



Kent State University Foundation

Gift Acceptance and Campaign Counting Guidelines

Reviewed and Approved by the Kent State University Foundation Board as of
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GIFT ACCEPTANCE AND CAMPAIGN COUNTING GUIDELINES

1.0 Purpose

The Kent State University Foundation was incorporated in 1965 as a non-profit 501(c)(3) organization for the purposes of aiding, supporting, advancing, augmenting, and assisting in the development of Kent State University. The Foundation is recognized by the University as the sole official fundraising organization under a service agreement dated October 10, 2016. This policy sets forth the guiding principles used by University and Foundation staffs to secure, accept, and count gifts administered by the Foundation. The policy also addresses the application of donor credit and recognition, and is intended to;

- Follow CASE Reporting Standards & Management guidelines and Statements of Ethics.
- Be straightforward and honest.
- Fulfill all legal requirements.
- Be fair and sensitive to donors.
- Further the vision and mission of Kent State University.

Donors and prospective donors are urged to seek the counsel of their legal, accounting, tax or other advisors. Kent State University and the Kent State University Foundation do not provide legal or financial advice on the deductibility of gifts to the Foundation.

2.0 Authority

This policy is written and administered under the direction and authority of the Vice President for Institutional Advancement and Executive Director of the Kent State University Foundation, and applies to all gifts accepted from individuals, corporations, or foundations.

The primary source for these guidelines is the standards and definitions provided by the Council for Advancement and Support of Education (CASE) in its publication *CASE Reporting Standards and Management Guidelines, 4th edition 2008*. CASE is generally accepted as the leading source on gift acceptance and campaign counting policies, providing consistent and comparative gift reporting across the various reporting institutions. It is recognized that in certain instances the guidelines are non-specific. Therefore it is the intent of this policy to provide guidance and counting standards in all gift areas as they apply to the Kent State University Foundation. CASE also recognizes the need for giving donors credit for gifts that do not meet the CASE standards for counting. Because the recognition of gifts is an institutional decision, recognition of donors at Kent State University does not always mirror gift counting practices at other institutions. Therefore, it is also covered by this policy. Internal Revenue Service and Canadian Revenue Agency rules and regulations were also adhered to in the creating of this policy. *Exception: In the case of Naming Rights, it is a form of recognition given to a donor not a "right." The rules for Naming Rights falls under the Board of Trustees of Kent State University and consequently are not addressed in this policy.*

Guidelines from the *Partnership for Philanthropic Planning: Guidelines for Reporting and Counting Charitable Gifts, 2nd Edition 2009* will also be utilized for campaign reporting. Those guidelines recommend that fundraising results be reported in these three categories:

- **Category A: Current Gifts and Pledges** that are usable or will become usable for institutional purposes during the campaign period (whether one or more years).

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- **Category B: Irrevocable deferred gifts** that are solicited and committed during the campaign period but most likely usable by the organization at some point after the end of the campaign period with the exception of a charitable lead trust.
- **Category C: Revocable deferred gifts** that are solicited and committed or pledged during the campaign period but in which the donor retains the right to change the commitment and/or beneficiary. They are most likely usable by the organization at some point after the end of the campaign period.

Gifts that fall outside the parameters of these guidelines shall be reviewed by the Gift Acceptance Committee (GAC) for a recommendation to the Vice President for Institutional Advancement. The GAC includes the following members:

- Campaign Director, if applicable
- Sr. Associate Vice President for Institutional Advancement
- Sr. Associate Vice President for Advancement Operations or designee
- Assistant Vice President for Gift and Estate Planning
- Chief Finance Officer for the Foundation
- Executive Director for Advancement Services
- Other individuals as needed to provide advice and counsel depending upon the specific situation.

3.0 Campaign Period

The solicitation period for the current campaign officially began fiscal year 2017 on July 1, 2016, and will extend through Fiscal year 2022, ending on June 30, 2022, and include reach-back to fiscal years 2015 and 2016. All gifts and new gift commitments that meet campaign gift counting and crediting guidelines made during this period will be counted toward the campaign goal.

4.0 Definitions

4.1 Gift

A gift is defined as a voluntary transfer of personal property (e.g. cash, securities, books, equipment) or real property (e.g. land, buildings) by an individual or non-governmental organization either in present time or through a planned/deferred gift vehicle for a designated charitable use. A gift is motivated by charitable intent and the donor does not expect nor receive any goods or services in consideration of the gift.

4.2 Pledge

A pledge is a promise of a current or a deferred gift by the donor. Multi-year commitments that are scheduled to be paid within five years shall be counted in full to the campaign. 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. The GAC will review pledges not payable in full within five years from the date of the pledge on a case-by-case basis. Commitments with no written documentation will *not* be counted toward the campaign goal.

4.3 Campaign Credit

This is the term accepted by CASE and the Council for the Advancement of Education (CAE) for reporting purposes. These guidelines set forth expectations of how gifts will be recorded for the purposes of campaign counting and management.

4.4 Recognition Credit

For the purposes of campaign management, these guidelines set forth appropriate ways to recognize all contributors, even those whose gifts technically fall outside what is appropriately counted towards the campaign.

4.5 Soft Credit

Soft credit is a gift from another entity that may be applied as non-legal credit to an individual. It is generally a commitment from an individual's family or a gift commitment made through the individual's personal or family foundation, or through a business entity controlled by the individual or family. When such a gift is made as a result of the individual's direct actions of someone who is not the legal donor, the gift may be soft - credited. Examples include:

1. Gifts from a charitable gift fund or community foundation made at the request of an individual.
2. A gift made by a spouse or partner
3. A gift made by an individual's company when he or she is the principal owner
4. Matching gifts that are received from organizations as a direct result of an individual's gift. These will be credited to the same designation as the individual's gift.

The following are examples of gifts where an individual would not receive gift credit:

1. Corporate gifts obtained by an individual are not credited to that individual.
2. Gifts given in honor or recognition of an individual are not credited to that individual.
3. Corporate gifts over which the individual may have only allocation discretion are not credited to that individual.

4.6 Sponsored Project

A sponsored project is not considered to be a gift. In these cases, a written agreement is entered into by the University and the sponsor, and it includes a statement of work to be performed in exchange for something of value, such as data, results, or intellectual property.

4.7 Grant

Funding agencies such as philanthropic foundations sometimes use words such as "gift," "grant," "contribution," and "donation" interchangeably. A grant is an award received as the result of a written proposal with the understanding that an accounting and/or a report will be delivered at the end of the project to the funder. A grant that is determined to be a gift must be given voluntarily and with no expectation of any tangible compensation and implies no responsibility to provide the donor with a product, service, technical or scientific report or intellectual property. The following kinds of arrangements must be processed through the Office of Sponsored Programs;

- Any arrangement that involves any explicit *quid pro quo* other than routine stewardship reports concerning how the funds were used.
- Any project which involves the use of human subjects or animals, assignment of patents or copyrights, or ownership of data or equipment.

