

# **University of West Florida Foundation Gift Acceptance** **General Policy and Specific Policies**

## **Overview**

The University of West Florida Foundation, Inc. (the “Foundation”) is a tax-exempt entity receiving charitable gifts for the benefit of the University of West Florida (the “University” or “UWF”) and is required to follow federal, state, and board approved state rules and regulations regarding charitable contributions.

The Foundation Business Office must determine if a gift meets the criteria for acceptance. In general, a charitable contribution is a gift that has three essential elements: donative intent, delivery, and acceptance. The following outlines the general rules that the Foundation must consider in order to accept a gift.

## **I. Criteria for Acceptance**

- a. The gift substantially benefits the University and/or a program under the University.
- b. In general, a gift is something that is voluntarily transferred by a donor to the Foundation without compensation. There must be donative intent by the donor; therefore, the donor must release control over the gift. The gift should be complete, voluntary, and unconditional; provided, however, there may be contingencies appropriate to the nature of the gift before the gift is accepted by the Foundation. In addition, to have donative intent, there should not be any substantial benefit transferred to the donor in return for the gift. Exceptions are noted in the Gift Planning section.
- c. Before accepting a gift, restrictions on the gift imposed by the donor need to be considered by the Foundation. Generally, if a donor imposes substantial restrictions on the use of the donated item, the charitable deduction may be disallowed by the IRS. Any specific restriction associated with a gift needs to be accepted by the University as well as the Foundation.

## **II. Contributions Not Allowed**

- a. The Foundation cannot accept sponsored research funds specifically if they involve contract deliverables, fee-for-services, proprietary research, or drug protocol since the Foundation does not have adequate controls to monitor such funds.
- b. The Foundation cannot accept scholarship funds where the donor selects the recipient or if a gift is earmarked for a specific person attending the University. Payments of this nature are not qualified charitable gifts and should be made payable directly to the University cashier.
- c. The Foundation does not accept funds submitted from other University departments or centers which represent proceeds from the sale of goods or services, no matter how worded.
- d. The Foundation does not accept funds submitted for other activities outside of the Foundation operating purposes as established in its Article of Incorporation.

e. The Foundation does not accept funds to benefit a particular individual. Consequently, gifts made to support the scholarly activities of a particular faculty member are made irrevocably to the institution, and will not be transferred to another organization or institution in the event that the faculty member leaves the university.

### **III. Conflicts of Interest**

- a. Donor Conflicts. A gift shall not be accepted by the Foundation if such acceptance would not be in the interest of the donor. Prospective donors are urged and advised to seek the assistance of personal and financial legal counsel in matters relating to his/her charitable, financial and estate planning, including any resulting tax or estate consequences. It is within the province of neither the Foundation nor its staff to give legal, accounting, tax or other advice to prospective donors.
- b. Board and Staff Conflicts. All University personnel must be circumspect in all dealings with donors in order to avoid even the appearance of any act of self-dealing. Any transaction in which a University employee has a “material financial interest” with a donor is an act of self-dealing. In reviewing self-dealing transactions, the Foundation Board shall consider a financial interest material to an employee if it is sufficient to create even an appearance of a conflict.
- c. Acts of Self-Dealing. The Foundation Board or Audit / Budget Committee will examine all acts of self-dealing including, but not limited to:
  1. Personal Benefit. Individuals who normally engage in solicitation of gifts or grants on behalf of the University shall not personally benefit by way of commission, contract fee, salary, or any other form of benefits from any donor in the performance of their duties on behalf of UWF or the Foundation. (Individuals include faculty, administrators, staff, or their family members.)
  2. Purchase, Sale, or Leasing from a Donor. The relationship between donors and University personnel are developed over time and unique; consequently, purchases, sales, exchanges, or leasing property from an individual donor by a member of the faculty, administration, or staff will be subject to review for potential conflict.
  3. Borrowing from a Donor. Faculty, administrators or staff of the University or Foundation are prohibited from borrowing funds or entering into any form of credit extension with an individual donor.
  4. Finder’s Fees or Commissions. The Foundation will pay no fees or commissions to any person in consideration of directing a gift to the University or the Foundation.
  5. Administration of Gifts. Employees may not make gifts to funds used to support a program or department over which they have discretion, can direct use of, or have signature authority.

### **IV. Policy for Gifts and Solicitations**

- a. The fundraising program of the University encompasses all gift solicitations on behalf of the University and its colleges/units or affiliated entities. All fundraising on behalf of the University shall be conducted in accordance with the University and Foundation’s policies.

