GAC. Gifts of closely held securities shall be examined in light of the following:

- Restrictions that affect liquidity;
- Marketability considerations; and
- Tax impact and considerations in connection to either accepting the property or sale of the shares.

Closely held securities will be redeemed by the Foundation or its representatives as soon as practical. In no event may an employee, director, volunteer, or other representative of the Foundation commit to the long-term or perpetual retention of gifted closely held securities. In the event that a donor requests such accommodation, no assurance may be given to the donor without the prior consent of the GAC.

If required for any purpose, the donor will provide the Foundation with a qualified appraisal, at the donor's expense. The Foundation reserves the right to perform an independent appraisal by a party who is not affiliated with the donor and is selected by the Foundation.

The Foundation will not accept closely held securities that are subject to a contract for sale entered into prior to the gift being executed and accepted or a gift that obligates the Foundation to sell the shares to a designated party.

▪ Restricted Stock

Restricted stock is generally acquired through an employee stock option plan or other private means and which may not be transferred or may be transferred with limiting restrictions and subject to SEC regulations. Restricted stock securities may be accepted by the Foundation, but only following a thorough examination and in consultation with the GAC. Gifts of closely held securities shall be examined in light of the following:

- Restrictions that affect liquidity;
- Marketability considerations; and
- Tax impact and considerations in connection to either accepting the property or sale of the shares.

Restricted stock will be redeemed by the Foundation, or its representatives, as soon as practical. In no event may an employee, director, volunteer, or other representative of the Foundation commit to the long-term or perpetual retention of gifted closely held securities. In the event that a donor requests such accommodation, no assurance may be given to donor without the prior consent of the GAC.

If required for any purpose, the donor will provide the Foundation with a qualified appraisal, at the donor's expense. The Foundation reserves the right to perform an independent appraisal by a party who is not affiliated with the donor and is selected by the Foundation.

The Foundation will not accept restricted stock that is subject to a contract for sale entered into prior to the gift being executed and accepted or a gift that obligates the Foundation to sell the shares to a designated party.

o Savings Bonds

Under current Treasury regulation, savings bonds cannot be transferred to the Foundation during the life of the donor/owner. In the event that a donor seeks or desires to make a gift of savings bonds, he or she should be encouraged to make a bequest with the bond(s). The Donor relations professional shall be responsible for also verifying that there is no co-owner that would impede timely distribution upon the donor's death.

o Real Estate

Gifts of real estate are typically accepted with the understanding that they will be liquidated as soon as possible. Maintaining revenue-earning real estate must be approved by the Board of Trustees.

o Gifts in Kind

A gift in kind is defined as a non-cash or non-cash equivalent gift. This may include gifts of art, books, jewelry, equipment, services, livestock, software, or other intellectual property. Gifts in kind warrant special consideration as they may obligate the Foundation to retain the property in perpetuity as they may be perishable or require special facilities or security to safeguard the property. It is the policy of the Foundation to liquidate items received as gifts in kind. If the gift is intended to be put in service, the donor relations professional must coordinate with the appropriate MSU-N department prior to acceptance.

Acceptance may be made only after thorough examination of the following criteria:

- Property use in light of the Foundation mission;
- Any donor requested restrictions on the use, display, or disposition of the property; and
- Carrying costs incurred by the Foundation if property is accepted.

In all instances, all other gift acceptance policies and procedures shall be in effect. Acceptance of gift in kind property shall be documented by the appropriate donor relations professional.

In the event that the property will be retained by the Foundation for a determined period of time for Foundation related purposes, only an officer of the Foundation may communicate the terms and conditions of such commitment to the donor. Donor relations professionals are not authorized to guarantee acceptance or retention of gift in kind property. Once gift in kind property is accepted for a related purpose and will be put in use by the Foundation, the Controller shall insure the property with the proper documentation of coverage to the donor's permanent record or master file within fifteen (15) days of receipt of the Gift in Kind report.

If required for any purpose, the donor will provide the Foundation with a qualified appraisal, at the donor's expense. The Foundation reserves the right to perform an independent appraisal by a party who is not affiliated with the donor and is selected by the Foundation.

In the event that gift in kind property is accepted by the Foundation, but shall be put in use by MSU-N, the donor relations professional shall coordinate with MSU-N personnel to oversee the proper delivery of the property. Upon confirmation of delivery, the donor relations professional shall confirm Foundation gift processing is complete through the receipting process.

o Life Insurance

Revocable Gift: In the event that a donor makes a gift by naming the Foundation as beneficiary of any life insurance policy, such gifts shall be recorded as revocable gifts.