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- Any proposal which requires the University to pay a particular individual or to provide specific direct support to a particular individual excluding external scholarships paid to the Bursar's Office.
- Any project which requires a line-item budget detailing expenditures that must be adhered to as a condition of funding and includes a right to audit and/or require that some or all of the unexpended funds be returned at the end of the project.
- Any funding awarded in response to a submission of a specific research protocol which specifies the scope of work or line of inquiry, performance targets, timeframe, level of personnel, etc.
- Any arrangement which eventually will be paid through any governmental agency (federal, state, local)

4.8 Endowment

Endowments are gifts of at least \$25,000 that are invested for the purpose of producing present and future income that may be expended or reinvested with the original gift. *See Endowment Standards.* Other endowment minimum thresholds may apply to specific endowed programs or academic/athletic positions.

4.9 Quid Pro Quo

Quid pro quo is not a charitable contribution and includes any transfer of funds for which the donor receives or expects to receive a benefit. Examples include -

- Gifts to personally benefit an individual
- Gifts that move with an individual faculty member
- Payments to "sponsor" events or performances that include tickets and/or promotional considerations unless a charitable amount is specifically indicated on the ticket
- Payments for services rendered to University employees
- Payments for tickets or admission to events, unless benefits are declined with written documentation or a charitable amount is indicated on the ticket
- Payments for scholarships where the recipient is determined solely by the donor
- Payments that support research by faculty where the award is directed at satisfying specific grantor requirements

To the extent that a portion of the transfer of funds is considered part quid pro quo and part charitable contribution, the tax receipt generated by the KSU Foundation will note the fair market value and description of the goods or services received. Only the charitable amount of the gift will be counted towards campaign totals.

4.10 Athletic Priority Seating (80/20)

Per IRS regulations, all donations that result in the ability to purchase priority seating at Athletics events, including donations that qualify a donor for priority points, are subject to the 80/20 rule. Gifts to Kent State University athletics entitle donors to benefits including priority seating and are 80% deductible unless the donor has declined benefits in writing at the time of the gift. All athletic solicitations should contain this option to decline benefits. *(Effective 1/1/18, pursuant to The Tax Cuts and Job Acts H.R. 1, eligibility gifts or payments made for college athletics event seating rights are no longer 80% tax deductible.)*

5.0 Gift Purpose

Kent State University Foundation will accept unrestricted gifts and gifts restricted to Kent State University programs and purposes, provided that:

- Such gifts are consistent with the stated missions of Kent State University
- Any restrictions or conditions imposed on the use of such gifts are approved by the GAC.
- Kent State University reserves the right to de-accession or re-sell all in-kind gifts.
- Undesignated realized bequests or undesignated gifts in excess of \$25,000 will be reviewed by the GAC for appropriate use of funds

The University and/or the Foundation reserves the right to decline gifts from which they will realize uncertain, little or no financial gain or gifts that are offered for purposes that are inconsistent with the university's educational, research and service missions.

6.0 Gift Counting

The following gift types will be accepted and recorded towards the campaign by the Kent State University Foundation. Proposed gifts falling outside of these guidelines will be reviewed for acceptance by the GAC. There are three categories with specific types of gifts within each category: (6.1) Current Gifts & Pledges, (6.2) Irrevocable Deferred Gifts, and (6.3) Revocable Deferred Pledges.

6.1 Category A: Current Gifts & Pledges

Current gifts are voluntary irrevocable transfers of items of value to Kent State University or Kent State University Foundation that are usable or will become usable for Institutional purposes during or directly following the reporting period in the form of cash, securities, or other property where no goods or services are expected, implied, or forthcoming by or to the donor. The donor may restrict the use of the gift or designate it for a particular purpose or program; however, once the gift is designated and receipted, the donor may not retain any further explicit or implicit control over the use of the gift.

Pledges to make a current outright gift should be documented and commit to a specific dollar amount that will be paid according to a fixed time schedule. The payment period should not exceed five years, unless approved by the GAC. Oral pledges will not be counted in the campaign unless a written copy of the commitment is sent by the donor as a confirmation of the commitment.

Note: Phone Center pledges will be accepted but not counted until payment is received.

6.1.1 Cash

Gifts of cash include Checks, EFT/Wire transfers, and Credit Card payments.

The date of a cash gift will be recorded as follows;

- In-Person: using the date that the gift was received
- By mail: using the date of the postmark of the envelope
- Credit Card: using the date the transaction was processed

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- EFT or Wire Transfer: using the date that the gift was deposited into the Foundation or University Account

Campaign Gift Credit: Cash gifts will be counted at face value on the date of receipt and reported in Category A. Foreign currencies shall be valued at the exchange rate on the date of receipt.

6.1.2 Assignments of Income

Donors may choose to have income from services rendered directed to the Foundation as a charitable contribution.

Campaign Gift Credit: Assignments of Income for services rendered will be counted at the face value of the gift on the date of receipt and reported in Category A. Campaign gift credit will be given to the person making the assignment. This assumes that the organization making the payment will report the payment for services as income to the individual (usually on IRS Form 1099 in the United States), and the individual will then take a corresponding tax deduction.

If a check is received directly from a third-party organization, and it is documented that it is a payment for a person's services to that organization, campaign credit will be given as a gift from the person who performed the services, not as a gift from the third party.

Recognition Credit: If the individual has waived all rights to the payment and has simply suggested that, in lieu of payment, the organization contribute to a charitable cause of the individual's recommendation, the organization shall receive campaign credit for making the gift and the individual may receive recognition credit (*see CASE Reporting Standards and Management Guidelines, 4th edition, 1.2.1, Assignments of Income*).

6.1.3 Closely Held Securities

Campaign Gift Credit: When accepted, gifts of privately traded stock that exceed \$10,000 in fair market value are reported at the fair market value placed on them by a qualified independent appraiser and as recorded on *IRS Form 8283*, and reported in Category A. The donor is responsible for obtaining the appraisal. The Kent State University Foundation will provide a contribution receipt that gives the date of the gift and a description of the gift. The donor will value the gift for his or her tax reporting purposes. The donor may provide the Foundation with a copy of the *IRS Form 8283* for processing (*see CASE Reporting Standards and Management Guidelines, 4th edition, 1.2.4, Closely Held Stock*).

When accepted, privately traded stock that is expected to total \$10,000 or less will be valued at the per share cash purchase price of the most recent transaction or by another method at the discretion of the Foundation and reported in Category A. Normally, this transaction is the redemption of the stock by the corporation. If no redemption has occurred during the reporting period, an independent, certified public accountant who maintains the books for that corporation is qualified to value its stock (*see CASE Reporting Standards and Management Guidelines, 4th edition, 1.2.4, Closely Held Stock*).

6.1.4 Marketable Securities

Securities that are traded on an exchange or other publicly reported market may be accepted by the Foundation and receipted and recorded in accordance with these policies. Securities will be sold immediately upon receipt. In rare cases, securities may be held if they are deemed to be appropriate within the overall investment strategies of the Kent State University Foundation. Kent State University and Kent State University Foundation employees and volunteers may not represent to a prospective donor that a particular security will be held for investment.