- b. All bequests or other gifts of \$100,000 or more received by the UWF Foundation without specific restrictions or written documentation may be used to establish endowed funds or to meet strategic needs of the university as agreed on by the President of the Foundation and the UWF President.
- c. The administration of all gifts for the benefit of the University is the responsibility of the Foundation. The Foundation fund management and financial policies are overseen by the Foundation Board through the Executive Committee, Investment Committee and the Audit / Budget Committee.
- d. Gifts will be invested in accordance with the Foundation policies, and donors may not control the investment of specific gifts. This is particularly true in cases where the donor wishes to direct that a specific investment be made or that a specific investment manager be used. Gifts will be invested in accordance with the Board approved Investment Policy at the discretion of the Investment Committee.
- e. The Foundation Business Office and Advancement Services will process and record gifts, deposit gifts into the proper funds, and issue gift receipts to donors.
- f. Naming authority lies with the UWF President and the UWF Board of Trustees. A recommendation to name or change or alter in any way the name of a previously named facility, activity or program must follow the UWF Naming Opportunities Policy.
- g. The UWF President, the President of the Foundation, and the Foundation Board each retain the right to approve or disapprove the return of any gift to a donor, as may be necessary, in serving the best interest of the University.
- h. Any changes in naming opportunities will be reviewed by the Foundation Board of Directors and approved by the UWF Board of Trustees.

## **V. Policy for Gift Agreements**

- a. The terms of all endowment gifts will be documented in a written gift agreement (or other written form) that outlines the program to be supported and the schedule of contributions. Non-endowed gifts may be documented in pledge forms, gift agreements, or other writings.
- b. Gift agreements will be prepared by the President of the Foundation and the Foundation Business Office in accordance with Foundation policies and procedures. All agreements will be reviewed by the Chief Financial Officer of the Foundation. Advice from legal counsel will be sought as needed.
- c. All donors are presumed to have directed the Foundation to apply for any matching funds from federal, state, or private sources that might be available as a result of their gifts.

## VI. Policy for Planned Giving

a. Planned gifts include: charitable gift annuities, charitable lead and remainder trusts, insurance policies, charitable bargain sales and life estates.

b. Development's Planned Giving staff provides expertise in planning, cultivation, and solicitation of "planned gifts" to the Foundation. UWF and the Foundation cannot, under any circumstances, provide tax advice to a donor. The donor will always be advised to seek his or her own outside legal and tax advice before executing a planned gift. The documentation and execution of many planned gifts may be complex in terms of protecting the Foundation, UWF and the donor. Advice from legal counsel will be sought as needed.

### c. Life Income Gift Types

1. Charitable Gift Annuities (CGA). A charitable gift annuity is a contract between the Foundation and the donor where the Foundation agrees to pay the annuitant an income for the rest of his/her lifetime. Annuity agreements issued by the Foundation will be subject to all applicable Florida laws, specifically Chapter 626 of the Florida Statutes. In offering gift annuities, the Foundation follows payment rates recommended by the American Council on Gift Annuities (ACGA). The rate is based on the annuitant's age and the fair market value of the contribution made by the donor. Payments may be made quarterly, biannually, or annually, as well as deferred. When an annuity matures, the remaining gift asset will be designated for the purpose as indicated in the Gift Annuity Contract. The minimum gift to establish a CGA is \$10,000 and shall be limited to one life or two lives in being at the time of the gift. The minimum age for the annuitants shall be 65 for immediate annuities and 55 for deferred with the commencement of payments at 65. An annuity may be funded with cash, securities, life insurance cash surrender value, and/or real estate in accordance with the respective policies herein and considered on a case by case basis.

2. Charitable Remainder Trusts. A basic Unitrust provides for payment to the donor and/or beneficiary of an amount equal to a set percentage of fair market value of the assets of the trust, valued annually. The percentage is determined at the time the trust is created, is stated in the trust, and is permanent. The payout range will be a minimum of 5% up to 7% annually. The value of the charitable tax deduction must be at least 10% of the fair market value of the property transferred to the trust on the date of the transfer (in accordance with IRS regulations). Life income beneficiaries must be age 65 or older. If a beneficiary is under 65, a term of years not to exceed 20 years charitable remainder trust must be used. The minimum gift to establish a Charitable Remainder Trust is \$100,000. The Foundation must be at least a 50% irrevocable beneficiary of the trust if it is to serve as trustee. The unitrust may be funded with cash, securities or life insurance cash surrender value unless a Net Income Charitable Remainder Unitrust or a Net Income with Makeup Charitable Remainder Trust (NIMCRUT).

