

**New Policy**

***Sets forth criteria to ensure that gifts further the University’s mission, carries out donors’ intentions, and are utilized and managed with legal and ethical standards.***



**NORTH CAROLINA A&T STATE UNIVERSITY  
CHAPTER 1000 – FINANCIAL AND BUSINESS AFFAIRS  
UNIVERSITY POLICY 1003, GIFT ACCEPTANCE**

**SECTION 1003.1 POLICY STATEMENT**

North Carolina A&T State University (N.C. A&T or University) actively encourages the solicitation and acceptance of private gifts from individuals, corporations, foundations and other entities to offset state appropriations and enable it to fulfill its mission of teaching, research, extension, and engagement.

**SECTION 1003.2 PURPOSE**

The purpose of this policy is to: provide guidance to the N.C. A&T community and the general public regarding the acceptance of gifts; ensure that private gifts to the University are properly recorded and administered using appropriate internal controls and financial business practices; manage expectations about how gifts may be used; ensure that gift acceptance, management, and reporting comply with external regulations, national standards, and the University’s fiduciary obligations to donors; are managed with legal and ethical standards; meet University needs; and safeguard the University’s reputation.

**SECTION 1003.3 SCOPE**

This policy applies to N.C. A&T and its approved associated entities, as defined in UNC Policy Manual Code 600.2.5.2[R] to include all groups, individuals, students, faculty, and staff fundraising on behalf of the University or its associated entities and gifts processed through the University and its associated entities.

**SECTION 1003.4 DEFINITIONS**

- (a) “Associated Entity” means any foundation, association, corporation, limited liability company (LLC), partnership, or other nonprofit entity that:
- (1) was established by officers of the University;
  - (2) is controlled by the University;
  - (3) raises funds in the name of the University;
  - (4) has a primary purpose of providing services or conducting activities in furtherance of the University’s mission pursuant to an agreement with the University; or
  - (5) has a tax-exempt status that is based on being a support organization for the University.

- (b) “Bequest” means a gift of real or personal property made at death by a will or a trust.
- (c) “Contract” means a legal and binding commitment for the purchase of goods and/or services between two or more individuals or entities, involve the exchange of money, or other item of value, or to refrain from taking certain action/s. Contracts may be referred to by different names, including memorandum of authority, memorandum of understanding, non-disclosure agreement, or confidentiality agreement. Although contracts may be written or oral, the University and anyone authorized to act on its behalf shall not enter into oral contracts.
- (d) “Endowment” means a donation of money or property to N.C. A&T to provide it with an annual income. Most endowments keep the principal amount intact while using the investment income for specific purposes.
- (e) “Gift” means an irrevocable contribution of personal property (cash, securities, books, equipment, life insurance, etc.) or real property provided by a private (non-governmental) donor for which no goods, services or other University benefits are expected, implied or forthcoming for the donor or the donor’s family or designees. Gifts to the University may be for the general purposes of the University or for the specific use in either one or more of its departments, centers, or programs. Gifts may be outright or deferred; unrestricted or restricted; or for permanent endowment to use for specific needs identified by the University, department, or any associated entity.
- (f) “Gift-in-kind” means non-cash donation of materials or long-lived assets, other than real and personal property. Gifts-in-kind should be reported at fair market value.
- (g) Grant/Contract: An externally funded activity where there is an agreement representing the transfer of money or property from a sponsor (typically a government organization or corporation) in exchange for specific services, most often including rights to, and products derived from, the services, some formal financial and/or technical reporting by the University as to the actual use of the money or property provided. The agreement is enforceable by law, and performance is usually accomplished in a specific time frame, with support being revocable for cause. The Division of Research and Economic Development has the primary responsibility for grants and contracts related to research. Many grants, particularly from private sources, can also be classified as gifts.
- (h) Publicly-traded securities are Stocks and bonds traded on one of the publicly accessible exchanges and contributed to the University for the purposes of charitable giving. The value of the donor’s contribution is recorded as the high/low average value on the day of the sale.
- (i) “Planned gift” refers to a charitable donation that is structured during a donor’s lifetime as part of that donor’s overall financial and/or estate planning. Planned gift often refers to the process of making a charitable gift of estate assets; a donation that requires consideration and planning in light of the donor’s overall estate plan; or part of a donor’s major gift

strategy, generally involving a bequest or trust intended as a future commitment from which N.C. A&T will receive a future benefit.