Campaign Gift Credit: Marketable securities will be valued at the average of the high and low quoted selling price on the date on which the donor relinquishes dominion and control of the assets in favor of the institution (*see CASE Reporting Standards and Management Guidelines, 4th edition, 1.2.7, Marketable Securities*). Sales of the securities occur without regard to expenses associated with the transaction. Marketable securities will be reported in Category A (*see Partnership for Philanthropic Planning: Guidelines for Reporting and Counting Charitable Gifts, 2nd edition, page 15*).

CASE offers the following guidance for determining the legal date of the gift:

- Stock certificates that are mailed to an institution are considered to be a legal gift as of the date of postmark for the certificate or signature-guaranteed stock power (a certified signature of the owner of the stock signing the stock over to the institution), whichever is later.
- Stock certificates that are sent to an institution via a third-party provider, such as UPS or Federal Express, are considered to be a legal gift as of the date of receipt by the institution.
- Stock certificates registered in the name of the institution are considered to be a legal gift as of the date of registration in the institution's name.
- Stock shares transferred electronically are considered a legal gift as of the date the stock is credited to the account of the recipient institution. While a donor may have instructed his or her broker to initiate a transfer on some earlier date, the fact that the broker delayed that transfer or moved the shares into a temporary holding account does not alter the fact that the institution did not have control of the stock. In addition, until the stock is credited to the institution's account, it is possible for the transfer to be reversed. Therefore, for purposes of these standards, the gift valuation will be based on the date the stock comes under the institution's control (*see CASE Reporting Standards and Management Guidelines, 4th edition, 1.2.7, Marketable Securities*).

6.1.5 Mutual Funds

The Institutional Advancement Center for Gift and Estate Planning will work with the Kent State University Foundation to determine whether mutual fund shares can be transferred and how they are to be transferred. Note that depending on how the shares are held, the transfer can take from a week to more than three months to complete. Development staff should be mindful of this potential for delay, especially if a donor is attempting to make a year-end gift.

Campaign Gift Credit: Mutual fund shares will be valued at the public redemption value, which is the net asset value of the fund on the date of the gift. Net asset value

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is determined by valuing all securities in the fund at day's end, reducing that value by expenses, and dividing that figure by the number of shares outstanding. This price is published in a variety of publications and on numerous websites daily. Mutual funds will be reported in Category A.

6.1.6 Corporate and Foundation Gifts

All multi-year grants and gifts received from private foundations and corporations during the campaign period will be counted at full value, including matching gifts. Non-governmental sponsored research grants supporting campaign objectives will be counted at full value.

Campaign Gift Credit: If an individual operates a personal or family-owned business or is a participant in a partnership or cooperative, gifts will be distinguished between the donor's business account and those made by the donor's personal account. Checks drawn from a business account will be accounted for as coming from a corporation.

Contributions made by individuals through payroll deduction, which are transmitted to the Foundation from the individual's employer, will be credited to the individual (*see CASE Reporting Standards and Management Guidelines, 4th edition, 2.2.1, Corporations*). Corporate and foundation gifts will be reported in Category A.

Recognition Credit: For purposes of donor recognition and determining the individual's total cumulative giving record, it is appropriate to count both the matching funds given by the donor's employer and other gifts that may be given by or through the donor-owned company or private foundation, if known (including donor-advised, tax-exempt funds with community foundations, brokers, and similar organizations). Matching gifts will not be counted toward fulfillment of outstanding pledges, but may be used to reach specific gift levels.

6.1.7 Gifts-in-Kind

Some gifts may receive both **campaign gift credit** in Category A and **recognition credit** as noted below. Additionally, some donors may receive only partial campaign credit with the balance as recognition credit. Campaign Gift Credits (6.1.7.1), Recognition Credits (6.1.7.2), and Valuation of Gifts-in-Kind (6.1.7.3) are detailed below.

In general, the amount the institution would have paid (fair market value) had it purchased the item outright will be used to determine value. Regardless of what estimated value a vendor may place on a GIK, the Foundation will only count as a gift the amount it would have paid for the item(s) were they not donated, including any educational discounts. The Foundation will not appraise any gifts-in-kind offers. Any required appraisals are expected to be provided by the donor. (*see CASE Reporting Standards and Management Guidelines, 4th edition, 1.2.5, Gifts-in-Kind*).

An outside firm may be used for non-cash receipt disposition.

6.1.7.1 Campaign Gift Credit by Gift-in-Kind Type

6.1.7.1.1 Catering and other expenses incurred by the donor for approved functions to support the mission of Kent State University may be counted for campaign credit if the donor provides detailed receipts as proof of payment.

6.1.7.1.2 Services may not be counted for campaign credit unless the donor bills the university for the service, accepts payment from the university, and then makes a cash gift to the Foundation. The value of a person's or organization's time or service does not qualify as a charitable contribution and is not countable in the campaign, regardless of whether the individual assists as a volunteer or as a professional providing a specialized service (*see CASE Reporting Standards and Management Guidelines, 4th edition, 1.2.5, Gifts-in-Kind*). *See section 6.1.7.2 for Recognition credit regarding these gifts.* Volunteer Service will be eligible for recognition credit only.

6.1.7.1.3 Software with an established retail value will count at the educational discount value or the fair market value, as long as it is irrevocable and the agreement qualifies as a charitable donation under the laws of the appropriate tax authority (IRS / CRA).

CASE offers the following list to suggest various methods of assessing the countable value of certain components of software contributions (*see CASE Reporting Standards and Management Guidelines, 4th edition, 1.2.5, Gifts-in-Kind*):

- **Value to the university.** Count only those gifts that serve the mission of the university.
- **Gift value.** The donor must provide a written confirmation of the dollar value of the gift at the educational discount value. If **no educational value exists**, it must be so stated in the documentation from the donor and the established retail value shall be used. If there is **no established retail price** for the software, no amount can be counted or reported until such a value is determined, such as by a qualified independent appraisal or when the software product is available for purchase on the open market.
- **Revocation of gift.** The donor must irrevocably transfer ownership to the University for the Property to be considered a gift. There must be no implicit or explicit state of exchange, purchase of services, or provision of exclusive information. Common examples of software exchanges are donations of software systems to an institution for specific use in training students in the use of that particular software, wherein the institution is exempted from paying annual license or maintenance fees. Similarly, a software company may offer the use of its product in order to showcase the product to other organizations. While the recipient organization may be able to use the software, ownership of the software is rarely conveyed and the free use of the software programs is generally reviewed for continued use annually. Therefore, these fall under the IRS definition of "partial interest" (*see IRS Publication 526*) where there is no tax-

deductible gift and, therefore, no countable gift (*see Clarification to CASE Reporting Standards on Counting Issues, CASE Commission on Philanthropy, October 17, 2011*).

- **Conservation or Training Fund for the Gift.** The Foundation reserves the right to refuse or disclaim the gift should its acceptance constitute a financial or operational burden on the university unit, and thus, offers of in-kind gifts should be accompanied by additional funds for the purpose of training, maintenance or repair.

6.1.7.1.4 Art and photographs will be counted upon receipt at what the university would have paid had it purchased the item outright from a vendor or at the fair market value established by an appraisal. If applicable, this would also establish a value for insurance purposes.

6.1.7.1.5 Books, papers and periodicals will be counted upon receipt at what the university would have paid had it purchased the item outright from the vendor or at the fair market value established by an appraisal.