An annuity trust is similar to a unitrust and subject to the same policies and procedures, except that the donor and/or beneficiary annually receives a payout that is fixed irrevocable at the time of the gift and stated in the trust agreement. The payout must equal at least 5% of the fair market value of the assets placed in the trust when it is created. Income in excess of the annual payment is added to the principal.

3. Charitable Lead Trust. A trust established to make periodic income payments for a specified number of years, after which the trust terminates and the assets pass to the designated individuals either outright or in trust. This trust may be established with cash, stock, or real estate (or combination of these assets). A minimum gift to establish this trust is \$250,000.

d. Changes in suggested gift levels and amounts may be reviewed and modified by the President of the Foundation, Assistant Vice President for Advancement, and Foundation Chief Financial Officer and presented to the Foundation Board of Directors for approval.

e. Donors are discouraged from naming UWF or the UWF Foundation as the personal representative of their estate.

## **Gift Acceptance Policy for Cash**

### **I. Policy Statement**

Cash will be defined as to include cash, checks, credit card transactions, wire transfers, and payroll deductions.

### **II. Delivery Methods**

**a. Cash.** The Foundation recommends that all donations of cash collected on campus be hand delivered to the Foundation Business Office on campus, located at 11000 University Parkway, Bldg. 12, Pensacola, FL 32514. Once the cash is received at the office, it will be counted, verified, and receipted.

**b. Checks.** Contributions made by check are considered to be effective for income tax purposes when the check is unconditionally delivered or mailed as long as the check clears the donor's bank. Donors should be encouraged to indicate the purpose of their gift on the check and enclose any related documents needed to process their gift. Contributions should be mailed and made payable to the following:

**UWF Foundation, Inc.  
11000 University Parkway  
Building 12  
Pensacola, FL 32514**

**c. Credit Cards.** The Foundation accepts the following credit cards as payment for a contribution: Visa, MasterCard, and American Express. The IRS has ruled that a contribution charged to a bank credit card is deductible by the donor when the amount is actually charged since the cardholder becomes immediately indebted on the date of the charge. To make a donation via credit card on the web, donors may use the Foundation's secure website.

**d. Wires.** Cash contributions made by wire are accepted by the Foundation under special circumstances. Donors should contact a development officer or the Foundation Business Office at 850-474-3118 to discuss this type of transaction.

**e. ACH.** Cash contributions made by ACH are accepted by the Foundation in limited circumstances. Donors should contact the Foundation Business Office at 850-474-3118 to discuss this type of transaction.

**f. Payroll Deductions.** UWF employees can make charitable contributions to the Foundation via a payroll deduction. An online Payroll Deduction Form may be completed or a paper Employee Payroll Deduction Pledge Form, distributed during Annual Fund and WUWF pledge drives. To sign up for payroll deduction online, employees may use the secure website at: [https://nautical.uwf.edu/utility/development/internal/payroll\\_deduction/](https://nautical.uwf.edu/utility/development/internal/payroll_deduction/)

Many companies offer payroll deduction programs to their employees, enabling them to benefit UWF. The companies process the donations and typically send a check or remittance to the

Foundation with a list of employees and the amount each donated. The Foundation processes these gifts once received.

**g. Matching Gifts.** Individuals making gifts and pledges that are eligible for company matching gifts are encouraged to utilize these programs to maximize the value of their gift or pledge to the Foundation. Donors will be notified by the Foundation if they receive any benefits in exchange for their gift that are more than IRS threshold.

The Foundation will acknowledge and recognize all gifts appropriately according to its gift acknowledgement and recognition procedures. Unless contrary to the UWF Naming Opportunities Policy, a donor whose gift is matched by the donor's company will be recognized for the total amount of the individual gift plus the matching portion on the gift record. They will receive the name recognition associated with the appropriate gift club for that total amount. The Foundation will credit an individual donor for the matching gift associated with their personal gift at the time the matching gift is received from the company. At this time the corporation will also be credited with the matching gift so that it can be recognized appropriately.

Matching gifts will be recorded as gift income when the matching gift check is received. Matching gifts will only be recorded as pledges if and when an intent-to-pay / acknowledgement letter is received from the corporation prior to receiving a matching gift check.

## **Gift Acceptance Policy for Securities**

### **I. Policy Statement**

The Foundation accepts gifts of marketable securities. Gifts of marketable securities may be physically or electronically delivered to the Foundation. The Foundation calculates the contribution based on the value of the average of the highest and lowest prices of the security on the date of the contribution received.

