



# **Standards For Gift Processing Manual**

Approved by: \_\_\_\_\_

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**TABLE OF CONTENTS**

CAMPAIGN PLAN ..... 3

CAMPAIGN REPORTING STANDARDS ..... 3

GIFT INCOME GUIDELINES AND  
DEFINITIONS FOR REPORTS OF ANNUAL FUND-RAISING RESULTS ..... 5

CASH RECEIPTS PROCEDURE ..... 10

CREDIT CARD CHARGES ..... 11

PLEDGES ..... 11

GIFTS-IN-KIND ..... 13

GIFTS OF SECURITIES ..... 16

REAL ESTATE ..... 18

RETAINED LIFE TENANCY ..... 19

BARGAIN SALE GIFTS ..... 19

SPONSORSHIP SOLICITATION AND RECORDKEEPING CORPORATE MATCHING GIFTS ..... 19

CORPORATE MATCHING GIFTS ..... 21

SUSPENSE ACCOUNT PROCEDURE ..... 22

SAFES AND VAULTS PROCEDURE ..... 23

GIFT RECONCILIATION ..... 23



## **CAMPAIGN PLAN**

Prior to launching a capital campaign, a written campaign plan will be prepared by Division of University Advancement for review and approval by all appropriate parties (i.e. CSU Stanislaus Foundation Board, President, Academic Affairs, Student Affairs, Business and Finance, etc.). The campaign plan will define:

- The University's financial needs that will be addressed (fundraising priorities).
- Campaign reporting standards to which the University will adhere (including the treatment of pledges, deferred gifts, and gifts in-kind).
- The tentative goal for fundraising priorities (e.g. endowments, scholarships, academic programs, institutional programs, new construction, and unrestricted).
- The purpose and duration of the advance-funds or private phase of the campaign.
- The duration of the public phase of the campaign.
- Campaign marketing and donor recognition.

## **CAMPAIGN REPORTING STANDARDS**

### **Time Periods:**

**Campaign Period:** For purpose of campaign reporting standards, the campaign period is the total time encompassed by the active solicitation period for the campaign, including the advance-gifts or private phase. To be consistent with the Council for Advancement in Support of Education (CASE) recommendations, no campaign period shall exceed seven years in duration.

**Pledge-payment Period:** The period in which donors may fulfill their pledges shall not exceed five years.

### **Fundamental Principals of Campaign Counting:**

The following basic principles for counting campaign gifts apply to all CSU Stanislaus Foundation campaigns:

- Only those gifts and pledges actually received or committed during the specific period of time identified for the campaign (a period up to seven years including the advance-gifts or private phase) shall be counted in campaign totals.
- The advance-gifts or private phase of a campaign is always a part of the designated campaign period, and commitments reported for this phase must have been received or pledged during this specified period within the campaign time frame.
- Gifts and pledges will be counted to only one campaign.
- The value of any cancelled or unfulfilled pledges will be subtracted from campaign totals when it is determined they will not be realized.

### **Advance Gifts (Private) Phase:**

The advance-gifts or private phase is that period of time before public announcement of the campaign, or the campaign's official goal, during which pace-setting gifts are sought from individuals and organizations closest to the institution. As indicated above, the advance-gifts or private phase shall be considered a part of the campaign period.

### **What to Report:**

All gifts and pledges falling into categories covered by these campaign reporting standards will be reported. To be consistent with CASE recommendations, the following results shall be reported to the institution's board (quarterly) and to CASE (annually):

- Total of outright gifts and pledges received, reported at face value, and payable within the campaign period and post-campaign accounting period as specified in the campaign plan;



- Total of deferred (future) commitments, reported at face value, which will be received at an undetermined time in the future;
- Total of deferred (future) commitments, discounted to present value, which will be received at an undetermined time in the future;
- Grand total of 1 and 2 above; and
- Grand total of 1 and 3 above.

Directors of Development and Advancement Services will make a significant effort to ensure that campaign publicity clearly states the results of the campaign in accordance with these categorical standards.

### **When to Report Gifts:**

Outright gifts should be reported only when assets are transferred irrevocably to the CSU Stanislaus Foundation. Deferred gifts should be reported only when assets are transferred or, in cases where no assets are transferred, when the donor consummates a legally binding deferred pledge agreement or other irrevocable document with the institution.

### **Pledges:**

**Oral Pledges:** Oral pledges shall not be reported in campaign totals.

**Pledges of Cash:** Pledges of cash shall be written and shall commit to a specific dollar amount that will be paid according to a fixed time schedule. The pledge payment period, regardless of when the pledge is made, shall not exceed five years. Therefore, a pledge received even on the last day of the campaign is counted in campaign totals and may be paid over a five-year period.

**Testamentary Pledge Commitments:** CSU Stanislaus Foundation shall include testamentary pledge commitments in campaign totals shall satisfy the following three requirements:

- The commitment must have a specified amount or percentage of the estate stated in the will based on a credible estimate of the future value of the estate at the time the commitment is made. Note: Fund-raising practitioners will appreciate that there is no single or simple way to estimate the future value of an estate commitment. For this reason many institutions have chosen to exclude testamentary pledges entirely from campaign totals. Nevertheless, others feel that testamentary gifts should be included in campaign reports, especially since these often are part of a total campaign commitment being made by a donor. The key to making the decision about whether these types of gifts should be given campaign credit is often the determination of future value of the estate. At best, this requires a judgment call to be made by the institution after conversation with the donor and his/her adviser.
- They must have verification of the commitment in one of the following forms:
  - a letter from the donor or the donor's attorney affirming the commitment and stating that the institution will be informed of any changes in the will that might be made in the future; or,
  - b. bearing in mind that in some states the following options have not been legally affirmed, the commitment could be accompanied either by a deferred-pledge agreement or a contract to make a will;
    - Charitable/Deferred-pledge Agreement. A deferred-pledge agreement is a legally binding document tested in the courts of several states that places an obligation on the estate of the issuer to transfer a certain amount to the institution. Under such agreements, the executor of the donor's estate is held legally responsible for payment of the specified amount from the estate.
    - Contract to Make a Will. A contract to make a will is a legally binding document, also tested in the courts of several states, that places an obligation on the donor to make a will that transfers certain assets or a certain percentage of his or her estate to the institution. This instrument is used when the donor cannot (or does not wish to) specify



the precise dollar amount he or she will contribute. Instead, the donor promises to execute a valid will wherein he or she designates a certain item of property or a portion of his or her estate to the institution. Often, this portion is stated as a percentage of the residue of the estate. After the contract is signed, no changes may be made in the donor's will that would decrease the institution's originally specified share, except as agreed upon in advance by the donor and the institution.

- The amount specified or estimated shall be reported at both the discounted present value and at face value in the "deferred gifts (future commitments)" portion of campaign reports. If any circumstances should make it unlikely that the amount pledged by bequest will actually be realized by the CSU Stanislaus Foundation, then the commitment shall be further adjusted.

**Exclusions:** The following types of revenue shall be excluded from campaign report totals:

- advertising revenue;
- alumni membership fees/dues;
- contract revenues, including sponsored research funds;
- contributed services;
- contributions from cities or regional governments, even though those entities may be incorporated;
- discounts on purchases;
- earned income, including transfer payments from medical or analogous practice plans;
- gifts or pledges, outright and deferred, that already have been counted in previous campaigns, even if realized during the campaign reporting period;
- governmental funds, whether local, state (including state matching grants), federal, or foreign;
- investment earnings on gifts, even if accrued during the campaign reporting period and even if required within the terms specified by the donor (the only exception being interest accumulations counted in guaranteed investment instruments that mature within the time frame of the campaign, such as zero coupon bonds);
- sale of merchandise;
- surplus income transfers from ticket-based operations, except for any amount equal to that permitted as a charitable deduction by the IRS
- tuition payments

### **GIFT INCOME GUIDELINES AND DEFINITIONS FOR REPORTS OF ANNUAL FUND-RAISING RESULTS**

The gift income guidelines and definitions that follow are intended for the University to use in compiling its management reports of fund-raising activity. These definitions are also used in the Voluntary Support of Education (VSE) survey conducted annually by the Council for Aid to Education (CAE) and co-sponsored by the Council for Advancement and Support of Education (CASE) and the National Association of Independent Schools (NAIS).