6.1.7.1.6 Products, equipment, and project materials to be used by the university will be counted upon receipt at what the university would have paid had it purchased the item outright from the vendor or at the fair market value established by an appraisal.

6.1.7.1.7 Historical items such as antiques, clothing and memorabilia will be counted at what the university would have paid had it purchased the item outright from the vendor or at the fair market value established by an appraisal. Clothing or historic costumes will only be accepted by the Kent State University Museum if the museum determines that it will enhance its permanent collection.

6.1.7.1.8 Animals will not be accepted by the University or the Foundation and will not count towards campaign gift credit. There may be an exception in the case of skeletons of animals and carcasses if they are needed by the Anthropology or Biology department.

6.1.7.1.9 Deep discounts or bargain sales occur when a company offers to sell a product to the Foundation at a “deep discount” or “bargain sale.” The company should provide a bill of sale clearly indicating the retail (or educational/nonprofit discount) price, less the charitable contribution of the discounted amount, and a net cost. The discounted amount will be recorded as a gift-in-kind. If, however, the same discount applies to purchases made by the university on a regular basis and it is not uniquely identified as a special reduction to be considered as a donation, no gift will be counted. Thus, standard discounts afforded to the university based on the nature of the business or service provided, or because the university is considered a major or frequent customer, will not be counted as gifts (*see CASE Reporting Standards and Management Guidelines, 4th edition, 1.2.5, Gifts-in-Kind*).

6.1.7.1.10 Intellectual property (IP) and patents will be booked only as the revenue stream, if any, the IP or patent generates is received over time. While permanent donation of intellectual property and patents can be tax-deductible, their value to the qualified recipient organization might be impossible to predict and rarely will equal the deduction a donor might be able to claim. Neither, in fact, may result in any actual or realized value to the organization. A donor's appraised value should never be used when determining the value the Foundation uses for counting purposes (*see Clarification to CASE Reporting Standards on Counting Issues, CASE Commission on Philanthropy, October 17, 2011*).

6.1.7.1.11 Conservation easements usually do not count in annual or campaign surveys. Only if revenue is realized should that amount be recognized as a gift. Conservation easements can be accepted as tax-deductible contributions to those institutions having land conservation as a related mission. However, only in rare circumstances does the recipient organization realize revenue from accepting an easement. While conservation of land is a noble endeavor, counting of the appraised value of these easements in fundraising totals artificially inflates those totals. Because an easement cannot be monetized, except in very rare circumstances, it is improper to add its value to fundraising totals even if some programmatic use for it can be found (*see Clarification to CASE Reporting Standards on Counting Issues, CASE Commission on Philanthropy, October 17, 2011*).

6.1.7.1.12 Auctions and other special events Gifts of tangible personal property (except partial interest) to be sold at auction shall be counted at fair market value (*See section 6.1.7.3 Valuation of Gift-in-Kinds*). While these items may not relate directly to the mission of the university, their conversion to cash results in a mission-related donation and constitutes a gift for campaign gift credit purposes. Items that are not sold at auction are not gifts and will not be counted (*see CASE Reporting Standards and Management Guidelines, 4th edition, 1.2.9, Real and Personal Property*).

When a fair market value is established prior to the auction, any bid amount above the fair market value will also be considered a gift from the "Purchaser" and will be included in campaign gift counting as an outright gift.

Alcohol will be accepted for sale at auction only when a special permit has been acquired for the event.

6.1.7.1.13 Oil, gas, water, and mineral interests

Because of the inherent complexities in gifts of oil, gas, water, wind and mineral interests and because of the likelihood that these gifts will generate Unrelated Business Taxable Income, Kent State University Foundation reserves the right to consider proposals for this type of gift on a case-by-case basis. The GAC shall review any proposed gifts of oil, gas, water, wind and

mineral interests to provide a recommendation to the Vice President of Institutional Advancement and Executive Director of the Foundation.

Three different forms of oil, gas, water, wind and mineral interests exist:

- **Working Interest:** in this case, surface and/or mineral owners participate wholly or fractionally in the mining and production of the resource; owners share costs and profits.
- **Overriding Royalty Interest:** this involves interest in the gross production of the resource without the reduction for production costs. These interests are carved from working interests and run concurrently with them.
- **Net Profits Interest:** this also is carved from and concurrent with the working interest, this is a percentage of the net profits less a proportionate percentage of the net costs. These interests are property interest and not assignments of income.

If a donor transfers a working interest, but carves out and retains or gives to another either an overriding royalty interest or a net profits interest, she or he has divided the interest, and has not transferred an undivided partial interest. Such a transfer is not considered a charitable gift. However, if a donor transfers any of the three interests above, such a transfer is a charitable gift if and only if the donor has not carved it out of a larger interest she or he owns, and the donor has not carved from it a lesser interest.

Ownership of oil, gas, water, or mineral interests will be counted and reported at the readily determinable face (or fair market) value. Alternatively, if the fair market value is not known and cannot be readily determined, the asset will be counted and reported in the year the value becomes known. For gifts of royalties from facilities not owned by the Foundation, amounts received each year will be counted and reported (*see CASE Reporting Standards and Management Guidelines, 4th edition, 1.2.5, Gift in Kind*).

6.1.7.2 Recognition Credit for Gift-in-Kinds

Recognition credit will be offered for the following types of in-kind gifts. A written verification of value should accompany the request and could include online auction or verification services, assessment from an independent professional, invoices, or quotes as noted below. Recognition credit may be awarded to the donor; however, such gifts will not be counted toward the campaign. While these gifts are not countable for purposes of reporting to CASE and CAE, or toward the campaign, these donors have nonetheless made a contribution worthy of recognition. (*see CASE Reporting Standards and Management Guidelines, 4th edition, 7.8, Campaign Recognition*).

6.1.7.2.1 Services

Recognition credit will be awarded and included in Lifetime commitment totals for Services provided to Kent State University if the donor provides appropriate receipts, invoicing, or documentation and the Vice President for Institutional Advancement and receiving Dean or Division VP approves and accepts the services on behalf of the University.

6.1.7.2.2 Partial interest in a property.

Partial property interest may include such property as office space, rental homes, etc. In these cases, if the donor provides appropriate receipts, invoicing, or documentation and the Vice President for Institutional Advancement and receiving Dean or Division VP approve, recognition credit may be awarded to the donor and included in Lifetime commitment totals

6.1.7.3 Valuation of Gift-in-Kinds

These non-cash donations that serve to further the mission and purposes of Kent State University will be reported at fair market value when at least one form of appropriate documentation is presented as stated below -

6.1.7.3.1 Gifts-in-Kind of \$5,000 USD (\$1000 CAD) and less

- Value determined by a qualified independent appraiser. *While not necessary for IRS/CRA purposes, the donor may nonetheless obtain such an appraisal.*
- Value declared by the donor. The donor should provide either the paid bill of sale or the invoice and a copy of the check or personal credit card statement showing payments. Sales tax should not be included in the gift's value.
- Donor provides documentation with item or product numbers (pictures, if possible) with online quotes of value.
- Donor provides an invoice with item or product numbers and prices.
- Donor provides a written quote from a dealer who sells the product with professional estimated value.
- Value determined by a qualified expert on the faculty or staff of the university whose fundraising totals are not directly affected by the gift (*see CASE Reporting Standards and Management Guidelines, 4th edition, 1.2.9, Real and Personal Property*).