### **II. Delivery Methods**

**a. Physical Delivery of Marketable Securities.** A contribution of stock should have a properly endorsed stock power to “The University of West Florida Foundation, Inc.” and signature guarantee, if applicable. The signature on the stock power must correspond with the name written upon the face of the stock certificate in every particular without alteration or enlargement or any change whatever and must be guaranteed by a commercial bank or trust company or by a firm having membership in the New York or American Stock Exchange. Donors should contact their banking institution for proper endorsement instructions. If mailed to the Foundation, the donor may want to mail the stock and the guaranteed stock power separately.

For physically delivered securities, the transfer is complete when the Foundation or an authorized representative actually receives the stock, stock power, and signature guarantee, if applicable. Donors should contact a development representative or the Foundation Business Office at 850-474-3118 to discuss the delivery of the stock. If the donor delivers the stock certificate to the donor’s broker, the transfer is not complete until the stock is actually transferred to the Foundation or Foundation’s agent.

**b. Electronic Delivery through the DTC of Marketable Securities & Mutual Funds.** This method is the preferred method and information can be obtained by contacting a development representative or the Foundation Business Office at 850-474-3118. Contributions of stock held for a donor by a brokerage firm is not considered completed until the shares are transferred to the Foundation’s custodian account or other approved Foundation brokerage account. This information can be obtained by calling as noted above.

**c. Privately Held Stock.** See “Gift Acceptance Policy for Partnership Interest, Non-publicly Trade Stock, and Restricted or Non-vested Securities”.



# **Gift Acceptance Policy for Partnership Interests, Non-publicly Traded Stock, and Restricted or Non-vested Securities**

## **I. Policy Statement**

All gifts of partnership interests, non-publicly traded stock, and restricted securities should be for the sole benefit of The University of West Florida and will be evaluated on a case by case basis. Approval by the President, the President of the Foundation, and the Foundation Board must be obtained for any acceptance and transfer to UWF of a partnership interest, stock that is not publicly-traded or restricted stock.

## **II. Policy Guidelines**

**a. Interest in a Closely Held Company.** A gift of interest in a limited or general partnership, or of stock in a corporation that is not publicly-traded, or of restricted stock of a publicly-traded corporation, may be accepted on behalf of the University following consultation with Foundation Legal Counsel and appropriate due diligence.

**b. Non-Vested Stock.** Non-vested stock and other non-vested securities shall not be accepted by the University of West Florida Foundation, Inc.

**c. Restricted Securities.** “Restricted” means a security that is not fully vested and the transfer of which is subject to restrictions under SEC applicable law, SEC rules, agreement, or otherwise. A team consisting of the President of the Foundation, Foundation Chief Financial Officer, Foundation Legal Counsel, and Foundation staff will investigate such matters as follows:

- Possible liability to the Foundation as a partner or owner.
- The assets of the entity.
- The liquidity of the assets.
- The entity’s past and current financial condition (based on such things as audited financial statements and filed tax returns).
- The partnership or shareholders’ agreement.
- The nature of the restrictions.
- And any other information that the team deems reasonably necessary.

**d. Conditional Note.** Closely held stock bear burdens of evaluation by Certified Public Accountants and Lawyers on an ongoing basis, and additional financial reporting and tax reporting by the Foundation will be required by state and federal regulations.

Only closely held stock with a willing buyer to purchase the closely held stock should be accepted. Approval of the sale transaction of the closely held companies’ stock should include the current shareholders or members of the closely held company, the donor, the President of the Foundation, and the Foundation Chief Financial Officer.

## **Gift Acceptance for Life Insurance**

### **I. Policy Statement**

The Foundation will accept a myriad of types of life insurance. If a donor plans to contribute a life insurance policy and designate the owner and beneficiary of the policy to be the Foundation, certain criteria must be met.

### **II. Policy Guidelines**

- a. The owner and beneficiary will be designated on the policy as follows: The University of West Florida Foundation, Inc.
  
- b. The minimum present value will be the current minimum amount required in order to establish a named endowment. In the case of policies with a lesser present value, these may be accepted if they will be immediately surrendered for cash value. Any exceptions on minimum value will be approved by the Chief Financial Officer of the Foundation, the President of the Foundation, and the Foundation Board of Directors.
  