#### **Sources of Gifts:**

Sources of gifts are defined as those entities (individuals or organizations), by type, that transmit the gift or grant to the institution.

#### **Credit to Last Entity:**

In most cases where a contribution passes through several entities—such as from an individual to an organization to an institution, or from one organization to another organization to an institution—cite as the source the last of the entities through which it passes before being received by the institution.

Examples: Identify a gift from the personal foundation of an alumnus as coming from "Foundations." Likewise, credit a gift from the business account of an alumnus under "Corporations and Businesses." Similarly, cite a contribution made by an alumnus through community agencies like United Way as coming from that organization. In all such instances, an institution will want to make a cross-reference notation (also referred to as a "soft credit")



in the alumnus' record when that information is available. Thus, although the gift would be credited to the foundation, business, or community agency, the institution would recognize the alumnus as having supported the institution. Contributions made by individuals to a church, and then passed in a lump sum by the church to a college, should be reported as a single gift under "Religious Organizations" rather than as several gifts under "Individuals."

**Exceptions:** For the purpose of reporting, contributions from business firms made through their sponsored foundations, such as the Exxon Education Foundation and the General Electric Foundation, should be recorded as coming from "Corporations and Businesses." Also, college and university affiliated foundations, associations, societies, and clubs (as well as alumni association chapters) that have been organized solely for the support of the institution with which they are affiliated should be considered a part of the college or university itself, and thus simply a pass-through entity. Thus, a gift made by an alumna to a chapter of her school's alumnae organization should be reported with gifts from alumni rather than from an organization. Also, gifts from individuals made by payroll deduction or by a cashier's check should be credited to the individual.

### Individuals

**Alumni:** For purposes of reporting, alumni are defined as former students, who have earned degrees, certificates, or diplomas offered by the University.

**Parents:** Report here gifts from persons other than those defined above as "Alumni" who are the parents or guardians of current or former students at the institution. Colleges, universities, and other postsecondary institutions should also include grandparents in this category. An affiliation as an alumnus takes precedence over that of a parent for the purpose of this report.

**Other Individuals:** Report here all persons including governing board members, who are not classifiable as "Alumni" or "Parents" by the above definitions.

### Organizations

**Foundations:** This category includes personal and family foundations and other foundations and trusts that are private tax-exempt entities operated exclusively for charitable purposes. It does not include company-sponsored foundations, which fall under the category of "Corporations and Businesses."

"Personal and family foundations" are those that have been established and continue to operate as the conduits for the charitable donations of an individual or immediate members of a family. "Other foundations and trusts" include all private foundations and charitable trusts that meet the definition above, including most of the major private foundations—such as the Rockefeller, Johnson, and Kellogg foundations—and community foundations.

**Note:** Not all grant-making organizations that use the word "foundation" in their titles should be included in this category. The National Science Foundation and the Empire State Foundation, for example, are not private tax-exempt entities and, therefore, their grants should not be included in a report of private voluntary support. For guidance on classifying specific foundations, consult the Foundation Directory (published by the Foundation Center, 888 Seventh Ave., New York, NY 10019), which cites the principal donor of each foundation's assets.

**Corporations and Businesses:** Report gifts from corporations, partnerships, and cooperatives that have been organized for profit-making purposes, including corporations owned by individuals and families and other closely held companies. This category also includes company-sponsored foundations—that is, those created by business corporations and funded exclusively by their companies. Gifts from industry trade associations should also be included in this category.

Record matching gifts—gifts made by businesses that match the voluntary contributions of the firm's employees or other eligible participants—as coming from the business or organization that made the payment rather than from



the individual whose gift was matched. These gifts should be reported as unrestricted unless the organization states otherwise.

Note: If a donor operates a personal or family-owned business or is a participant in a partnership or cooperative, development officers should make a distinction between a gift made from the donor's business account and one from the donor's personal account. For the purpose of this report, credit a check drawn from a business account under the "Corporations and Businesses" category.

Also, certain private foundations carry names that may cause them to be confused with "Corporations and Businesses." As an example, the Ford Foundation was established with the personal gifts of Henry and Edsel Ford, not by the Ford Motor Company; therefore, gifts from the Ford Foundation should be included in the totals reported under "Foundations" (and, in turn, under "Other Foundations and Trusts" in Part IV). In contrast, the Ford Motor Company Fund, as well as the General Electric Foundation and the Quaker Oats Foundation, are company-sponsored foundations; their gifts should be reported under "Corporations and Businesses."

Further, contributions made by individuals through payroll deduction, which are transmitted to the institution by the individual's employer, should be credited to the individual.

**Religious Organizations:** This category includes gifts from churches, synagogues, and temples and their denominational entities, hierarchies, and service groups.

**Fund-raising Consortia:** This category includes entities that have been formed by a group of cooperating institutions or organizations for the purpose of facilitating their fund-raising activities.

Examples: The United Negro College Fund, the Virginia Council of Independent Colleges, the United Way, and combined fund drives are examples of entities to be considered fund-raising consortia. As noted previously, these reports should not include funds from governmental agencies.

**Other Organizations:** Report here gifts from all organizations not defined above as "Foundations," "Corporations and Businesses," "Religious Organizations," or "Fund-raising Consortia" other than governmental agencies. In addition, for the convenience of schools that handle their auctions and other fund-raising events independently of their development accounting system, those schools may report the net proceeds of such events in this category.

### **Donor Purposes:**

The term "donor purposes" refers to the purposes for which gifts or grants have been made, as restricted by the donors.

### **Definitions - Outright Gifts for Current Operations**

**Unrestricted:** Report the total outright gifts, including realized bequests, given by donors without any restriction, regardless of any subsequent designation by the University to be used for current operations, to function as endowment, to construct facilities, or for other purposes. In cases where the donor expresses a preference for the gift's use but leaves the decision to the University, report the gift as unrestricted. Report matching gifts from organizations as unrestricted unless the organization states otherwise.

**Restricted:** Report the total outright gifts to current operations that have been restricted by the donor for the purposes listed below:

- **Academic Divisions:** Report outright gifts to current operations that the donor has restricted for use in a particular academic division of the institution—such as a college of medicine, school of law, or



department of English—but upon which no further restriction has been placed. Note: Gifts for faculty and department staff salaries should be reported under “Faculty and Staff Compensation.”