6.1.7.3.2 Gifts-in-Kind of \$5,001 USD (\$1001 CAD) and over

- Donor provides documentation with item or product numbers (pictures, if possible) with online quotes of value.
- Donor provides an invoice with item or product numbers and prices.
- Donor provides a written quote from a dealer who sells the product with professional estimated value.
- Value is determined by an independent, qualified appraiser. The appraiser must complete the *IRS Form 8283* and the appraisal must be done within 60 days of the date on which the gift was received. Note that it is the donor's responsibility to provide and cover the expenses of the appraisal.
- Value is determined through an insurance appraisal. When the donor is not required to provide an appraisal (i.e., the donor is the originator of the GIK), the appraisal obtained independently by the Foundation for insurance purposes is sufficient.

- Value is determined through an independent value assessment. If the donor does not wish to incur the expense related to an appraisal, Kent State University Foundation may engage a qualified third party to assess the value strictly for internal gift counting purposes.

6.1.8 Partnership Interests

Kent State University Foundation will not accept general partnership interests. Any proposed gifts of *limited* partnership interests must be reviewed by the GAC and approved by the Vice President for Institutional Advancement.

6.1.9 Matching Gifts

Corporations sometimes will match contributions made by employees, retirees, board members, or spouses. Gifts made through donor-advised funds often do not qualify for matching credit. Pending matches are not counted until the funds are received.

Campaign Gift Credit: Gifts made by businesses that match the voluntary contributions of employees or other participants will be counted in Category A as coming from the business or organization that made the payment rather than from the individual whose gift was matched. This is likewise the case for matching gifts made through a company-sponsored foundation. Matching gifts made through other vehicles, such as donor advised funds or community foundations will be recorded as coming from those sources (*see CASE Reporting Standards and Management Guidelines, 4th edition, 2.2.1, Corporations*). Matching gifts will not be recorded against a donor pledge.

Recognition Credit: For purposes of donor recognition and when determining the individual's total cumulative giving record, it is appropriate to count the matching funds given by the donor's employer and other gifts that may be given by or through the donor-owned company or private foundation, if known (including donor-advised, tax-exempt funds with community foundations, brokers, and similar organizations). Matching gifts will not be counted toward fulfillment of outstanding pledges.

6.1.10 Real Property

Real property (also referred to as real estate or realty) is land, its natural resources, and any permanent buildings on it. Real property becomes a gift to the Foundation when a transfer of ownership has taken place. This occurs when the item(s) of property or clear title to the property has been delivered to Kent State University, Kent State University Foundation, or either institution's legal agent (*see CASE Reporting Standards and Management Guidelines, 4th edition, 1.2.9, Real and Personal Property*). Acceptance of real property should follow the policy and procedures set forth by the Kent State University Foundation, and care should be taken with regard to environmental issues that may be associated with the property (*see Appendix A: Kent State University Foundation Real Estate Acceptance Policies and Procedures*). Real estate not accepted for retention and use by Kent State University should be readily marketable at a price that provides Kent State University Foundation with a return in excess of the costs incurred to accept and dispose of the property.

The GAC will review all documentation and may include General Counsel, the President's office, and other significant parties in an acceptance recommendation to the Foundation Board (also applicable for bequests of property). The Foundation Board must approve gifts of

Gift Acceptance and Campaign Counting Guidelines

real estate before they are accepted by the Foundation. In no case should a deed be transferred in the name of the Kent State University Foundation or Kent State University prior to approval.

Additionally, the donor is to be notified by the Advancement Officer of the following real property policies:

- The IRS may require an appraisal made on property of a certain value. The donor must provide a copy of an appraisal, obtained at the donor's expense, qualified under the terms of the *Internal Revenue Code and Regulations*.
- It is the policy of the Kent State University Foundation to sell all gifts of real estate (other than property the university wishes to retain) as expeditiously as possible.
- Kent State University Foundation will attempt to sell the donated real property at a reasonable price in light of current market conditions. This sale price will become known as the fair market value of the appraised property. However, if reasonable attempts have failed to produce a buyer after 12 months, an outside auction house may be engaged to sell said property.

Kent State University Foundation is required to report to the IRS on *Form 8282* any such sale of real property occurring within three years of the date of the gift that may have tax implications for donors. Donors should consult with tax advisors (*see AU/AUF Policy Regarding Acceptance of Gifts, 6.1.11, Real Property*).

Campaign Gift Credit: Gifts of real property that qualify for a charitable deduction will be counted at the appraised value and reported in Category A (*see CASE Reporting Standards and Management Guidelines, 4th edition, 1.2.9, Real and Personal Property*).

6.1.11 Realized Bequests

A bequest is a gift of cash, property, or other asset made in a donor's will or living trust. Bequests may provide for a specific dollar amount in cash, specific securities, specific articles of tangible property, or a percentage of residual of the estate. Bequests may be given as unrestricted gifts or gifts restricted to a purpose or program designated by the donor.

Campaign Gift Credit: A realized bequest will be accepted and counted in the current campaign to the extent it exceeds any expectancy previously counted. Realized bequests will be reported in Category A. If a revocable testamentary commitment made during the current campaign and counted in Category C matures during the campaign period, it should be removed from Category C and included as an outright gift in Category A (*see Partnership for Philanthropic Planning: Guidelines for Reporting and Counting Charitable Gifts, 2nd edition, page 15*).

6.1.12 Realized Retirement Plan Assets

Campaign Gift Credit: All gifts of retirement plan assets realized during the campaign will be accepted and counted at full face value in the campaign totals in Category A, to the extent the gift was not counted as a commitment in a previous

campaign (see *Partnership for Philanthropic Planning: Guidelines for Reporting and Counting Charitable Gifts, 2nd edition, page 15*).

6.1.13 Charitable Lead Trusts (Distributions)

Charitable Lead Trusts (CLTs) are immediate gifts in trust that pay defined amounts of income to Kent State University Foundation for a specified number of years or one or more lifetimes. The payout is based on the value of the property held in trust for a term of years or the life of the donor with the remainder passing back to the individual or other non-charitable organization. There are two types:

- **Charitable Lead Unitrusts (CLUTs)** pay to the Foundation a fixed percentage of the market value as determined annually. Assets can be added to the trust principal once established.
- **Charitable Lead Annuity Trusts (CLATs)** pay to the Foundation a fixed-dollar payment annually. Assets cannot be added to the trust principal once established.

Campaign Gift Credit: Payments from CLUTs and CLATs should be counted in Category A for amounts received during the campaign period. This policy deviates slightly from *Partnership for Philanthropic Planning: Guidelines for Reporting and Counting Charitable Gifts, 2nd edition, page 16* in that all distributions will be counted as a current gift in Category A rather than creating a separate pledge for the balance of distributions to be received after the end of the Campaign period and counting them in Category B.

6.2 Category B: Irrevocable Deferred Gifts

Irrevocable Deferred Gifts are those commitments whose use by the Foundation is deferred until either the death of all named beneficiaries or for a stated period of years.