- (j) “Pledge” refers to a promise by an entity exercising legal control over assets to pay a specified amount over a set period, and are documented commitments to make future gifts. A pledge can be “conditional,” where payment comes due only when a condition is met, or “unconditional” where there are no conditions or “strings” attached. A pledge differs from a “recurring donation” in that a recurring donation is a series of gifts given repeatedly on an open-ended schedule with no specific commitment from the donor. The donor can decide to end the arrangement at any time or pay indefinitely.
- (k) “Private fundraising” refers to an initiative to solicit funds for N.C. A&T and/or its associated entities from non-governmental sources.
- (l) Publicly-traded securities: Stocks and bonds contributed to the University. For the purposes of charitable counting, publicly traded securities are transferred to the University and sold. The value of the donor’s contribution is recorded as the high/low average value on the day of the sale.
- (m) “Qualified appraisal” means an appraisal document that is created, signed, and dated by a qualified appraiser and meets the requirements set forth by the Internal Revenue Service (IRS). A qualified appraisal is made no sooner than 60 days before a piece of property is donated. The document notifies the IRS that the value of a piece of property exceeds \$5,000.
- (n) “Restricted gift” means a donation that comes with specified conditions by the donor, and can only be used for a stated purpose.
- (o) “Title III” is a federal program which helps eligible institutions by providing funds to improve and strengthen the academic quality, institutional management, and fiscal stability of eligible institutions. These funds applied to gift accounts are issued to N.C. A&T as endowment matches, and must follow all Title III regulations issued.
- (p) “Unrestricted gift” means a gift made by a donor with no limitations on how the gift is to be used.

## **SECTION 1003.5 SOLICITATION OF GIFTS**

### **Section 1003.5.1 Donor Solicitation**

- (a) Colleges, departments, individuals, and all members of the University community are encouraged to identify and assist in soliciting contributions from prospective donors. In order to ensure that solicitations are coordinated and best serve the University, University Advancement must review all plans for gift solicitations before implementation.

- (b) Individuals shall inform the Vice Chancellor for University Advancement of efforts to secure gifts from private sources prior to any solicitation. University Advancement staff will assist in identifying potential donors and arranging solicitations.

### **Section 1003.5.2 Fundraising Activities**

Positions with job duties that include fundraising responsibilities shall report directly to the Vice Chancellor for University Advancement or designee.<sup>1</sup> Fundraising responsibilities include identifying, cultivating, and soliciting new sources of philanthropic support for the University or its Associated Entities.

## **SECTION 1003.6 APPRAISALS AND TAX BENEFITS**

- (a) University employees shall not provide tax advice to donors or potential donors. University Advancement may at times provide donors with general information on tax deductibility and IRS appraisal requirements for gifts-in-kind. Information from University Advancement does not constitute legal advice.
- (b) Donors seeking to claim a charitable contribution deduction for a gift of real or personal property are responsible for obtaining any appraisals required by applicable tax laws. Appraisers who are independent from the University, and selected by the donor shall conduct appraisals. As required by the Internal Revenue Service, donors must bear the cost of such appraisals. The University may hire its own appraiser with respect to any proposed or realized gift of real or personal property for its own accounting purposes.

## **SECTION 1003.7 OWNERSHIP AND ACCEPTANCE OF GIFTS**

### **Section 1003.7.1 Ownership of Gifts**

Although the preference is that all gifts other than real property be directed to the Foundation for North Carolina A&T State University, Inc. and/or the Aggie Athletic Foundation, gifts may also be made directly to N.C. A&T. State law requires that title to gifts donated to the University vests in the Board of Trustees of the Endowment Fund of N.C. A&T unless special provision is made to confer the gift upon the University. In either event, the gift donated is not held by a single department, college, or other administrative unit, but by the University or the Endowment Board.