Irrevocable Gift: A donor may make an irrevocable gift of life insurance by transferring both the ownership of a policy and beneficiary designation of a policy to the Foundation. In determining whether a policy may be accepted by the Foundation, the following considerations must be evaluated:

- Type of policy offered – Term or Whole Life. In general, term policies will not be accepted.
- Status of Policy offered – Paid up or Premium Due. In the event that a gifted policy shall have premiums due, it is the expectation that the donor will make future premium payments, which shall be made through the Foundation and treated as an additional cash gift in the year the contribution is made.
- Foundation Options Upon Receipt. With full disclosure to the donor, the Foundation reserves the right to any of the following options upon acceptance of a life insurance policy and in particular, regarding policies with premium due. If the donor stops paying the premium due, the Foundation may elect to continue the payment of premium; convert the policy to a paid up insurance policy; surrender the policy for its then existing cash value or any other option deemed appropriate.

o Retirement Plans

A donor may make the Foundation a beneficiary, either in whole or in part, of his or her retirement plan. This shall be a revocable gift at the time the gift is made or communicated to the Foundation.

Federal law protects spousal rights in retirement plans. In the event a donor is married, spousal rights take precedence over any beneficiary designation unless a signed waiver has been executed by the donor's spouse. In the event of a waiver, the donor relations professional shall coordinate with the OPG and the retirement plan administrator or estate counsel, as appropriate.

o Bequest

A bequest is defined as the written intention of a donor to leave cash or property to the Foundation after death. The written intention may be within the donor's will or trust agreement. Cash or property may be a delineated amount (specific bequest) or non-specific amount or percentage (residual bequest).

In all instances, a bequest as solicited by a donor relations professional is a revocable gift. Bequests shall be made to the Foundation. In the event a bequest is made to MSU-N and not directly to the Foundation, a gift may be accepted by and distributed to MSU-N through cooperation MSU-N Vice President for Finance & Administration and MSU-N Legal Counsel. Donor's intent shall be the determining factor.

Documentation of Bequest: A donor relations professional shall seek to document the bequest intention of the donor. Documentation may include the following: written verification signed by

the donor, including the type and estimated value of the bequest; a copy of the donor's will or trust agreement, or portion thereof, regarding the gift to the Foundation; signed Pledge Form; or other appropriate documentation as approved by the Executive Director.

Pursuant to the policies herein, a bequest may be memorialized through a deferred gift agreement.

Mature Bequests: Upon the death of a donor, a bequest becomes irrevocable. Collection of a bequest shall, in all instances, be coordinated through the Director of Operations. In the event that notification of a previously unknown bequest comes through a department of MSU-N to a donor relations professional, the donor relations professional must, at his or her earliest opportunity, inform the Director of Operations and facilitate communication to ascertain the donor's intent, whether gifted to the Foundation or MSU-N.

The Foundation shall determine if a previously unknown bequest can be accepted by the Foundation. The Executive Director is authorized to work with the fiduciary or personal representative of the donor's estate to effectuate the intent of the deceased donor's intent. If an agreement regarding the donor's intent cannot be reached with the donor's estate representative, the gift may be declined.

- o Planned Giving

Planned giving is defined as the promise of a future gift to the Foundation. In some instances, a donor will receive an income stream from the gift. In all instances, planned gifts shall be coordinated with the Executive Director and the Director of Operations.

- o Charitable Gift Annuities

Charitable Gift Annuities may be either current or deferred pursuant to the following guidelines:

Minimum Initial Amount to existing Fund:	\$5,000
Minimum Initial Amount to establish a new Fund:	\$10,000
Minimum Addition:	\$1,000
Minimum age of Annuitant at age to start payment:	65

An annuity may be funded with cash or readily marketable securities. An annuity may be funded with other assets, only with the approval of the GAC. The annuity payments shall be based on the National Committee of Annuities recommended rates. The calculated recommended rate is the maximum rate that will be offered, although a donor and the Foundation may negotiate a lower rate.