6.2.1 Charitable Gift Annuities (Planned Gift)

A Charitable Gift Annuity (CGA) is a planned giving instrument that allows the donor to make an irrevocable gift to Kent State University Foundation, and the Foundation contractually agrees to pay a fixed annuity payment to a maximum of two beneficiaries for life. The annuity may begin immediately or may be deferred for a set or flexible number of years. Because the transferred property has a value larger than the value of the annuity, the transaction is in part the purchase of an annuity from the Foundation and in part a gift to the Foundation (*CASE Reporting Standards and Management Guidelines, 4th edition, 1.3.2, Charitable Gift Annuity*). Upon the death of the donor (or, if applicable, the other named beneficiary), the balance of the principal is retained by the Foundation. Both face value and present value will be recorded to fulfill CASE reporting requirements.

Campaign Gift Credit: Gifts made to establish Charitable Gift will be counted at face value and reported in Category B.

6.2.2 Charitable Remainder Trusts (Planned Gift)

Charitable Remainder Trusts (CRTs) are irrevocable planned gifts in which a donor gives cash or assets to the trust, allowing the payment of income to one or more persons for their lives or term of years. At the end of this time, the trust's assets are given to one or more charities designated by the donor. CRTs that are administered by the Kent State University

Foundation which serves as “trustee” can have multiple remainder beneficiary charities. However the Kent State University Foundation must be designated to receive a minimum of 50 percent of the remainder assets. There are two basic types of CRTs:

- **Charitable Remainder Unitrusts (CRUTs)** provide a variable income based on a fixed percentage of the annual value of the trust. Assets can be added to the trust principal.
- **Charitable Remainder Annuity Trusts (CRATs)** pay a fixed income based on the initial value of the trust. Assets cannot be added to the trust principal once established.

CRUTs and CRATs are reported to CASE at both the face value and the discounted present value of the remainder interest allowable as a deduction by the Internal Revenue Code (*see AU/AUF Policy Regarding Gift Acceptance, 6.2.4, Charitable Remainder Trust*).

Campaign Gift Credit: Charitable Remainder Trusts (including those administered outside of the Kent State University Foundation) for which the remainder is not subject to change or revocation will be counted at face value and reported in Category B. (*see Partnership for Philanthropic Planning: Guidelines for Reporting and Counting Charitable Gifts, 2nd edition, page 16*).

6.2.3 Retained Life Estates (Planned Gift)

Retained Life Estates are a planned gift instruments defined by federal tax law that allow a donor to donate a home, vacation home, or farm while retaining the right to live in the property for the remainder of the donor’s life. When the retained life ends or the donor relocates, Kent State University or Kent State University Foundation can then use the property or the proceeds from the sale of the property for the designated purpose. Acceptance of these types of real estate properties should follow the same guidelines outlined in *Appendix A: Real Estate Acceptance Policy and Guidelines*.

Campaign Gift Credit: Retained Life Estates will be recorded at face value and reported in Category B (*see Partnership for Philanthropic Planning: Guidelines for Reporting and Counting Charitable Gifts, 2nd edition, page 16*).

Conditions for Acceptance: The property must adhere to our real estate gift acceptance policy. The donor also must agree to pay taxes and insurance, and maintain the property. The donor must be age 70 or older.

6.2.4 Transfers of an Undivided Interest in an Asset (Deferred Gift)

A gift of an Undivided Interest in an Asset will only qualify as a charitable gift if the donor transfers an equal part of each and every substantial interest or right he or she has in the contributed property. Thus, the transfer of an Undivided Interest in an Asset is not a gift if only some, but not all, rights are transferred. Transfers of Undivided Interests in an Asset are likely to arise with donations of tangible personal property, notable artwork, and other collections. Because transfers of interest in assets can be extremely complex gifts, they require the prior review of the GAC and approval by the Vice President for Institutional Advancement.

Campaign Gift Credit: Campaign gift credit will be determined during the review and approval process and reported in Category B

6.3 Category C: Revocable Deferred Gifts

Revocable Deferred Gifts are those committed during the reporting period, but which the donor retains the right to change the commitment and/or beneficiary.

The Center for Gift and Estate Planning will carefully investigate the actual circumstances underlying the estate and be conservative in counting such commitments toward campaign totals. If any circumstances should make it unlikely that the amount pledged by bequests actually will be realized by the Foundation, then the commitment may be further adjusted according to specific circumstances or not reported at all.

Recognition Credit: Revocable gifts where the estimated current value is not disclosed may be recorded for \$1.00. For purposes of donor recognition, credit will be applied to the donor for an amount determined by the Center for Gift and Estate Planning.

6.3.1 Bequests (Planned Gifts)

Wills and trusts are instruments by which a person may make a disposition of property to take effect after death and may be altered or revoked at any time during life.

Bequests can be included in campaign totals if the following guidelines are followed:

- The commitment must have a specific amount or percentage of the estate with a credible estimate of the future value of the estate;
- The commitment must be verified by written documentation by the donor or the donor's attorney and can be in the form of the *Kent State University Estate Intention Letter* from the donor or his/her attorney stating the commitment and confirming that Kent State University Foundation will be notified of changes; a completed Memorandum of Understanding or Gift Intention Form stipulating that the funding for such is coming through a planned gift; or any other written confirmation either electronic or hard copy.
- The amount of the commitment will be reported at present value. Kent State University Foundation may be either the primary or secondary beneficiary. **If the latter, the designation is contingent and will not be counted in campaign totals.**

Campaign Gift Credit: All bequests shall be counted at full value as long as the gift is not counted in a previous campaign and the donor is at least 60 years of age by the end of the campaign period. Adjustments to increase values of bequests made in prior fiscal years will be counted in the current fiscal year. Bequests will be reported in Category C (see *Partnership for Philanthropic Planning: Guidelines for Reporting and Counting Charitable Gifts, 2nd edition, page 17*).

6.3.2 Retirement Plan Assets (Planned Gifts)

Kent State University Foundation may be named as the beneficiary of retirement plan assets and financial assets. A testamentary pledge of retirement plan assets will be included in campaign totals if the following requirements are satisfied:

- A credible estimate of the value of the retirement benefit must be established
- The Foundation must receive a copy of the asset's beneficiary form affirming the commitment.

Campaign Gift Credit: Retirement Plan assets will be counted as a testamentary pledge at the value established and counted in Category C as long as the gift is not counted in a previous campaign. (see *Partnership for Philanthropic Planning: Guidelines for Reporting and Counting Charitable Gifts, 2nd edition, page 17*).

6.3.3 Charitable Remainder Trusts with revocable remainder charity beneficiaries (Planned Gifts)

In cases where the donor has the ability to change the beneficiary of the remainder assets, these gifts will be counted as a bequest in Category C.

Campaign Gift Credit: Charitable Remainder Trusts (including those administered outside of the Kent State University Foundation) for which the remainder is subject to change or revocation will be counted at face value and reported in Category C. (see *Partnership for Philanthropic Planning: Guidelines for Reporting and Counting Charitable Gifts, 2nd edition, page 16*).

