
ECSU FOUNDATION, INC.

Gift Acceptance Policy

IMPLEMENTATION DATE: **JULY 1, 2023**
AMENDED: **JANUARY 17, 2024**

Purpose of Policy

The purpose of this Gift Acceptance Policy of ECSU Foundation, Inc. (Foundation) is to support the Eastern Connecticut State University (University)'s pursuit of excellence in teaching, research, and public service primarily through raising and managing funds which benefit the programs of the University.

Inclusive in the Foundation's mission is the responsibility to solicit donations of properties, monies or securities and for the Foundation to act as a custodian for any and all funds and property received which support the University. This Gift Acceptance Policy defines the types of gifts accepted by the Foundation and the process by which such gifts are accepted.

This policy is effective immediately and supersedes any previous practices related to the acceptance of gifts. Exceptions to this Gift Acceptance policy may be made by the Foundation's Board of Directors.

Policy

It is the policy of the Foundation to review legal, ethical, and procedural matters when accepting private philanthropic gifts that support the Foundation and University. The Foundation does not accept funds from contractual arrangements which are exchange transactions rather than philanthropic. An exchange transaction is when each party receives something of approximate equal value. The Foundation does not promote gifts as financial investments or provide tax or legal advice to potential donors. Potential donors are encouraged to consult their own advisors prior to making a gift. All accepted gifts will be administered, held, or liquidated in accordance with the investment and other policies of the Foundation. All gifts will be valued at fair value in accordance with IRS regulations for tax purposes.

The Foundation may not accept gifts that are not in line with the mission, or overly restrictive gifts that would require additional spending without continued funding to support the restrictions of the gift.

Gifts under \$1,500 cannot contain any restrictions and any donations made by the donor with a gift will not be binding upon the Foundation.

Receipt of Gifts

The Foundation may receive gifts by the following methods:

1. Personal delivery or mailing to the Foundation's lockbox at P.O. Box 431, Willimantic, CT 06226, noting where the gift is to be designated.
2. ACH and wire transfer to an authorized Foundation bank or brokerage account. Information on how to make a wire transfer is available from the Foundation's Business Manager.

3. Master Card, Visa, Discover, American Express, Venmo, PayPal credit card payment. Endowment, temporarily restricted and unrestricted donations processed via credit card, Venmo or PayPal will be charged the merchant service fee associated with processing of the donation.

Gift Receipts

The Foundation will issue gift receipts which contain information verified by the Foundation and which comply with applicable federal laws and regulations.

Types of Assets Accepted as Gifts

1. Cash

The Foundation accepts U.S. Dollars payable by cash, check, credit card, ACH or wire transfer. Checks should be made payable to “ECSU Foundation, Inc”. Wire transfer instructions are available from the Foundations Business Manager. The Foundation will not accept cash (currency) gifts in amounts more than \$10,000.

The Foundation accepts ACH transactions from third party vendor who accepts, and/or processes donations on the Foundation’s behalf.

Foreign currency gifts may be accepted with the approval of the Board of Directors.

The Foundation does not accept crypto currency.

2. Securities

The Foundation accepts gifts of publicly traded stocks and bonds by certificate or wire transfer on publicly traded securities. Gifts of securities are valued at fair value in compliance with IRS regulations.

Restricted stock, warrants, debentures are also acceptable with proper documentation delivered along with the physical certificate evidencing the business interest.

Closely held securities – The Foundation may accept gifts of interests in closely held companies with the approval of the Foundations Board of Directors after appropriate review by the Chair of the Investment Committee. Considerations when accepting closely held securities:

- Review company’s business purpose, activities, and reputation
- Review backgrounds and reputations of company owners, executives, and major shareholders
- Review pending and potential environmental concerns
- Confirm that the Foundation would not have a controlling interest or a management position in the company
- Review annual financials
- Review any agreements to which the Foundation would become bound
- Determine value of stock
- Access the business interest to determine the extent that it could subject the Foundation to liabilities, capital calls and other future contribution obligations.

Tangible Personal Property

The term of tangible personal property is personal property which includes, without limitation, furniture, books, automobiles, paintings, antiques, clothes, rare coins, stamps, boats, etc. It does not include real estate, stocks, or bonds.

Tangible Personal Property Retained and Used by the Foundation – The Foundation accepts gifts of tangible personal property which will be retained and used by the University. These gifts must have prior approval for acceptance by the University subject to its policies and procedures. All gifts following acceptance will be transferred by the Foundation to the University for inventory management purposes.

Real Property

Real property includes, personal residences, vacation or second homes, farms, vacant land, rental properties, commercial buildings, etc.

The Foundation may, under certain conditions, accept donations of real property, interest in real property and interests in entities which own real property. Real Estate gifts must be approved by the Board of Directors and the following factors must be assessed when determining if the gift should be accepted:

1. Environmental matters
2. Existence of soil conditions or other adverse physical conditions
3. Deferred and continuing maintenance requirements and capital improvements
4. Mortgage, liens, and other encumbrances
5. Managerial responsibilities
6. Potential or contingent liabilities or obligations
7. Zoning and subdivision requirements
8. Location
9. Marketability
10. Exposure to adverse publicity
11. Does the real estate meet the Foundation's Strategic Plan?