### **Section 1003.7.2 Authority to Accept Gifts**

- (a) The Foundation for North Carolina A&T State University, Inc. and the Aggie Athletic Foundation, Inc. are the chartered bodies specifically established and authorized to accept gifts from private sources for N.C. A&T's benefit. All gifts for the benefit of the University should be directed to one of these entities, with the exception of

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<sup>1</sup> Positions with responsibilities for University Athletics fundraising report directly to the Athletics Director, with secondary reporting requirements to the Vice Chancellor for University Advancement.

endowments intended to qualify for a Title III matching contribution and gifts of real or personal property.

- (b) The Vice Chancellor for University Advancement is designated to accept gifts on behalf of N.C. A&T in accordance with established policies and procedures.

### **Section 1003.7.3 Gift Acceptance Committee**

- (a) The Gift Acceptance Committee evaluates gift nuances or requirements that must be considered to ensure acceptance of a gift is in the best interest of the University.
- (b) The Gift Acceptance Committee is comprised of the following individuals:
- Associate Vice Chancellor for Development
  - Associate Vice Chancellor for Advancement Operations
  - Associate Vice Chancellor for Business and Finance - Comptroller
  - General Counsel
  - Division of Research and Economic Development Representative
  - Director of Gift Planning
- (c) The Vice Chancellor of University Advancement may consult with other individuals depending on the nature of the proposed gift or contribution.

#### **Section 1003.7.3.1 Discretionary Review of Gifts**

The Gift Acceptance Committee may, but is not required to review customary gifts, including, but not limited to:

- Cash;
- Checks to pre-existing programs, or for new funds which follow established processes and protocol;
- Publicly traded securities;
- In-kind contributions that can be used immediately; and
- Bequest contributions.

#### **Section 1003.7.3.2 Required Review of Gifts**

The Gift Acceptance Committee shall review all contributions in one or more of the following categories:

- Conditional pledges;
- Requests for extended pledges (longer than five years);
- Proposed gifts of real estate;
- Gifts-in-kind with a perceived value of \$1 million dollars or more;
- Gifts of real property realized through a bequest;
- Gifts of property where the donor requires the asset be held by the institution for a certain period before liquidation and/or disposal;
- Any contributions considered unique or of questionable value;

- Gifts, grants, or contracts where the category of relationship, oversight, and reporting are undetermined.

#### **Section 1003.7.4 Gift Acceptance**

- (a) N.C. A&T is obligated to use gifts in a manner consistent with the stated intentions of the donor. Since the University must comply with donor restrictions, only gifts that are consistent with federal and state laws, the University's values and policies, and are supportive of the University's mission, may be accepted.
- (b) The University shall not accept any gift that:
- (1) interferes with or influences the University's academic freedom or its capacity to fully control the management, operations, and direction of its affairs, including admission procedures, faculty selection and promotion, academic programs, and their integrity;
  - (2) contains restrictions that unlawfully discriminate on the basis of race, creed, color, citizenship, national origin, religion, sexual orientation, gender identity, gender expression, age, marital or partnership status, military status, or disability;
  - (3) presumes or requires a particular result or conclusion of scholarly work;
  - (4) impedes the free inquiry and scholarly activity of a faculty member, fellowship holder, or student; is offered for purposes inconsistent with the University's missions of education, research, and service;
  - (5) affords the donor influence over the continued employment of specific personnel;
  - (6) impairs the University's ability to define and pursue its mission;
  - (7) requires illegal or unethical acts;
  - (8) hinders governance or administration; or
  - (9) compromises the University's accreditation.