- c. If the donor does not intend to pledge to make additional gifts for the payment of premiums, the expected earnings on the cash value of the policy must be sufficient to pay the ongoing premiums. In the event sufficient revenues are not available, the Foundation may withdraw the cash surrender value and cancel the policy or review other alternatives available to continue the policy.
  
- d. If additional charitable contributions are required from the donor to the Foundation to pay scheduled or unscheduled premiums, the donor will agree to make the payments and submit the donation prior to the required premium payment due date. If, for unforeseen circumstances, the donor cannot continue to make donations to fund the policy premium payments, the Foundation may withdraw the cash surrender value and cancel the policy or review other alternatives available to continue the policy.
  
- e. Restrictions on the use of the gift will be documented and reviewed for acceptance. If the purpose is intended to fund an endowment, then the present value of the policy must meet the minimum funding standards for endowments as set by the Board.
  
- f. The original policy must be forwarded to the Foundation Business Office at the time of the gift.

If, however, the donor plans to designate the Foundation as one of the beneficiaries and not as owner of the policy, then the following criteria must be met:

- g. The beneficiary will be designated on the policy as follows: The University of West Florida Foundation, Inc. Furthermore, the donor is encouraged to speak with the President of the Foundation, the Assistant Vice President for Advancement, or another major gift officer to provide written guidance as to how the gift is to be utilized. Absent any guidance, the gift will be considered unrestricted.

# **Gift Acceptance for Gifts-In-Kind and Gifts of Tangible Personal Property**

## **I. Policy Statement**

Gifts-in-kind can be valuable additions to the University and must be handled in the appropriate manner so that the gift can be tracked and the donor recognized. Gifts of securities and real estate have separate policies and procedures. See “Gift Acceptance Policy for Real Estate” and “Gift Acceptance Policy for Securities”. The Foundation must approve in advance the acceptance of all non-cash gifts. A Gift-In-Kind Form must be completed and signed by all appropriate personnel in order for the Foundation to accept the gift. Exceptions may be made if it is preferable for the University to receive gifts-in-kind instead of the Foundation. The Foundation Business Office will review the gifts prior to acceptance for expenses and costs associated with accepting the gift, and the costs associated with any ongoing maintenance of accepting the gift. The Foundation Business Office may use an independent third party recommendation of the associated costs of accepting and maintaining the gift.

## **II. Policy Guidelines**

- a. All gifts-in-kind donated on behalf of UWF will be made to the Foundation rather than to the University. Only the Foundation is authorized to accept gifts-in-kind, and each such gift must be approved by the President of the Foundation or Chief Financial Officer of the Foundation. By processing gifts-in-kind through the Foundation, the donor will receive an acknowledgement receipt for his or her tax records. The donor may also be eligible to be included in the Foundation’s donor recognition program. Gifts-in-kind are generally not eligible for state match except when specifically allowed by the state guidelines for the Trust Fund for Matching gifts.
- b. Unless otherwise specified as a condition of the gift, the Foundation, in assuring that the donor’s intent for the gift is honored, is empowered to retain the gift of property, transfer it to the University, or liquidate it for the benefit of the University. When property is transferred from the Foundation to the University, it is subject to restrictions on University property.
- c. The official tax receipt sent to the donor from the Foundation for a non-cash gift will describe the gift, but will not assign value to the non-cash gift. For non-cash gifts (except publicly traded securities) with a value in excess of \$5,000, it is necessary for the donor to complete and file an IRS Form 8283 to be eligible for a charitable contribution income tax deduction. IRS Form 8283 will be signed by the Chief Financial Officer of the Foundation. All appraisal fees associated with the gift-in-kind shall be borne by the donor and not the Foundation or the University. If subsequently required, the Foundation will also use IRS Form 8282 to report information to the IRS and donors about the disposition of certain charitable deduction property made within 3 years after the donor contributed the property.
- d. If a gift-in-kind is accepted, such gift should be consistent with the mission of the University, or may be readily liquidated and the proceeds used by the Foundation to support the University. Acceptance of such gift will not involve significant additional expense in its present or future use, display, maintenance, or administration; no financial or other burdensome obligation or expense is or will be directly or indirectly incurred by the Foundation or the University as a result of the gift.

Because donors' charitable tax deductions may be impacted by the Foundation's use or disposition of such gifts, the Foundation shall notify donors in writing prior to acceptance of the gift one of the following options:

(a) Your gift will be retained by the Foundation for use in furtherance of its mission for a minimum of three years and until and unless a change of circumstances arises; or

(b) Your gift may not be retained by the Foundation, and the Foundation has the right to sell or otherwise transfer your gift for such consideration and at such time as the Foundation may determine.