The Foundation will not accept a Real Estate gift when the physical condition of the real estate such as toxic and other possible contamination's, its location, existence of continuing obligations both monetary and managerial associated therewith that would present material risks or burdens to the Foundation.

Approval Process

A prospective donor of Real Estate should present the real estate gift request to the Board of Director's so that they may review and determine if the gift may be accepted. The Board will review the information set forth in this Policy and such other information concerning the Real Estate as it determines appropriate and based upon its assessment of the factors listed above, will either reject the proposed gift or recommend its acceptance subject to such conditions as it deems appropriate.

No gift of Real Estate shall be deemed completed or effective unless the Board of Director's approves its acceptance, and the donor complies with all condition's precedent imposed in connection with acceptance over the gift. This may include obligations to indemnify the Foundation, to provide cash gifts to cover expenses and carrying costs and similar obligations. Potential donors should be aware that determining the propriety of accepting gifts of Real Estate may take several months and thus the Board of Directors

should be given adequate notice of proposed gifts to help ensure that the donor's timing requirements may be met.

Procedures

1. A donor shall include with an offer of Real Estate
 - a. A legal description and, if applicable, street address of the real estate
 - b. A preliminary title reports
 - c. A summary of the payment terms of any mortgage(s) encumbering the property
 - d. If the donor proposes to transfer an interest in real estate held through a pass-through entity, a copy of the operating agreement, limited partnership agreement or other controlling document(s)
2. If the Real Estate Advisory Committee does not reject the proposed Real Estate based upon its preliminary review, the donor shall provide the following:
 - a. An appraisal indicating the current fair market value of the property
 - b. An environmental evaluation
 - c. A survey
 - d. A tax folio number or other such control number issued by the applicable tax collector, together with a statement of the amount of taxes most recently assessed against the property and whether all taxes have been paid.
 - e. A title insurance policy, together with copies of any documents that appears as exceptions to title
 - f. A summary of the insurance policies in force with respect to the property, and the amount of the annual premium.
 - g. A statement of the estimated transfer taxes, if any, payable upon the sale of the property.
 - h. Tax identification number of the donor
 - i. A representative of the Foundation shall physically inspect the property and shall report on the inspection to the Board of Directors.
 - j. No gift of Real Estate shall be accepted unless the Board of Directors has secured a written environmental audit and report with respect to the property.
 - k. All liens and encumbrances must be released prior to the acceptance of the Real Estate gift
 - l. The Board will accept restricted gifts of Real Estate provided the donor provides a cash gift sufficient to cover expenses relating to maintenance, management, and capital improvements of the real estate into perpetuity.
 - m. The Board will accept unrestricted gifts of Real Estate provided the gift allows for liquidating the Real Estate at the discretion of the Board of Directors. The donor of a Real Estate gift should provide a cash gift sufficient to pay the expenses incurred by maintaining ownership of the property until its disposition
 - n. Real Estate gifts shall be conveyed to the Foundation by warranty deed or its equivalent.

State Matching Gift Grants

State matching gift grants are endowed funds received from the State of Connecticut under the terms of the State Endowment Matching Grant Program. The program provides matching funds for certain eligible gifts to endowment for scholarship, faculty, or program support. The Foundation's policy is to designate state matching funds for the same purpose as the donor's gift.

Life Insurance

The Foundation accepts designation as the named primary or contingent beneficiary of a life insurance policy in any face value amount. Designations should name the ECSU Foundation Inc. Beneficiary designations are not current gifts to the Foundation but are accepted as gifts at such time as the proceeds of the policy are distributed.

The Foundation accepts gifts of life insurance policies, both term and whole life. A life insurance policy may be gifted to the Foundation by designating ECSU Foundation, Inc. as the owner and beneficiary of the policy. The Foundation may retain or liquidate the policy according to its business judgement based on relevant financial considerations. Considerations to include whether the donor of a policy continues to make annual unrestricted gifts that may be used by the foundation to pay such policy premiums. In the event that the Foundation determines it is in its best interests to liquidate a policy the donor of said policy will be notified.

Insurance premiums that are paid directly to an insurer for a life insurance policy owned by the Foundation will be deemed gifts to the Foundation, provided such payments are reported no less than annually to the Foundation and are adequately substantiated by the donor.

Types of Gift Arrangements

In general, the Foundation will accept assets under the following gift arrangements as approved by the Board of Directors:

1. Outright Gifts
2. Charitable Gift Annuities
3. Charitable Remainder Trusts
4. Charitable Lead Trusts
5. Bequests
6. Retirement Plan Beneficiary Designations
7. Donor Advised Fund Gifts
8. Corporate Matching Gifts