### **SECTION 1003.8 ADMINISTRATION OF GIFTS**

#### **Section 1003.8.1 Restricted Gifts**

- (a) A donor may contribute a restricted gift and request or direct that the University use a gift in a specified way.
- (b) Donors are encouraged to be as broad as possible when specifying criteria for restricted gifts, particularly for restricted scholarship funds.
- (c) When it accepts a gift, N.C. A&T intends to honor the express wishes of the donor with respect to gift restrictions, as long as the gift and any restrictions remain applicable, legal, consistent with University policy, and are in the best interest of the University.
- (d) The IRS will not recognize a contribution for charitable tax deduction if the donor retains control over gift funds or how they are used. As such, donors shall not participate in the selection of a scholarship or award recipient, name an individual to any final selection committee, or structure the award criteria so narrowly as to limit

selection to a small population comprised solely or primarily of individuals related to the donor or that the donor would choose.<sup>2</sup>

### **Section 1003.8.2 Binding Obligation/Gift Return**

- (a) The University may return a gift to the donor if the University determines that use of the gift for its intended purpose or association with a specific donor could cause damage to the University's reputation, standing, or integrity. N.C. A&T will guide consideration for disposition of the gift according to its mission of education, research, scholarship, values, circumstances, and any legal restrictions imposed by a gift agreement.
- (b) If conditions agreed to as part of accepting a gift cannot or will not be met, or if it is in the University's best interest to do so, the University may determine that it is necessary to refund only the residual portion of a gift, not to exceed original contribution.

### **Section 1003.8.3 Gift Redirection**

The University may redirect a gift to another non-profit organization with the donor's agreement, if the University determines that the gift may damage the University's reputation, standing or integrity to be associated with a specific donor or to use a gift for its intended purpose. Disposition of the gift will be guided by N.C. A&T's mission of education, research and scholarship and associated values, and will depend on the specific circumstances of the case and any legal restrictions imposed by a gift agreement.

## **SECTION 1003.9 ROLES AND RESPONSIBILITIES**

### **Section 1003.9.1 Vice Chancellor for University Advancement**

The Chancellor delegates overall responsibility for coordinating the efforts of all members of the University community, the management of day-to-day operations, and for ensuring compliance with this policy to the Vice Chancellor for University Advancement.

The Vice Chancellor for University Advancement shall adopt and maintain procedures for gift solicitation and acceptance to ensure that private gifts to N.C. A&T are properly recorded and administered, and comply with applicable federal and state laws and University policies.

### **Section 1003.9.2 Division of University Advancement**

The Division of University Advancement is responsible for signing all gift agreements, processing all contributions, issuing the official gift receipt and donor acknowledgment, and for the proper allocation of gift funds. Individuals, departments, and colleges are all

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<sup>2</sup> The Vice Chancellor for University Advancement may grant an exception in unusual circumstances when gift funds are contributed by a private foundation.



encouraged to express appreciation to donors in addition to the acknowledgments issued from University Advancement.

**Section 1003.9.3 Deans and Administrators**

An appropriate dean or Division of Academic Affairs administrator, in consultation with University Advancement, must review and approve all private fundraising initiatives by faculty or staff. Prospect solicitation must be approved and coordinated through University Advancement.

**Section 1003.9.4 Supervisors**

University supervisors are responsible for promoting the understanding of this policy and for taking appropriate steps to help ensure compliance with it. Senior officers are responsible for the development of appropriate practices and protocols to ensure compliance with it.

**SECTION 1003.10 STANDARDS, PROCEDURES, AND DONOR ANONYMITY**

- (a) The Vice Chancellor for University Advancement maintains and updates the specific standards, accounting procedures, and reporting procedures applicable to all University fundraising activities.
- (b) Donors may request that their contributions remain anonymous. University Advancement shall maintain donor anonymity standards that shall be provided upon request.

**SECTION 1003.11 COMPLIANCE**

Violation of this policy may lead to disciplinary action, up to and including suspension without pay; termination of employment or association with the University in accordance with applicable disciplinary procedures; or suspension or revocation of the individual's relationship (if a non-employee) with N.C. A&T.

**POLICY HISTORY:**

Eff. \_\_\_\_\_, 2021

**AUTHORITY:** Board of Trustees

**POLICY OWNER:** Vice Chancellor for University Advancement

**RESPONSIBLE OFFICE:** University Advancement

**RESOURCES:**

UNC Policy Manual Code 600.2.5.2[R]



University Policy 1001, Contract Policy  
University Policy 1002, Signature Authority