- o Trusts

A gift of a trust interest may be accepted if the Foundation is named as the trustee, beneficiary, remainderman or any combination thereof. The Foundation offers and accepts all variations of Charitable Trusts. In the event that the Foundation is named trustee, the following management policies shall apply:

Charitable Remainder Annuity Trust (CRAT)  
Minimum Trust Amount: \$25,000  
Minimum Age of Life Income Recipient: 65  
Maximum Number of Lives: Two  
Maximum Number of Income Recipients: Eight  
Maximum Payout Rate: 7.5%

Charitable Remainder Unitrust (CRUT)  
Minimum Trust Amount: \$25,000  
Minimum Age of Life Income Recipient: 65  
Maximum Number of Lives: Two  
Maximum Number of Income Recipients: Eight  
Maximum Payout Rate: 7%

Charitable Lead Annuity Trust (CLAT)  
Minimum Trust Amount: \$50,000  
Minimum of Annual Annuity Percentage  
Required to be paid to MSU-NAF: 51%  
Maximum Term: 20 Years

Charitable Lead Unitrust (CLUT)  
Minimum Trust Amount: \$50,000  
Minimum Annual Unitrust Percentage  
Required to be paid to MSU-NAF 51%  
Maximum Term: 20 Years

## **5.0 GIFT ACCEPTANCE COMMITTEE**

The GAC shall consist of the Foundation Executive Director, Director of Operations, Board Chairman, Finance Committee Chairman, and the University's Vice Chancellor for Finance and Administration. The GAC may add additional members as necessary and may seek the advice of third parties and other professionals in reviewing gifts. Any action taken by the GAC with regard to the acceptance or non-acceptance of proffered gifts shall be documented and well-supported.

## **6.0 GIFTS TO MONTANA STATE UNIVERSITY-NORTHERN**

Although the University's policy relating to the acceptance and processing of gifts states that the Foundation is the entity to which gifts should be made, from time to time gifts are directly made to or received by MSU-N. When this occurs, the University's policy and procedures control rather than the procedures set forth herein. (<http://www.msun.edu/admin/policies/800/807-2.aspx>)

In these instances, the Foundation will work cooperatively with MSU-N to ensure that the donor is properly recognized. However, the Foundation cannot provide tax receipts for gifts made directly to MSU-N. The burden of accepting, tax receipting, and acknowledging the gift rests solely with the MSU-N recipient. To facilitate timely and accurate recognition of the donor within the Foundation's records, the MSU-N recipient or appropriate designee must complete the MSU-Northern Gift Reporting Form and forward it to the Foundation, as well as gift documentation (canceled check, bill of lading, invoice, etc.).

Recognition of donors who make gifts directly to MSU-N shall be in the form of soft or recognition credit.

## **7.0 ASSOCIATION WITH OUTSIDE ADVISORS**

Although the vast majority of gifts and associated gift structures will be considered, developed, and reviewed by the donor, the donor's professional advisors, and the Foundation staff and its representatives, situations may arise which require additional outside professional support. The Foundation expressly reserves the right to associate with qualified outside advisors including, but not limited to, attorneys, financial advisors, tax professionals, real estate professionals (agents, brokers, and appraisers), tangible property appraisers, and environmental analysts. To effectively engage such professionals and garner timely analyses, such associations will occur with or without prior disclosure to or authorization from the donor. Without restricting the Foundation's ability to seek additional assistance, situations in which qualified outside advisors may be retained include, but are not limited to, the following:

- Confidential review of proffered stocks or securities, such as closely held stock and securities subject to buy-sell agreements or other restrictions;
- Confidential review of gifts governed or controlled by contracts or legal documents beyond the purview of the Foundation staff, officers or representatives;
- Confidential review of transactions that pose potential conflicts of interest, including gifts relating to, affected by, or affiliated with the Foundation's staff, representatives, and/or Board of Directors;
- Confidential review of gifts by or with life insurance or annuity professionals;
- Confidential review of environmental issues relating to proffered gifts of real estate; and
- Confidential appraisals of property, including real estate and tangible personal property.

At all times, the Foundation shall seek to employ, retain, or otherwise engage qualified outside advisors who are not affiliated with the donor of the proffered gift under consideration or who would directly or indirectly benefit from the approval or refusal of the proffered gift.

## **8.0 DONOR PRIVACY**

Subject to all applicable laws, the Foundation will work diligently to maximize a donor's confidentiality when requested. To that end, the Foundation does not give, sell, or otherwise furnish lists of donors or prospective donors to anyone for political purposes or the direct or indirect purpose of marketing products or services.

Gifts to the Foundation may be made with an agreement of varying levels of confidentiality. To insure a donor's expectations of privacy, if a donor requests confidentiality, both the donor and the Foundation's representatives must effectively communicate, document and record the donor's wishes.

## **9.0 CHANGES TO THE GIFT ACCEPTANCE POLICIES**

It is expected that these policies be reviewed periodically. Any corrections of or amendments to these management policies and procedures must be approved by the Foundation Board of Trustees.