Notwithstanding any provision of this Gift Acceptance Policy, whenever such a gift is accepted after providing a donor with the notice described in subsection (a), the gift shall be retained by the Foundation unless and until an unforeseen change of circumstances arises that would subject the Foundation to a recurring financial loss. In such event, the Foundation shall only sell or transfer any such property after the Foundation Board of Directors has approved the proposed sale or other disposition.

e. If a gift-in-kind is accepted and approved by the President of the Foundation and Foundation Chief Financial Officer and then subsequently transferred to the University, the department accepting the property is liable for any associated costs of keeping the gift and use of the gift. A letter of acceptance of the property must be provided by the department to the Foundation Business Office.

## **Gift Acceptance for Gifts of Works of Art**

### **I. Policy Statement:**

Gifts of works of art must be approved in advance of the acceptance on behalf of the University by the Foundation according to the following policies. In addition to the policy for "Gift Acceptance for Gifts-In-Kind and Gifts of Tangible Personal Property", the Foundation, in accepting works of art, will adhere to the criteria outlined here. Proof of ownership is a condition of acceptance for any artwork due to increasing problems of repatriation lawsuits for certain ethnic and cultural categories.

### **II. Policy Guidelines**

- a. Works of high quality, individually or in whole collections, may be given to and accessioned by the Art Gallery at the Center of Fine & Performing Arts at the University of West Florida (Art Gallery) or the Pensacola Museum of Art (PMA), the official collectors and keepers of important works of art for the University. To be "accessioned" indicates the University's commitment to care for and use the work for their purposes. Art accepted by the University must be approved by the relevant Director or Curator prior to acceptance and, if appropriate, the relevant collections committee. The principal criteria for acceptance, besides quality are condition, ownership, authenticity, and relatedness to the purpose and collections of the PMA or the Art Gallery.
- b. In addition, generally, the work must be unencumbered by any restrictions as to use, attribution, exhibition, and disposal. The University will, however, give consideration to the donor's wishes regarding gift recognition. Works of art should also be accompanied by a bill of sale or other proof of ownership and complete provenance (the artwork's history of ownership), where available, and must be transferred to the Foundation by a properly prepared and executed deed of gift.
- c. Works not meeting the PMA or Art Gallery standards may still be of value to units of the University for decorative, instructional, or resale purposes. However used, title to these works remains with the Foundation until transferred, where appropriate, by the Foundation to the University; decisions regarding disposition rest with the titleholder.
- d. For work with a value in excess of \$5,000, it is necessary for the donor to complete and file an IRS Form 8283 to be eligible for a charitable contribution income tax deduction. A qualified appraisal is required for all art work with a value of \$10,000 or greater and all appraisal fees associated with the work of art shall be borne by the donor and not the Foundation or the University.
- e. If the work of art is accepted, such gift should be consistent with the mission of the University, or may be readily liquidated and the proceeds used by the Foundation to support the University. Acceptance of such gift will not involve significant additional expense in its present or future use, display, maintenance, or administration; no financial or other burdensome obligation or expense is or will be directly or indirectly incurred by the Foundation or the University as a result of the gift.

Because donors' charitable tax deductions may be impacted by the Foundation's use or disposition of such gifts, the Foundation shall notify donors in writing prior to acceptance of the gift one of the following options:

(a) Your gift will be retained by the Foundation for use in furtherance of its mission for a minimum of three years and until and unless a change of circumstances arises; or

(b) Your gift may not be retained by the Foundation, and the Foundation has the right to sell or otherwise transfer your gift for such consideration and at such time as the Foundation may determine.

Notwithstanding any provision of this Gift Acceptance Policy, whenever such a gift is accepted after providing a donor with the notice described in subsection (a), the gift shall be retained by the Foundation unless and until an unforeseen change of circumstances arises that would subject the Foundation to a recurring financial loss. In such event, the Foundation shall only sell or transfer any such property after the Foundation Board of Directors has approved the proposed sale or other disposition.

## **Gift Acceptance for Real Estate and/or Real Property**

### **I. Policy Statement**

Some gifts received by the Foundation for the University include gifts of real property in which the proceeds are used for the charitable purpose specified by the donor. To ensure compliance with the UWF Real Property Policy, the UWF Vice President for Business, Finance and Facilities/CFO will take part in the review of real property transactions. Additionally, UWF Board of Trustee approval is required for a gift, purchase or sale of real property having a value greater than \$1,000,000. No gift of real estate is deemed accepted until the Foundation issues a written acceptance signed by the Chief Financial Officer or the President of the Foundation.