- **Athletics:** Report outright gifts for current operations that the donor has restricted for the athletic department, including intramural and extramural activities. Note: Gifts to support the academic department of health, physical education, and recreation should be reported under “Academic Divisions.” Gifts of athletic scholarships (grants-in-aid) should be reported under “Student Financial Aid.”
- **Faculty and Staff Compensation:** Report outright gifts for current operations that the donor has restricted for faculty and staff salaries and employment benefits. This includes gifts in support of sabbatical and other professional leaves for institutional employees. Note: Gifts made to support lecture series and consultants should be reported under “Other Restricted Purposes.” As an accounting convenience, funds made available for salaries as part of a larger grant for support of a research project may be credited under the “Research” category.
- **Research:** Report outright gifts for current operations restricted for scientific, technical, and humanistic investigation. This category includes private grants (gifts) for individual and/or project research as well as grants for institutes and research centers. It does not include corporate grants for programs in which the grantor receives a product or service commensurate with the fee paid; nor does it include government grants for sponsored programs. Government grants and awards, whether local, state (including state matching grants), federal, or foreign, should not be included in these reports. Note: Reports should include grant income from private, non-government sources but should not include contract revenue. The difference between a private grant and a contract depends on the intention of the awarding agency and the legal obligation incurred by an institution in accepting the award. A grant, like a gift, is donative in nature; it is bestowed voluntarily and without expectation of any tangible compensation. A contract carries an explicit quid pro quo relationship between the source and the institution. Government grants and awards—whether local, state (including state matching grants), federal, or foreign—should be excluded.
- **Public Service and Extension:** Report outright gifts for current operations that are restricted for support of activities established primarily to provide non-instructional services to people and groups within or outside the institution. Such activities include community service programs, institutionally affiliated radio and television stations, and cooperative extension services. Note: Gifts for instructional activities for academic credit, even if they are also part of an institution’s extension services, should be reported as gifts for “Academic Divisions.”
- **Library:** Report outright gifts for current operations restricted for the acquisition, restoration, and preservation of books, periodicals, manuscripts, maps, audiovisual equipment, and other materials and activities appropriate to a library. Note: Gifts for staff salaries should be reported under “Faculty and Staff Compensation.” Gifts for operations and maintenance of the library should be reported under “Operation and Maintenance of Physical Plant.”
- **Operation and Maintenance of Physical Plant:** Report outright gifts for current operations restricted for the ongoing operation of the physical plant, including its buildings and grounds, other facilities, and equipment. The institution may choose to also include here any gifts of \$10,000 or less for repairs to existing buildings or for new construction, rather than crediting these to “Property, Buildings, and Equipment” under capital purposes. The rationale for this exception is that some institutions may not consider amounts of \$10,000 or less as appropriate for the capital purpose category.
- **Student Financial Aid:** Report outright gifts for current operations that the donor has restricted for financial aid to students, whether full-time or part-time, undergraduate or graduate. For the purpose of this report, such aid includes both need-based and merit scholarships, graduate fellowships, athletic scholarships or athletic grants-in-aid, student awards and prizes, and gifts made in support of student work-study arrangements. Note: If an individual or organization channels funds through the institution to support a student specified by the individual or organization, these funds are not gifts to the institution. They should not be reported as gift income anywhere in the report.





- **Other Restricted Purposes:** Report all outright gifts for current operations restricted for specific uses that cannot be classified in one or another of the restricted categories. Included in this category, among other possibilities, are all gifts to auxiliary enterprises, hospitals, clinics, independent operations, and non-academic units.
- **Current Operations Total:** Report the total support in outright gifts for current operations.

## **Definitions -Outright Gifts for Capital Purposes:**

**Property, Buildings, and Equipment:** In this category, report the following:

- outright gifts of both real and personal property for the use of the institution;
- gifts made for the purpose of purchasing buildings, other facilities, equipment, and land for use of the institution;
- gifts restricted for construction or major renovation of buildings and other facilities; and
- gifts made for retirement or indebtedness.

As an accounting convenience, the institution may choose to report in the category “Operation and Maintenance of Physical Plant” in Part I gifts of \$10,000 or less restricted for purchasing, renovating, or construction facilities, because such gifts may be considered as funds restricted for current operations.

**Endowment:** Endowment funds are those that donors specify are to be retained and invested for income-producing purposes. Income from endowments can be either restricted or unrestricted, based on donor direction. A gift of property that is not used for institutional purposes but is producing income available to the educational program functions as an endowment. Also, a gift of property that is retained for future sale or development should be considered endowment, even though income from it may be deferred until its sale or development.

**Endowment—Unrestricted:** Report in this category outright gifts restricted by the donor for endowment, but for which the donor has made no restriction regarding the use of the income produced by the endowment, regardless of any subsequent allocation the institution may make.

**Endowment—Restricted:** Report here those outright gifts added to the endowment funds of the institution by donor direction, from which the income is limited by the donor for specific purposes or programs.

**Loan Funds:** Report outright gifts restricted by donors to be available for loans to students, faculty, and staff.

**Capital Purposes Total:** Report the total support in outright gifts for capital purposes.

## **Definitions - Deferred Gifts:**

This section includes only deferred gifts received in the reporting period. Such gifts include charitable gift annuities, charitable remainder trusts (including those administered outside the institution), gifts to pooled income funds, and remainder interests in property. Deferred gifts should be reported at both the face (fair market) value and at the present value.

- **Endowment—Unrestricted:** Report those deferred gifts restricted by donors for endowment, but not bearing any restriction from the donor regarding the use of the income the endowment produces, regardless of subsequent allocation by the institution.
- **Endowment—Restricted:** Report those deferred gifts restricted by donors for endowment from which the income is limited by the donor for specific purposes.
- **Other Purposes:** Report those deferred gifts which donors have not restricted to endowment.



**Total Deferred Gifts:** Report the total amounts of deferred gifts at both the face (fair market) value and at the present value.

### CASH RECEIPTS PROCEDURE

- All checks should be made payable to California State University Stanislaus Foundation. Donors should mail all checks to the Division of University Advancement at One University Circle, Turlock, California 95382.
- All checks must be restrictively endorsed upon receipt. Occasionally checks may be received directly by a department. When this occurs the department must restrictively endorse checks upon receipt and prior to transmittal to Advancement Services. If your department or area does not have a CSU Stanislaus Foundation check endorsement stamp, please contact Advancement Services for assistance in obtaining one.
- All checks and cash must be forwarded to Advancement Services in the Division of University Advancement within 48 hours of receipt. Original documentation, including envelopes and corporate matching gift forms that accompany the check, must be forwarded with the check. A completed Gift Receipt and Transmittal (GRT) form or pre-approved pledge/gift commitment form should accompany the check along with any additional information that was sent from the donor (see Appendix A). **NOTE:** Corporate matching gift forms received separately from the donor's check must be forwarded directly to Advancement Services in the Division of University Advancement for processing within 48 hours of receipt.
- Advancement Services logs, records, and cashiers the gifts, and sends the actual cash with receipt documentation to the University cashier, which sends deposit to the Bank.
- Advancement Services updates donor records and issues an official gift receipt/acknowledgement to the donor, which are signed by the Vice President for Division of University Advancement (or designee) on behalf of both the CSU Stanislaus Foundation. If the gift amount is \$1,000 or more, a personalized letter to the donor will be drafted by the Director of Major Gifts for the University President.
- Financial entries from the donor and development database are posted daily into CSU Stanislaus Foundation's General Ledger via an automatic feed process.
- Advancement Services forwards the posting information to the Departments and Development Officers for gift awareness, stewardship, and recognition.
- Reallocations or corrections required after a gift has been processed are handled by Advancement Services in the Division of University Advancement. Written documentation from the donor is required. Advancement Services updates the donor record, sends a corrected receipt, and notifies the CSU Stanislaus Foundation Executive Officer/Vice President for Division of University Advancement or designee of the change.
- Advancement Services is responsible for preparing daily, monthly, annual and other periodic reports summarizing donor-giving activities.
- In the absence of adequate donor documentation with regards to intended use of the gift, the donor will be contacted verbally and /or by written communication. The donor will be asked to provide written documentation explaining gift intent and special payment billing procedures. Upon receipt prior to contacting donor, funds will be deposited into SUSPENSE account and will be transferred to designation upon donor notification.
- If cash or checks are received after 1 p.m., the funds will be placed in the Advancement Services safe for deposit in the next cashiering cycle of the next working day.

### **Pertinent Internal Revenue Service (IRS) Guidelines:**

- Internal Revenue Code defines a charitable contribution for income tax purposes as a "contribution or gift to or for the use of" certain types of organizations.