Gifts received from Donor-Directed and Donor-Advised Funds

6.4.1 Donor Directed Funds

With a **Donor-Directed Fund (DDFs)**, the donor sends an asset to a financial institution or foundation for investment and safekeeping. The assets remain in the name of and under the control of the donor. The donor contacts the institution and directs it to issue a check in the name of the qualified nonprofit. In this case, the donor making the direction is the legal donor and should receive gift credit for the transfer. Depending on the nature of the gift and any agreements in place, these gifts may be counted in any of the three categories.

6.4.2 Donor Advised Funds

Donor-Advised Funds (DAFs) are IRS-approved public charities generally managed by investment companies and community foundations that serve as conduits for gifts. The donor's contribution is made to the fund. While the donor reserves the right to suggest which charities should receive the annual income, the managing charity is considered the legal donor. Funds received from a Donor-Advised Fund will be counted in Category A.

If written documentation from the DAF entitles the Kent State University Foundation to receive a certain percentage of the annual distributions, the value of that percentage will be counted as if it were an **irrevocable trust administered by others** and reported in Category B (see *Partnership for Philanthropic Planning: Guidelines for Reporting and Counting Charitable Gifts, 2nd edition, page 18*).

Recognition Credit: For purposes of donor recognition and when determining the individual's total cumulative giving record, it is appropriate to credit the advising donor for gifts from donor advised funds when known.

6.5 Life Insurance

Gifts of life insurance may be counted differently depending on ownership of the policy. To be credited in fundraising totals, life insurance policies must be underwritten by companies meeting the established minimum ratings;

- AM Best rating of A (excellent) or higher
- Standard and Poor's rating of AA
- Duff and Phelps, Inc. rating of AA
- Moody's Investor Service rating of AA

Only whole-life insurance instruments will be accepted. The following conditions of life insurance will be accepted and included in campaign reporting categories as noted;

6.5.1 Life Insurance Beneficiary (Planned Gift)

Life insurance policies designating Kent State University Foundation as the primary beneficiary will be counted as a revocable deferred gift (testamentary pledge) in Category C at face value (death benefit) if the donor provides;

- a) A copy of the beneficiary designation or the portion of the beneficiary designation that pertains to the Foundation, or other documentation showing Kent State University's interest;
- b) A current statement of value from the insurance carrier or a statement of value signed by the donor's legal representative.

6.5.2 Life Insurance - Paid Up (Deferred Gift)

Kent State University Foundation must be both the owner and 100% irrevocable beneficiary of the policy. If the contributor is 60 years of age or older, these policies will be valued at the face value (death benefit) and counted in Category B as an irrevocable deferred gift (Testamentary Pledge). A pledge payment equal to the cash value of the policy will be recorded and utilized for the IRS gift receipt. This policy allows the donor to receive full recognition credit for his or her commitment.

When the policy matures, any additional benefit received above the recorded cash value will be utilized to fulfill the pledge. (*see Partnership for Philanthropic Planning: Guidelines for Reporting and Counting Charitable Gifts, 2nd edition, page 18*).

If the contributor is less than 60 years of age, these policies will be counted at the cash surrender value, and reported as a current outright gift.

6.5.3 Life Insurance - Not Paid Up (Deferred Gift)

Kent State University Foundation must be both the owner and 100% irrevocable beneficiary of the policy. These policies will be valued at the cash surrender value and reported as a current outright gift. A pledge payment equal to the cash value of the policy will be recorded and utilized for the IRS gift receipt.

When the policy matures, any additional benefit received above the recorded cash value will be utilized to fulfill the pledge. (*see Partnership for Philanthropic Planning: Guidelines for Reporting and Counting Charitable Gifts, 2nd edition, page 18*).

Donors may make additional gifts to pay the premiums at the request of the Kent State University Foundation. Outright gifts made to Kent State University Foundation to pay the premium on these policies will be accepted and recorded as a Life Insurance Gifts. If the donor makes premium payments directly to the insurance company and documentation is provided to demonstrate that the donor is the source of the premium payments, a Gift in Kind will be accepted and recorded as payment on the Life Insurance pledge. (*see Partnership for Philanthropic Planning: Guidelines for Reporting and Counting Charitable Gifts, 2nd edition, page 18*).

If the donor/insured fails to make a gift of a premium payment in advance of the due date, Kent State University Foundation reserves the right as the owner to cash out the policy or arrange for the payment of the outstanding premiums from the existing cash value.

6.5.4 New Policies

A pledge of premium payments for a new policy over the pledge period will be counted at the aggregate of the projected premiums over said pledge period at full value.

6.5.5 Realized Death Benefits

For undocumented Life Insurance policies or Bequests, the amount received minus any credit previously counted in this or any other campaign will be counted in Category A. (*refer to Partnership for Philanthropic Planning: Guidelines for Reporting and Counting Charitable Gifts, 2nd edition, page 18*).

For documented Life Insurance policies, the amount received will be utilized to fulfill the pledge. Any amount received over and above the pledge amount will be counted in Category A as an outright gift.

6.5.6 Term, Universal, and Group Policies

Term life insurance policies **are not accepted** as they have no current cash value and seldom remain in force until the death of the insured.

Universal or variable life insurance policies **are not accepted**.

Group life insurance policies **are not accepted** as they are owned by the employer.

If the donor is 60 years or older, he or she may opt to name Kent State University Foundation as a primary beneficiary of a term, universal, or group life policy, in which case the gift would count in Category C as a revocable deferred gift (testamentary pledge) as opposed to a current outright gift

6.6 Wholly Charitable Trusts Administered by Others

The fair market value of the assets or a portion of the assets of a trust that is administered by an outside fiduciary should be counted as a current outright gift in Category A in the year in which the trust is established. The Kent State University Foundation must have an irrevocable right to all or a predetermined portion of the income of the trust.

Gift Acceptance and Campaign Counting Guidelines

If the trustee retains the right to designate or alter the income beneficiary, only the income should be counted in Category A as it is distributed.

In cases where only a portion of the income is to be distributed to the Foundation, only the amount or calculated percentage is counted. Any income of the trust, thereafter is reported as a current gift in Category A.

(refer to Partnership for Philanthropic Planning: Guidelines for Reporting and Counting Charitable Gifts, 2nd edition, page 18).

6.7 Conditional Pledges

A conditional pledge is a commitment which arises only if a specified event occurs. Conditional pledges will not be counted in fundraising totals unless there is a reasonable expectation that the condition will be met and only if they are approved by the GAC.

6.8 Gifts with Special Circumstances

None of the reporting and counting policies are so rigid as to preclude exceptions for special circumstances at the discretion of the Vice President for Institutional Advancement in consult with the Chair of the Foundation Board, who will provide written authorization for all such exceptions.