The following policies relate to the acceptance, management, and liquidation of real property gifts. The Foundation Business Office or the President of the Foundation. will make all appropriate inquiries concerning the condition of real property, including marketability, carrying costs, and environmental risks, prior to its acquisition as set forth in a donation or acquisition agreement.

Any college or unit benefiting from a gift or other acquisition of real property must agree, in writing prior to acceptance or acquisition, to pay any taxes, insurance, mortgage payments, non-donor appraisal required by the Foundation, and all other holding and carrying costs incurred by the Foundation until the real property is liquidated. The written approval will authorize the Foundation to disburse monies for these expenses and will identify an appropriate Foundation account number of the college or unit from which the monies are to be disbursed

### **II. Requirements**

The Foundation must enter into a donation or acquisition agreement that includes the requirements that must be met before a gift of real property is accepted. The following requirements must be met for the acquisition of any interest in real property, in any capacity, prior to acceptance at closing of the transaction or recording of any documents:

**a. Foundation and Development Staff Site Visit and Analysis.** For all real property gifts the Foundation Chief Financial Officer, the Assistant Vice President for Advancement, or the President of the Foundation will inspect the real property. Staff will review all required documentation, and will analyze the following:

1. Market conditions for disposal of the property if so elected.
2. The condition of any improvements located on or attached to the property.
3. Current and potential zoning, land use, and concurrency issues related to the property.
4. Costs associated with holding the property for resale if so elected.
5. Considerations specific to the acquisition of the property or donor restrictions.

Staff will consult with the real estate professionals as appropriate. A real estate team should be formed, comprised of the Foundation Chief Financial Officer, Foundation legal counsel, President of the Foundation, UWF CFO, and the Assistant Vice President for Advancement. Staff will report to the real estate team. The real estate team will review the information pertaining to each of the above when considering recommendation for acceptance of the property by the Foundation Board's Executive Committee.

**b. General Warranty Deed.** Title will be transferred to the Foundation by general warranty deed unless transfer is by a trustee, personal representative, or other fiduciary that will provide a deed with warranties appropriate to its capacity. Legal counsel will review all deeds prior to acceptance.

**c. Appraisal.** Prior to donation or sale of real property greater than \$500,000, an appraisal by an appraiser with Members of Appraisal Institute (MAI) status is required. The IRS requires the donor to obtain a qualified appraisal if the value of the real property is over \$5,000 and the donor wishes to claim a charitable contribution income tax deduction (IRS Form 8283). The fees for appraisals are to be incurred by the donor. For proper accounting, marketing, and donor recognition purposes, an appraisal is requested for all real property gifts.

**d. Title Search and Title Insurance.** A title search will be required for any real property transaction with the cost incurred by the donor. Title insurance may be required for any gift and will be required for gift acquisitions of mortgaged property. The Foundation generally discourages donations of mortgaged property, instead it is suggested that the property be sold before donation occurs.

**e. Owner's Affidavit.** An owner's affidavit is required for all real property acquisitions.

**f. Survey.** A survey may be required for any real property transaction but will be required for gift acquisitions of mortgaged property. The cost of survey is to be incurred by the donor.

**g. Real Property Taxes and Other Carrying Costs.** Evidence must be provided by the donor that all real property taxes and other carrying costs are paid and current. Donors will pay all or prorate the taxes and other carrying costs for the year of the donation.

**h. Environmental Requirements.** No interest in real property, whether outright, in trust, by bequest, as a secured interest, or otherwise, will be accepted by or on behalf of the Foundation without first complying with the following procedures:

- 1) An environmental review as described below shall be performed on every potential real property asset prior to acceptance by the Foundation. The environmental review will be performed by the person or firm selected by the real estate team. Each environmental review will be reviewed and approved by the real estate team and Foundation legal counsel.
  - (a) Residential, Rural, or Agricultural: For real property located in a developed residential community, a rural area, or an agricultural area, an environmental risk assessment will be performed by an approved consultant.
  - (b) Industrial: For real property located in a developed area where manufacturing or any class of industrial activity may have taken place, a Phase I audit will be performed by an approved consultant.
  - (c) High Risk Operations: For real property with present or past high-risk operations, a Phase I audit will be performed by an approved consultant.



If the environmental review indicates areas of significant concern, an additional investigation, including a Phase I, Phase II, or Phase III audit, as recommended, will be performed by an approved consultant prior to acceptance of the real property.