- The gift tax law defines a gift for tax purposes as "property transferred for less than an adequate and full consideration in money or money's worth."
- The donor must anticipate no benefit from the charitable contribution. The gift generally must be complete and irrevocable.
- A contribution made by check is effective for income tax purposes when the check is unconditionally delivered or mailed, as long as the check subsequently clears the donor's bank. When a contribution is mailed, the effective date is the same as the postmark.

### **CREDIT CARD CHARGES**

Credit card processing of gifts occurs in Advancement Services where gifts are electronically charged to the donor's credit card. Credit Card Charges are booked as paid at the time the credit card is charged. Like checks, the credit card authorization receipt will be kept with daily deposit documentation. All other credit card information will be destroyed immediately. When credit card pledges are initially received, the following steps are taken:

- Gift amount is physically/electronically charged to the appropriate credit card bank.
- COPY of each receipt is attached to a pledge form or GRT form as appropriate and logged by Advancement Services. Contribution is logged as a GIFT and recorded in the development and donor database as a gift. ORIGINAL RECEIPT is maintained in Advancement Services in secure file as part of daily deposit documentation.
- At time credit card is authorized, it is verified by Advancement Services, credit card charge slips are filed and credit card numbers removed.
- Receipt and acknowledgement letter is generated and forwarded to donor.
- Advancement Services forwards the posting information to the Departments and Development Officers for gift awareness, stewardship, and recognition.
- Reallocations or corrections required after a gift has been processed are handled in Advancement Services in the Division of University Advancement. Advancement Services updates the donor record, sends a corrected receipt, and notifies the CSU Stanislaus Foundation Executive Officer or designee of the change.
- Advancement Services is responsible for preparing daily, monthly, annual and other periodic reports summarizing donor-giving activities.
- In the absence of adequate donor documentation with regards to intended use of the gift, the donor will be contacted verbally and /or by written communication. The donor will be asked to provide written documentation explaining gift intent and special payment billing procedures.

### **PLEDGES**

#### **Written Pledges:**

- Pledge information is received from the donor through the Division of University Advancement.
- Pledge forms received with a payment are forwarded to Advancement Services in Development with the check. These pledges are recorded during gift batch processing.
- All other pledge forms are forwarded to Advancement Services for recording on the donor record.
- Advancement Services issues pledge reminders following the donor's billing preference (monthly, semi-annually, and annually.)
- Advancement Services forwards pledge information to departments and Development Officers for appropriate acknowledgment, stewardship, and recognition of the donor.
- The Development Office forwards summary pledge information daily via an automatic feed to the General Ledger managed by the Auxiliary Business Services to be recorded as receivables.
- Pledges more than (180) days overdue must be reviewed by the appropriate Director of Development and/or the Vice President for Division of University Advancement to determine whether or not to write off the pledge. Advancement Services will dishonor/inactivate delinquent pledges upon written approval of the Vice President for Division of University Advancement.



### **Multi-Year Pledges:**

**Definition:** A written and signed agreement between the University and the Donor that a donation will be made at a specified time, or according to a specified time schedule not to exceed five (5) years in duration.

- A Multi-Year Pledge must specify an amount and duration to be paid in full. If multiple payments are to be made, then a payment schedule should be provided not to exceed five (5) years in duration.
- Multi-Year Pledge must be reviewed by the Vice President of OUA prior to being signed.
- A Multi-Year Pledge is considered irrevocable and is to be processed into the development and donor database and reported to CSU Stanislaus Foundation.

### **Process:**

- The Multi-Year Pledge terms are written by the Director of Development in charge of the gift. If no director is involved, then the Administrator in charge will write the Multi-Year Pledge. The Vice President for OUA will review and initial acceptance of the pledge.
  - Some Multi-Year Pledges are written by other entities. These are still sent through the following approval process when received by OUA.
  - These are unsigned Multi-Year Pledges at this point. Such pledges will not be recorded as gift pledges until signed by the donor.
- All Multi-Year Pledges are sent to Vice President for OUA for review and approval.
- Donor signs Multi-Year Pledge.
- Vice President of OUA signs Multi-Year Pledge.
- Copy of Multi-Year Pledge is provided to Advancement Services for processing into the development and donor database and filed in donor records.
  - The Multi-Year Pledge must be signed by all parties to be entered into development and donor database.
  - The Multi-Year Pledge is considered irrevocable.
- Copy of the signed Multi-Year Pledge is mailed to the donor.
- All Multi-Year Pledges over \$5,000 are reported to the CSU Stanislaus Foundation Quarterly for review.
- Multi-Year Pledges are recorded to CSU Stanislaus Foundation General Ledger via an automatic feed daily as receivables.

### **Verbal Pledges:**

**Definition:** A pledge, other than phone-a-thon, made without donor signature. Division of University Advancement procedures will not allow for the recording of such pledges unless and until there is a pledge signature from the donor. The Vice President for Division of University Advancement must authorize in writing any exceptions to this before they can be recorded.

- Verbal pledges are not accepted by CSU Stanislaus Foundation, except commitments made in the Stanislaus Call phone-a-thon. All verbal pledges are to be converted into written form as a formal, official documentation of their commitment.
- The only appropriate form of documentation of a verbal pledge is a letter stating the amount of the pledge and the duration of the pledge from the Development Officer to the donor or a letter from the volunteer solicitor to the donor.
- A copy of the letter is reviewed with the Vice President for Division of University Advancement for approval. If the verbal pledge is approved, it is forwarded to Advancement Services for tracking. It is not recorded in the gift system.
- No pledge reminder is issued to the donor by Advancement Services.



- Advancement Services forwards pledge information to the respective Director of Development and requests that the Director of Development secures a signed pledge form from the donor; or a signed letter from the donor setting forth terms of the pledge.
- The Director of Development receives the signed pledge from the donor and forwards it to Advancement Services.
- Advancement Services updates the donor record to reflect the new status, and forwards pledge information to the appropriate Department and Development Officer for appropriate acknowledgment, stewardship, and recognition of the donor.

### **Phone-a-thon Pledges:**

- The only verbal pledge that will be booked into the Gift Accounting System will be the product of a University phone-a-thon. CSU Stanislaus students working for the Stanislaus Call will collect the requisite pledge information, confirming correct address/telephone/employment/email and other necessary information. If credit card numbers are collected, the pledge/gift will be managed according to Credit Card procedures.
- The phone-a-thon pledges and information updates will be booked daily by Advancement Services, followed shortly by a pledge acknowledgement and billing statement.
- Two pledge reminders will be sent to all open pledges in the next sixty (60) days.
- A final pledge reminder will be sent to all open pledges after ninety (90) days. No other written communication will normally be provided after this mailing unless authorized by the Vice President for OUA.
- Phone-a-thon pledges are considered for write-off after six months (180 days) of non-payment. Write-off authorization will be provided by the Vice President for Division of University Advancement.

### **GIFTS-IN-KIND**

#### **Background:**

Gifts-in-kind are generally defined as non-cash contributions of materials or long-lived assets given to support the mission of the University or Foundation through its direct use or by its liquidation. Gifts-in-kind are an important source of support to the California State University Stanislaus and the California State University Stanislaus Foundation. Examples of gifts-in-kind include:

- Equipment/furniture for use in an classroom, lab, or office
- Musical Instruments
- Paintings, sculptures or other objects of art
- Books
- Food or other materials used to host an event
- Gift certificates that are not redeemable for cash
- Items donated to be auctioned or raffled

Gifts of real estate are not considered to be gifts-in-kind and are not included in the following procedure. Additionally, contributions of partial or limited use of property are generally not considered to be gifts-in-kind because such contributions are not deductible under current tax law. For example, the use of a donor's vacation home for one week for use as an auction item is not considered a tax-deductible gift and, therefore, would not be counted as gift-in-kind. However, such gifts may be entered into the development database with a value of \$.01 for tracking purposes.