7.0 Transactions Not Counted in the Campaign

The following types of funds should be excluded from campaign report totals:

- Gift or pledges counted in previous campaigns, current and deferred, even if realized during the current campaign-reporting period
- Conditional Pledges
- Investment earnings on gifts, even if accrued during the current campaign-reporting period and even if required within the terms specified by a donor (the only exception permitted to this exclusion would be interest accumulations counted in guaranteed investment instruments that mature within the time frame of the campaign, such as zero coupon bonds)
- Earned income
- Surplus income transfers from ticket-based operations, except for any amount equal to that permitted as a charitable deduction by the IRS
- Governmental funds
- Advertising revenue
- Alumni association membership fees/dues
- Appraisal costs
- Income from raffles, 50/50's or other games of chance
- Contract revenues, including sponsored research contracts/services agreements
- Contributed services
- Moneys received as a result of exclusive vendor relationships
- Proceeds from the routine sale of merchandise
- Royalties from affinity agreements (including credit cards)
- Sales tax on the purchase of goods
- Tuition payments

Gift Acceptance and Campaign Counting Guidelines

- Gifts given directly to social organizations (i.e. sororities and fraternities) and student clubs

8.0 Spouse Recognition Credit

Recognition credit will be granted automatically to all spouses unless specifically noted to the contrary or where donors have requested that their gift credit not extend to their spouse.

9.0 Revisions to the Campaign Counting Guidelines

These guidelines have been reviewed and approved by the Kent State University Foundation Board of Directors. Except as otherwise stated within these written guidelines, the Gift Acceptance Committee must approve any exceptions to guideline revisions. The GAC periodically will review these guidelines and make recommendations for revisions to the Vice President for Institutional Advancement. Any changes in these written guidelines require notification to the Kent State University Board of Directors.

Donors Rights and Privileges.

The KSU Foundation adheres to the AFP Code of Ethical Standards and Donor Bill of Rights.

Non-Gift Income

The following types of income are not considered gifts to the University due to IRS restrictions and will not be accepted by the Kent State University Foundation:

1. Gifts of service
2. Advertising income
3. Alumni memberships and dues
4. Appraisal costs
5. Contract revenues
6. Discounts on purchases and/or services
7. Expenses associated with the transfer of a gift to the University
8. Gifts to social organizations such as sororities or fraternities
9. Government funds
10. Funds received as a result of exclusive vendor relationships
11. Non-gift portions of *quid pro quo* contributions
12. Royalties for affinity agreements
13. Income that is not intended to support Kent State University programs
14. Stipulations that a certain individual benefit from a gift

Declination of a Gift

The University and/or the Foundation reserves the right to decline gifts from which it will realize uncertain, little or no financial gain or gifts that are offered for purposes that are inconsistent with its educational, research and service missions.

Use of Legal Counsel

Donors and prospective donors are urged to seek the counsel of their legal, accounting, tax or other advisors. Kent State University and the Kent State University Foundation do not provide legal or financial advice on the deductibility of gifts to the Foundation.

APPENDIX A: REAL ESTATE ACCEPTANCE POLICY

Real property

Gifts of real or personal property are recommended for acceptance by the President and Vice President for Institutional Advancement, in consultation with the Vice President for Administration, to the Foundation Board Finance Committee.

1. The real estate checklist must be completed for all real estate gift transactions (see Forms Section).
2. The following factors will be considered with regard to the acceptance of real property as a gift:
 - a. Usefulness of the property
 - b. Marketability of the property relative to its condition
 - c. Any restrictions, reservations, easements or other limitations, including environmental impacts.
 - d. Carrying costs such as insurance, maintenance and property taxes
 - e. Mortgages or notes associated with the property
 - f. Results of the environmental study and potential for liability for cleanup or restoration
 - g. Existence of litigation or threat of litigation
3. A plan for the disposition of the property should be in place if the property is not to become a permanent asset of the Foundation or the University.
4. The value of those properties accepted is determined by current appraisal of fair market value according to the guidelines of the Internal Revenue Service.
5. All costs associated with the transaction such as the appraisal, environmental audit, etc. are to be borne by the donor unless otherwise approved.
6. There should be no donor restrictions with regard to the sale or use of donated property. Any restrictions on sale, maintenance, administration, or display must be recommended by university staff and approved by the Foundation Finance Committee.
7. These gifts will be counted towards fundraising totals on the date the donor relinquishes control of the asset to Kent State University. The proceeds may be restricted according to the donor's wishes.

Checklist for Real Estate Gifts

Complete the following and attach all relevant documents:

General Information

1. Name, address and phone number of the prospective donor
2. Location of the property
3. Type of property
4. Legal description
5. Annual property taxes (attach copy of the last tax bill)
6. Are taxes paid/ current?
7. Are there any liens, encumbrances, mortgages, etc. If yes, describe.
8. Are there any fees, like HOA fees or any other operating costs? How much?
9. Does the donor have an agent (real estate agent, attorney, accountant, etc)?
10. Zoning codes
11. When does the donor want to donate?
12. Has anyone inspected the property physically? Attach any photographs available.
13. Name of the firm doing the environmental audit

Documents that are needed for Real Estate Transactions:

Please a put a check mark next to each item if a copy is attached.

Title Opinion

Appraisal

Copy of current deed

Shows how title is vested and is used to prepare the title transfer

Property tax bill

Shows assessed value of the land, improvements, actual tax and any assessments

Income/expense proforma for three-year period (if commercial income-producing property)

Association agreements, if any (e.g. HOA).

Conditions, covenants and restrictions

Lease and rental agreements, if the property is rented to others

Current mortgage statement, if the property is subject to a loan

Insurance policy

Plot map / Property line survey

Statement from the donor regarding the gift designation

Environmental audit as outlined in Attachment 2

Real Estate Gift

Environmental Audit Requirements (Attachment 2)

A written report that addresses at minimum the following is required as a part of the environmental audit by an environmental engineering firm.

1. City, county and state under whose jurisdiction the property falls.
2. Review the site map and any available drawings of future, existing or past development, utilities or other improvements on the property and on the property adjacent thereto.
3. A site operational history based on title records and interviews of people familiar with the property and adjacent property.
4. Review of available public documents regarding environmental hazards at the property and property adjacent thereto, including but not limited to: known radium disposal sights; flood hazard reports; water quality publications; chemical spills; underground storage tanks.
5. A site inspection to examine for evidence of stored chemicals or petroleum products, chemical use or disposal (including application of pesticides and herbicides), underground storage tanks, waste pits or PCBs. Site inspection should address the site's compliance with existing local, state and federal statutes, regulations and ordinances. If there are buildings on site, inspect for asbestos.
6. Any hydro geological information, including direction of groundwater flow and the water table and possible contamination of groundwater under the property and adjacent property.
7. A discussion of any information obtained in the course of the investigation and site study regarding past, present or future environmental contamination incidents or risks emanating from the property or adjacent property.

Concluding statement as to the result of site visit and the investigations and recommendations, if any, for further investigative

Note: An Environmental Audit can be waived by the Gift Acceptance Committee if deemed appropriate based on a basic inspection or property usage audit.

Appendix B: Campaign Reporting Standards

This section describes the type and content of reports that will be used to measure against campaign goals as well as management of data sets used to produce these reports.

Campaign Breakdown by

	Total Campaign		2017		2016		2015	
	\$	%	\$	%	\$	%	\$	%
Current Commitments								
Gifts								
Pledges								
Realized								
Irrevocable Deferred Gifts								
Gifts								
Pledges								
Realized								
Revocable Deferred Gifts								
Gifts								
Pledges								
Realized								
Total								