- 2) If the above procedures disclose risk of liability, the real property will only be accepted with the approval of the Executive Committee.
- 3) All contracts for environmental audits will be prepared and reviewed by the Foundation legal counsel.
- 4) The donor will pay for any assessments and audits in connection with a gift of real property.

**i. Insurance.** The Foundation will secure adequate hazard and liability insurance coverage for real property upon the transfer of the gift from the donor to the Foundation if required.

**j. Tax Exempt Filing.** Following the real property closing the Foundation's legal counsel will file, as necessary, the Statement of Owner of Real Estate Claimed to be Exempt from Taxation with the appropriate city and county offices for properties acquired.

**k. Unsolicited Deeds.** Unsolicited deeds will not be accepted. Upon the receipt of an unsolicited deed, the grantor will immediately be notified in writing that the real property has not been accepted and will not be accepted until the requirements of this policy are met, and the deed will be returned to the donor, along with a quitclaim deed from the Foundation if necessary.

**l. Special Types of Acquisitions.** In addition to the above requirements, the following types of real property require additional items prior to acquisition:

**1) Properties Valued at Less than \$10,000**

For real property valued at less than \$10,000, the donor must pay all costs of transfer to the Foundation, including those incurred through environmental assessments and title searches, and all real estate taxes. For purposes of complying with the \$10,000 limit, real property value will be determined either by a qualified appraisal, the ad valorem tax-assessed value, or determination by staff.

**2) Real Property Given to Fund Charitable Remainder Unitrusts**

Real property will only be accepted to establish net income unitrusts or flip trusts, with conditions acceptable to the President of the Foundation, Inc. and the Chief Financial Officer of the Foundation. IRS rules prohibit the acceptance of mortgaged property to fund charitable remainder unitrusts.

**3) Real Property Given to Fund Charitable Gift Annuities**

Real property will not be accepted to fund charitable gift annuities.

**4) Time Share Units**

Time-share units will not be accepted by the Foundation.

**m. Management and Transfer of Real Property** All real property held by the Foundation in any capacity will be managed in a manner designed to comply with all federal and state

regulations and to minimize or eliminate any liability resulting from hazardous materials. The sale or transfer of real property by the Foundation will be handled in a manner designed to eliminate any future liability by the Foundation for hazardous substance remediation. The Foundation will fully disclose to a prospective transferee for any and all information concerning the condition of any hazardous substances existing on the real property. The Foundation may convey title to real property only by means of a special warranty deed or (where appropriate) a trustee's deed without warranties or a quitclaim deed.

**n. Non-Discrimination.** The Foundation will not discriminate or condone discrimination in its real property activities. The Foundation will conduct all affairs in compliance with all applicable state and federal Equal Opportunity, Fair Housing, Equal Credit Opportunity, and other anti-discrimination laws.

**o. Exceptions.** Upon written request, after consultation with the real estate team and Executive Committee, exceptions to these policies and procedures will be considered on an individual basis by the Foundation Board of Directors.

**p. Notification of Options.** If the real property is accepted, such gift should be consistent with the mission of the University, or may be readily liquidated and the proceeds used by the Foundation to support the University. Acceptance of such gift will not involve significant additional expense in its present or future use, display, maintenance, or administration; no financial or other burdensome obligation or expense is or will be directly or indirectly incurred by the Foundation or the University as a result thereof.

Because donors' charitable tax deductions may be impacted by the Foundation's use or disposition of such gifts, the Foundation shall notify donors in writing prior to acceptance of the gift one of the following options:

(a) Your gift will be retained by the Foundation for use in furtherance of its mission for a minimum of three years and until and unless a change of circumstances arises; or

(b) Your gift may not be retained by the Foundation, and the Foundation has the right to sell or otherwise transfer your gift for such consideration and at such time as the Foundation may determine.

Notwithstanding any provision of this Gift Acceptance Policy, whenever such a gift is accepted after providing a donor with the notice described in subsection (a), the gift shall be retained by the Foundation unless and until an unforeseen change of circumstances arises that would subject the Foundation to a recurring financial loss. In such event, the Foundation shall only sell or transfer any such property after the Foundation Board of Directors has approved the proposed sale or other disposition.

**Approved by the UWF Foundation Board of Directors on June 3, 2010.**

**Revised and adopted: June 14, 2012**

**Revised and adopted: June 11, 2013**

**Revised and adopted: September 29, 2015**

**Revised and adopted: December 17, 2017**