Donations of personal or professional time/service(s) are generally not considered charitable contributions and, as such, not countable as gifts-in-kind. Examples of gifts of services include:

- Volunteer labor
- Advertising



- Professional services – accounting, legal, consulting
- Printing or design work (though the cost of materials is countable)
- Donated services for auction/raffle prizes when the case is that the donor is the same entity that will be providing the services

Important Note: While gifts of professional time/service(s) do not constitute a gift on behalf of the donor and may not be claimed as private support by the Foundation, accounting standards (SFAS No. 116) direct that in some instances it is appropriate to recognize contributed professional services. Please contact Advancement Services should you need guidance or more information.

As with other gifts to the Foundation, the California State University Foundation Board or its designee may accept or decline gifts-in-kind on an individual basis based on whether the gift supports the mission of University or other determining factors. It may be necessary to consult with departments prior to the acceptance of any gift-in-kind intended for use by that department in order to ensure that the gift is wanted and can be utilized.

With the exception of items to be auctioned as part of a fundraising event, used as a prize for a raffle or similar activity, or consumed/disposed of during the course of a fundraising event, gifts-in-kind are received through the California State University Stanislaus Foundation and ownership is then transferred to the University.

IRS Publication 526, Charitable Contributions, states that if an organization, within three years after the date of receipt of a contribution of property for which it was required to sign a Form 8283, sells, exchanges, or otherwise disposes of the property, the organization must file Form 8282, Donee Information Return, and send the donee a copy of the form. However, if the appraised value of the donated item is \$500 or less, the organization is not required to report the disposal.

IRS Form 8282, Donee Information Return, states that original and successor donee organizations must file Form 8282 if they sell, exchange, consume, or otherwise dispose of (with or without consideration) charitable deduction property (or any portion) within three years after the date the original donee received the property. The organization (donee) must give a copy of Form 8282 to the donor and send the original to the IRS within 125 days after the date of disposition.

### **Responsibilities:**

The Vice-President of University Advancement in concurrence with the Executive Director of the Foundation and the University Controller are responsible for complying with these procedures.

The Vice President for Advancement should be consulted prior to the acceptance of any unusual gifts-in-kind or if there is a question about restrictions attached to a gift offered to the University. Careful consideration must be given to any special requirements associated with the gift including: storage, display, insurance, or security. The exact placement of furniture, artwork, or equipment cannot be guaranteed. Transportation and appraisal costs related to the acceptance of a gift-in-kind are to be borne by the donor.

### **Valuation for the Donor:**

IRS requirements for gift substantiation direct that it is the donor's sole responsibility to determine a gift-in-kind's value for tax purposes. Receipts for gifts-in-kind provide for the donor proof of gift acceptance by the Foundation and include a detailed description of the gift but no monetary value is stated. The IRS requires donors to complete IRS form 8283 "Noncash Charitable Contributions" if they intend to claim a total deduction greater than \$500 for all contributed property. All IRS forms 8283 should be routed to the Advancement Services for verification and completion.



### **Internal Valuation:**

All gifts-in-kind are recorded and assigned a monetary value within the development and gift processing database with the donor receiving recognition credit for the determined valuation. Gifts-in-kind are recorded at their educational discount value (price the University would have paid to acquire the item had the item not been donated) if an educational discount value exists. If no educational discount value exists, the gift is recorded at the fair market value exclusive of sales tax, shipping costs, appraisal fees, or other similar charges.

The method of valuation may depend on the estimated value of the gift and documentation available.

### **Gifts-in-kind valued at \$5,000 and less:**

- Value placed by a qualified independent appraiser
- Value declared by donor – a copy of receipt, cancelled check, or credit card statement is preferred
- Value determined by a qualified expert of the faculty or staff for whom no conflict of interest would be created by providing the value
- Value established by a purchaser's winning auction bid at a charity auction run by the Foundation if the fair market value was unknown and unpublicized prior to the auction
- Estimated value determined through reputable and established independent pricing sources found on the internet or other media

### **Gifts-in-kind valued at greater than \$5,000:**

- Value placed by a qualified independent appraiser
- University/Foundation value for insurance purposes

### **Procedure for Accepting Gifts-in-Kind:**

- Potential gifts-in-kind must be assessed as to whether the gift can be used to advance the mission of the University or Foundation through its direct use or could be readily converted to cash. If there is any question as to whether the contribution meets either of these criteria, the recipient (representative of CSU Stanislaus or CSU Stanislaus Foundation) should contact the Division of University Advancement for advisement.
- If the gift meets the above criteria the donor should be asked to complete a Gift-In-Kind Contribution Form. It is the sole responsibility of the donor to determine the value of a contributed item for the donor's tax purposes. If the donor is unable or unwilling to complete the form, the recipient may complete the form and supply an estimated value (and back-up for how estimated value was arrived at) for internal crediting purposes.
- Recipient completes the Gift-in-Kind Acceptance Form and obtains the signatures required for formal acceptance.
- Recipient forwards the completed Gift-In-Kind Contribution Form, the Gift-in-Kind Acceptance Form and all additional backup documentation (IRS Form 8283, formal appraisal (if available), correspondence with donor, copy of donor's receipt, cancelled check, or credit card statement for purchase of donated item, etc.) to Advancement Services for processing.
- Advancement Services enters the gift in kind in the development database and files all related documents in the donor files.
- Advancement Services issues formal gift acknowledgement letter to donor describing the items donated. The value of the gift-in-kind is not included in the gift acknowledgement letter.
- On a monthly basis Advancement Services provides a report of all gifts-in-kind received in the month prior for entry into the University's Property control system.

### **Procedure for Processing IRS Form 8283 Non-Cash Charitable Contributions:**





- The donor should complete IRS Form 8283 if the value exceeds \$500 and he/she desires a tax deduction for the gift; no formal appraisal is required up to \$5,000.
- Gifts with a fair market value exceeding \$5,000 will be reported at the values placed on them by qualified independent appraisers as required by the IRS for valuing non-cash charitable contributions. It shall be the donor's responsibility to secure and pay for the qualified appraisal. In accordance with IRS guidelines, the appraisal cannot be made earlier than 60 days prior to the gift. If the value of the gift in the appraisal is listed as a range of values, the gift will be valued at the midpoint of the range.
- Donor submitted IRS Form 8283 should be forwarded to Advancement Services for processing and recording.
- Advancement Services secures signature on IRS Form 8283 from the Executive Director of the Foundation.
- Advancement Services retains a copy of the Form 8283 for the Foundation's records and returns original to donor via mail.
- The donor is responsible for submitting IRS Form 8283 to the IRS.
- If form 8283 is not received with the gift, donor should be informed to download latest version of the form at [www.irs.gov](http://www.irs.gov).

**Procedure for Reporting Disposition of Certain Gifts-in-Kind to the IRS and Donor:**

IRS Form 8282 - Donee Information Return

- For all gifts-in-kind with a value greater than \$500 that have been sold, transferred, exchanged or otherwise disposed of within three years of the date of receipt of the property, Advancement Services prepares IRS Form 8282 for signature by the Executive Director of the Foundation.
- IRS Form 8282 must be filed within 125 days of the date of disposition.
- Advancement Services mails completed form to the IRS, a copy of the form is mailed to the donor.

**References**

- IRS Publication 526 – Charitable Contributions
- IRS Publication 561 – Determining the Value of Donated Property
- IRS Form 8283 – Noncash Charitable Contributions
- IRS Form 8282 - Donee Information Return (Sale, Exchange, or Other Disposition of Donated Property)
- CASE Reporting Standards & Management Guidelines for Educational Fundraising – 4th Edition

**GIFTS OF SECURITIES**

Securities gifted usually involve donations of publicly traded common stock or bonds. Final acceptance of private stock or other less marketable assets will occur after consultation of the Foundation Executive Officer/Vice President for Division of University Advancement, Foundation Counsel, the chair of the Foundation Finance Committee and Foundation Treasurer. A gift of securities should be confirmed in writing by the donor, including instructions as to the purpose of the gift. In all cases, the Division of University Advancement should be contacted as early as possible to ensure proper transfer and to avoid adverse market impact.

- All donors should be referred to Advancement Services for information on processing securities gifts.
- Generally, CSU Stanislaus Foundation does not physically take possession of the stock, but facilitates the donor's transference of stock through the Foundation designated broker:

Address: 1549 McHenry Avenue  
Modesto, California 95350  
Telephone: (209) 529-0211  
Account Representative: Tim Bloemhof  
CSU Stanislaus Foundation Account





- Broker immediately sells the stock at its current market value sends the appraisal transaction documentation to Advancement Services.
- Sends statement of securities sale to CSU Stanislaus
- Foundation followed by check (approximately 2 weeks from point of sale).
- Advancement Services facilitates deposit of said check and updates the donor record and issues a gift receipt/acknowledgement to the donor signed by CSU Stanislaus Foundation Executive Officer/Vice President for Division of University Advancement.
- The amount of the gift is not the amount of the check, as the check is reduced by the agent's transaction fee. The donor will be credited with the entire amount of the gift with the transaction fee treated as a "cost to do business." The gift date will be the date that the stock is sold. In addition to the donor's acknowledgment, a copy of the transaction statement from will be sent to the donor to match his/her records.
- Advancement Services forwards gift information to Departments and Development Officers for appropriate acknowledgment, stewardship, and recognition.

**Transfer Instructions:**

Public securities held at a bank or brokerage firm must be transferred to the CSU Stanislaus Foundation account, after proper notification to the Executive Officer/Vice President for Division of University Advancement.

- **SECURITIES TRANSFERRED BY MAIL** Securities may be delivered to the Executive Officer/Vice President for Division of University Advancement. The stock should be endorsed to "California State University, Stanislaus Foundation." and signed. This can be done through a separate stock power form or on the back of the certificate. The signature should be guaranteed by a bank or broker. Securities received through the mail should use the stock power method of endorsement. The certificate and stock power should be mailed to the Executive Officer in separate envelopes. This office may be reached as follows:

CSU Stanislaus Foundation  
c/o Executive Officer  
Address: One University Circle  
Turlock, California 95832  
Phone: (209) 667-3131  
Fax: (209) 667-3026

- A less preferred method of delivery of securities is through the issuer's transfer agent for reissue to CSU Stanislaus Foundation. This method often results in delay.

**PUBLICALLY TRADED COMMON STOCK OR BONDS**

**Definition:** Securities for which, as of the date of the contribution, market quotations are readily available on an established securities market. Pertinent University & Foundation Policies:

- All gifted securities are processed through the Foundation's Executive Officer.
- The value, for tax purposes, of a gift of securities is the market value of the security on the effective date sale of the securities.
- The Foundation normally sells gifted securities immediately. Dependent upon donor designation, the proceeds are reinvested in one of two portfolios: current use or endowment.
- The effective date of gift for securities held at a bank or brokerage is the date of transfer into a Foundation account. In the case of physical delivery, the date the endorsed certificate accompanied by a stock power is received at the Foundation is the date of the gift. If the certificate and stock power are



mailed, the postmark on the stock power envelope is the date of gift. If the certificate is mailed to a transfer agent for reissue to the Foundation, the gift date is the date on the new certificate.

### PRIVATELY-HELD SECURITIES

**Definition:** Any stock of a corporation, evidenced by a stock certificate, that is not a publicly traded security, or for which there is no public market.

Pertinent University & Foundation Policies:

- The donor of a privately held security is responsible for establishing and supporting a gift value for tax purposes. This includes completing the appropriate portions of the Internal Revenue Service Form 8283, Non-cash Charitable Contributions.
- Security gifts for privately held companies are generally recorded on the University books with a value of \$1.00 until liquidity is achieved. At that time a new appraisal is conducted and the new value recorded.

### ZERO COUPON BONDS

**Definition:** A bond purchased at a discount to its face value, which does not pay interest until maturity.

Pertinent University & Foundation Policies:

- Zero coupon bonds are valued at current market price.
- The University will not recognize the face value of zero coupon bonds and prefers to liquidate them prior to maturity.

### REAL ESTATE

**Definition:** Property in the form of permanent buildings and/or land.

The department receiving information concerning proposed gifts of real estate contacts the Executive Officer/Vice President for Division of University Advancement. The Division of University Advancement forwards information pertaining to a proposed gift of real estate to the appropriate program administrator (if applicable), the Vice President for Business and Finance, and the University President (if applicable). In some cases, any or all of these individuals may serve as an Ad Hoc Committee to evaluate the proposed gift.

- Gifts Review and Acceptance Process
  - Executive Officer/Vice President for Division of University Advancement assesses the property history, market conditions, potential environmental concerns, and the property value.
  - Executive Officer consults with the Vice President for Business and Finance/Treasurer of Foundation on the fiscal viability of the gift. Executive Officer/Vice President for Division of University Advancement makes a recommendation to the Executive Committee of CSU Stanislaus Foundation Board of Trustees to accept or reject the property.
  - Notifies the Chief Financial Officer if property is sold within two years of receipt.
  - No gifts of property may be accepted without approval by the CSU Stanislaus Foundation Board of Trustees.
- CSU Stanislaus Foundation Counsel:
  - Determines the need for additional local legal advice or expertise.
  - Makes a recommendation to CSU Stanislaus Foundation Executive Committee to accept or reject the property, conditional upon an acceptable title.
- CSU Stanislaus Foundation Executive Committee:
  - Approves or refuses real estate gifts based on whether it is a prudent investment for CSU Stanislaus Foundation.
  - Notifies the Division of University Advancement of acceptance or rejection.
- The Division of University Advancement:
  - Informs the donor of acceptance or rejection of the property.
  - Requests from the donor IRS Form 8283. (Non-cash Charitable Contributions).



- Requests from the donor an acceptable title and qualified appraisal for the property.
- In consultation with the Office of CSU Stanislaus Foundation Counsel, transfers the executed deed to CSU Stanislaus Foundation.
- Notifies CSU Stanislaus Foundation Treasure of sale property for approval.
- Forwards all documentation to Advancement Services in Development for gift accounting.
- Advancement Services records the gift on the donor's record.
- Advancement Services issues a gift receipt/acknowledgement to the donor signed by CSU Stanislaus Foundation Executive Officer/Vice President for Division of University Advancement.
- Advancement Services forwards gift information to Department and Development Officer for appropriate acknowledgment, stewardship, and recognition.
- Forwards a copy of all documentation to CSU Stanislaus Property Control for booking.

### RETAINED LIFE TENANCY

**Definition:** The transfer of a remainder interest in a personal residence, farm, or vacation home with the agreement that the donor may occupy the property until death.

Pertinent University & Foundation Policies:

- The donor is responsible for all expenses of maintaining the property unless prior arrangements are approved by the Foundation Board of Trustees.
- The donor receives any income generated from the property until death.

### Pertinent IRS Guidelines:

- The property must be a personal residence, farm, or vacation home.
- The agreement is irrevocable.
- The donor receives a current income tax deduction for the property's discounted value.

### BARGAIN SALE GIFTS

**Definition:** A sale of property in which the amount of the sale proceeds is less than the property's fair market value. When such a sale is made to a qualified charitable organization, the excess of the fair market value of the property over the sale price represents a charitable contribution to the organization.

Pertinent University & Foundation Policies:

- The Foundation Executive Committee examines each gift on an individual basis to determine whether it is in Foundation's interest to accept the bargain sale item.
- It is preferred that the donor provides an independent real estate appraisal.

### SPONSORSHIP SOLICITATION AND RECORDKEEPING

Individuals, corporations, and other entities may donate to the Foundation in order to sponsor activities, projects, or events and in return may receive certain benefits, including recognition on campus, at the event, or in accompanying publications. In many cases, sponsorship dollars may be fully countable as a charitable donation with the determining factor being the nature of the benefits, if any; the sponsor receives in exchange for their donation.

While no definition exists to formally differentiate sponsorships from other forms of charitable support, the following guidelines may be useful to help identify some of the more common characteristics of a sponsorship:

- Made in support of a specific event, group, program or activity, often with a specified duration for the sponsorship – “sponsor of the 2011 summer concert series, proud sponsor of the 7th Annual College of Business Wine and Cheese Event, etc.”



- Pre-determined levels of support, typically including statements about how the donor will be recognized in various print and/or electronic publications – “With your sponsorship commitment of \$5,000 you will be recognized as the title sponsor of this event. As such, your company’s name and logo will appear on all printed materials publicizing this event.”
- Inclusion of quid pro quo elements as a consideration for sponsorship – “Gold level sponsors are entitled to 4 tickets to the event and will have the opportunity to meet the speaker at a 30 minute meet and greet prior to the event.”
- Are specifically marketed and solicited as sponsorships.

### **Recognition vs. Advertising:**

Printed recognition is one common method for showing appreciation for sponsors. Care must be taken to ensure that the recognition given a donor does not meet the IRS’s definition of advertisement. The IRS defines advertising as competitive pricing or product information displayed because of a donation. If the recognition fits this definition of advertising, the sponsorship is an exchange transaction, and cannot be counted as a gift. Sponsor recognition in the form of simple name or logo placement does not constitute advertising.

If, in return for a gift, the name of a donor is placed on a brick, chair, or building that remains a part of the University, this recognition does not reduce the value of the gift so long as it is not “advertising” according to the IRS definition above.

### **Quid Pro Quo:**

The IRS defines a quid pro gift as “a payment made partly as a contribution and partly in consideration for goods or services provided to the payor by the donee organization.” The value of the benefits, or “premiums”, the donor receives is a key factor in determining the amount of the actual gift.

For sponsorships which include quid pro quo component(s), only the amount of the contribution that exceeds the value of the benefits given to the donor may be receipted and counted as a gift.

Summary of Considerations – Is a sponsorship fully countable as a charitable contribution?

In order to receipt the sum total of a sponsorship as a gift the follow criteria must be met:

- Sponsor should not receive a substantial return benefit for donation other than name acknowledgement/donor recognition
- Name acknowledgement/Donor recognition should be limited to the following:
- Sponsor’s location, phone number, internet address, e-mail address
- Value-neutral description of sponsor’s products or services
- Sponsor’s brand/trade name or product/service listing
- There should not be any qualitative or comparative advertising of sponsor’s products or services such as pricing, savings, value, or inducements to purchase

### **Procedure for Soliciting and Documenting Sponsorships:**

Given the many requirements associated with the solicitation, receipting, and reporting of sponsorship contributions, the following procedures should be observed when soliciting sponsors:

- Prior to solicitation the soliciting department or program must determine what benefits, if any, the donor will receive as a in consideration of the sponsorship



- Determine the fair market value of the benefits - this amount is based on the value of the items or services provide to the donor rather than the cost to the Foundation or University
- All sponsorships must be supported by formal documentation in the form of a gift agreement, MOU, or sponsorship agreement. This agreement must include:
  - Name and contact information (mailing address is required) of the donor. For corporate or other organizational sponsors include the name of the appropriate contact individual with regards to the contribution.
  - Date and amount of sponsorship
  - Name of event, activity, or program sponsored
  - Though it is not required by the IRS, it is recommended to disclose to sponsors in advance of receiving their contribution the portion of their sponsorship that will not qualify as a charitable deduction. By disclosing this information in advance sponsors are afforded the opportunity to opt out of receiving the benefits, making their sponsorship 100% charitable in nature
- All sponsorship documentation and payments must be forwarded to Advancement Services for processing and retention.
- All gift acknowledgement letters sent to sponsors must include the following information:
- Date and amount of contribution
  - Description (but not the value) of non-cash contribution
  - Statement that no goods or services were provide to the donor in return for their donation, if such is the case
  - Description and good faith estimate of the of the value of goods or services, if any, provided inconsideration of the sponsorship

### **CORPORATE MATCHING GIFTS**

#### **Definition:**

Donations made by certain corporations and organizations matching employees' donations based on pre-established formulas and limits.

#### **General information:**

The California State University Foundation will accept matching gift requests provided the requests follow IRS guidelines and are in accordance with the verified policies of the matching gift company.

Matching gift claims should only be submitted for qualified charitable contributions. Gifts for which a quid-pro-quo benefit has been received are generally not eligible for matching funds.

If no designation for the original gift is provided by the employee/donor, corporate matching gifts to the California State University Stanislaus Foundation are designated as unrestricted gifts to the Annual Fund. In cases where the donor specifies a designation for the original gift, the matching gift is similarly applied unless the matching gift company specifically prohibits application of the matching monies to the stated designation.

#### **Verification of Eligibility:**

Every matching gift company establishes its own matching gift criteria. Additionally, the criteria for what qualifies for a matching gift from a given organization may change from time to time. For these reasons, it is important to verify that a donor's gift is eligible for a corporate matching gift prior to submitting each matching gift claim.

Prior to submitting the claim for a matching gift, University Advancement must obtain verification that the claim is valid under the current matching gift policy of the organization. Acceptable forms of verification include:



- Matching gift policy from the organization's website, matching gift claim form, or other official publication or document
- For claims that are submitted entirely online, printed screen shots of the company's matching gift eligibility criteria
- In cases where no published matching gift policy can be located, University Advancement may call or email an appropriate representative of the matching gift company to verify the eligibility of a matching gift. For verifications handled by phone, University Advancement must document the call by recording the name, phone number, date of call, and substance of the conversation held with the matching gift company's representative.

If a matching gift is received for which University Advancement did not submit the matching gift claim (for example – the donor submitted claim on his or her own behalf), the eligibility of the matching gift must be verified by one of the above-list methods prior to issuing a receipt for the gift.

Matching gift eligibility verification is subject to dual-reviewed by the Gifts Processor and Manager of Advancement Services. Proof of matching gift eligibility verification and evidence of dual-review is to be maintained in University Advancement's files.

### **Procedure for Processing Matching Gifts:**

University Advancement receives gift from donor who has indicated that his or her company has a matching gift policy. In many instances the donor will send the matching gift claim form along with the gift.

- Gifts Processor secures documentation of company's matching gift policy (see section titled "Verification of Eligibility for Matching Gifts") and complete the Matching Gift Eligibility Verification Form.
- Matching Gift Eligibility Verification Form and all relevant back-up are forwarded to Manager of Advancement Services for second review.
- If eligible for matching, Manager of Advancement signs Matching Gift Eligibility Verification Form and returns all documentation to Gifts Processor for retention.
- Gifts that are deemed ineligible for matching will not have a claim submitted on their behalf. Any matching gifts checks that have been received by University Advancement but upon inspection are deemed ineligible under the company's matching gift policy will be returned to the matching gift company.
- Matching gift claim is completed and mailed out. A copy of the claim is retained for University Advancement's files.
- The matching corporation sends the match check to the CSU Stanislaus Foundation. Original form and documentation are reviewed to verify that the amount and designation specified do not differ from the original transaction.
- Matching gift check is deposited in support of the appropriate fund, crediting the matching gift company for the gift.
- Advancement Services receipts the matching gift corporation unless the company requests no receipt.

### **SUSPENSE ACCOUNT PROCEDURE**

- Ideally, the donor sends adequate documentation regarding the designation of the gift with his or her check. On occasion, the letter of intent or donor form is sent separately from the check.
- When the letter of intent or donor form is sent separately from the check, the funds received will be cashiered with the daily batch, but placed in the SUSPENSE account to assure timely deposit for audit purposes.



- Upon receipt of the letter of intent or donor form, the gift will be transferred to the donor designated account.
- Advancement Services updates donor records and issues a gift receipt/acknowledgement to the donor, which are signed by the Executive Officer of CSU Stanislaus Foundation/Vice President for Division of University Advancement.
- Advancement Services journal entries are posted daily into CSU Stanislaus Foundation's General Ledger via an automatic computer feed process.
- Advancement Services forwards the posting information to the Departments and Development Officers for gift awareness, stewardship, and recognition.
- Reallocations or corrections required after a gift has been processed are handled by Advancement Services in the Division of University Advancement. Written documentation from the donor is required. Advancement Services updates the donor record, sends a corrected receipt, and notifies the CSU Stanislaus Foundation Executive Officer/Vice President for Division of University Advancement or designee of the change.
- Advancement Services is responsible for preparing daily, monthly, annual and other periodic reports summarizing donor-giving activities.

### **SAFES AND VAULTS PROCEDURE**

- Safes will be located in Advancement Services and Athletics to house cash and checks that arrive after the daily deposit batch is prepared.
- Funds will then be deposited the following work day.
- Safe combination knowledge will be limited to the Vice President of University Advancement, OUA Account Technician, OUA Assistant Budget Analyst, Athletics Coordinator, Assistant Athletic Director, and the Director for Athletics.
- Individuals with access will be listed on the Safe and Vault Log.
- Safe combinations will be changed once a year or when one of the aforementioned individuals leaves the division.

### **GIFT RECONCILIATION**

#### **Monthly Reconciliations:**

- Reconciliations will be prepared on a monthly basis.
- CSU Stanislaus Financial Services will provide the year-to-date Trial Balance report for each month to Advancement Services. The year-to-date Trial Balance report parameters should include all Foundation gifts received, adjustments, and transfers received during the month.
- Advancement Services will produce a Master Log, consisting of the year-to-date cashier receipts and adjustments with balances from the development and donor database.
- A procedures check-off list will be completed by both CSU Stanislaus Auxiliary Business Services and Advancement Services on a monthly basis. The list includes the following items:
  - Auxiliary Business Services
  - Provide year-to-date Trial Balance report for each month to Advancement Services by 15th workday to the Director for Advancement Services. The Director for Advancement Services will be responsible for all corrections made to the gift system.
  - Provide Annual Fund Monthly Reconciliation sign-off form.

#### Advancement Services:

- Produce a Master Log, consisting of the year-to-date cashier receipts and adjustments with balances from development and donor database.
- Matching the gifts and adjustments for the month, confirming proper recording by checking off cashier receipt numbers, deposit balances, and fund accuracy.





- Identified anomalies are communicated via electronic submission to Auxiliary Business Services for discussion, clarification, and potential adjustment.
- Once balanced, obtain signatures of approval from Auxiliary Business Services' Director of Financial Services and the Executive Officer/Vice President for Division of University Advancement at completion of reconciliation process.
- Copies of completed Annual Fund Monthly Reconciliation sign-off form are maintained by both parties.

### **ANNUAL REPORT ON PHILANTHROPIC SUPPORT TOTALS RECONCILIATIONS**

#### **Background:**

By resolution of the California State University Board of Trustees, the Division of University Advancement compiles an Annual Report on Philanthropic Support. The report is presented for approval at the Board of Trustees' January meeting and is then submitted to the California Postsecondary Education Commission, the Joint Committee on Legislative Budget, and the California Department of Finance as required under Section 89720 of the Education Code. The data is also used for the Campus Goals, Goal Matrix Dashboard and Expenditures Reports.

The purpose of the CSU Philanthropic Productivity Summary Sheet, specifically the Philanthropic Productivity Report, is to provide the CSU Board of Trustees with an annual report of philanthropic productivity at the campus and system-wide level. The report is a variation of the accrual system that is thought to be the best perspective of the long-term support that has been generated for the university.

The following procedure describes the reconciliation process used to verify the California State University Stanislaus' and the California State University Stanislaus Foundation's philanthropic productivity totals prior to reporting on the CSU Philanthropic Productivity Summary Sheet under sections 2-A "Charitable Gift Receipts" and 2-B "Charitable Gift Commitments". The guidelines for making calculations are prescribed by the California State University Office of the Chancellor and are detailed in the University Advancement Philanthropic Reporting and Data Collection Process manual. Due to the detailed nature of the criteria by which these figures are calculated it is important that the preparer and reviewer refer to the published criteria for preparing these reports.

#### **CSU Philanthropic Productivity Summary Sheet section 2-A "Charitable Gift Receipts":**

The total reported under "Total Charitable Receipts" is calculated on a cash basis and should equal California State University Stanislaus' grand total using face value as reported on the Voluntary Support for Education (VSE).

The general rules for calculating the total charitable receipt amount is as follows:

$$\begin{array}{r} \text{New gifts (excluding payments prior year pledge payments)} \\ + \text{Pledge Payments and Realized Testamentary Commitments} \\ \hline \text{Total Charitable Gift Receipts} \end{array}$$

#### **Verification and Review Process**

Advancement Services

- For reporting fiscal year Advancement Services generates a detail report from the development database of all income received.





- Advancement Services identifies and removes non-qualifying transactions (non-donations, pledges, gifts from non-private sources).
- Advancement Services categorizes and totals (1) new gifts and (2) pledge payments and realized testamentary commitments.

Financial Services

- Run report from Foundation general ledger of all revenue and pledge receivables
- Identify and remove any non-donation revenue
- Categorizes and totals (1) new gifts and (2) pledge payments and realized testamentary commitments
- Reconcile against the report provided by Advancement Services and identify any variances (e.g. – gifts from non-reportable sources, reportable grant revenue, etc.)

Once reconciled, a summary is prepared and signed by the reviewer. This summary is forwarded to the Vice President for Advancement and Chief Financial Officer.

**CSU Philanthropic Productivity Summary Sheet 2-B “Charitable Gift Commitments”.**

The total reported under “Charitable Gift Commitments” is calculated on an accrual basis and is calculated thusly:

	New Gifts (same as Total Charitable Receipts)	
	New Gifts and New Pledges from Local Governments (CO approval required)	
	New Pledges (exclude payments on new pledges reported above)	
+	<u>Testamentary Commitments</u>	.
	Total Gift Commitments	

**Verification and Review Process**

Advancement Services

- For reporting fiscal year Advancement Services generates a detail report from the development database of all income received.
- Advancement Services identifies and removes non-qualifying transactions (non-donations, gifts from non-private sources).
- Group and total new gifts
- Identify New Gifts and New Pledges from Native American Sovereign Nations, and Local Governments – provide copy of CO approval for Local Governments to reviewer
- Group and total pledge balances on qualifying pledges booked in the reporting fiscal year
- Group and total new testamentary commitments

Financial Services

- Run report from Foundation general ledger of all revenue and pledge receivables
- Identify and remove any non-donation revenue
- Categorizes and totals new gifts



## CALIFORNIA STATE UNIVERSITY STANISLAUS

Division of University Advancement

- Review and verify Advancement Services preparer data on New Gifts and New Pledges from Native American Sovereign Nations, and Local Governments
- Verify total pledge balances on qualifying pledges booked in the reporting fiscal year against Outstanding Pledge Receivable Reconciliation
- Review and verify new testamentary commitments data

Once reconciled, a summary is prepared and signed by the reviewer. This summary is forwarded to the Vice President for Advancement and Chief Financial Officer.