5. Gift Crediting and Reporting

I. HOW WE REPORT PHILANTHROPY

The Division of University Development will issue regular reports to University and Foundation staff showing the philanthropic support received by the University at Albany. This philanthropic support may come through a variety of channels, including the University at Albany Foundation, the SUNY Research Foundation, and/or gifts directly to SUNY.

Reports meant primarily for external constituencies, including the annual Voluntary Support of Education (VSE) report, will consolidate all channels of philanthropic support for the University.

Reports meant primarily for internal constituencies will focus on the fundraising activities channeled through the University at Albany Foundation. In some instances, internal reports may also include other channels, but they will be clearly indicated and separate from any University at Albany Foundation activity.

Reports will cover specified periods of time. Some reports may provide information on new pledges and gifts, while others may provide information only on cash received. All reports will be clearly identified to indicate what period the report covers and what is being reported.

Reports on fundraising related to the University at Albany Foundation will provide accurate and transparent information based only on transactions recorded in the University’s Development Information System database. Transactions not recorded in the database will not be included in the normal reporting process.

II. GIFT ACCEPTANCE

Gift acceptance is the responsibility of the Board of Directors of the University at Albany Foundation upon the recommendation of the Vice President for University Development and/or the President of the University. The Board of Directors may, at their discretion, delegate all or a portion of this responsibility to a committee, sub-committee, staff position, or a named individual.

Gifts and pledges can be accepted only for purposes consistent with the University’s educational and scholarly mission.

Gifts and pledges can be accepted only if they are consistent with the charitable purposes of the Foundation’s status as an approved 501 (c) 3 not-for-profit corporation and all Federal and state laws and regulations.

No gifts or pledges will be accepted which infringe on the University’s or Foundation’s policies and procedures for admissions, appointment of faculty or staff, pedagogy, facilities, or other activities or assets.

No gifts or pledges will be accepted which are barred by Federal or state law or regulation, including but not limited to civil rights laws or Gubernatorial orders and directives.

Funds earmarked for the benefit of a particular individual are not considered by the IRS as charitable gifts and will not be treated as charitable gifts. The same is true of funds that are so restricted that only one individual can meet the restrictions, even though the individual is not named. However, when a donor indicates that a gift or pledge is for the support of a named member of the faculty, the Foundation may accept the gift with the understanding that the donor is not designating a specific individual, but an area of scholarly activity as exemplified by the named faculty member.

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Funds where the donor continues to exercise control over the use of the funds, including selection of recipients or management of the Foundation’s assets, are not considered gifts by the IRS and will not be treated as gifts by the Foundation.

The Foundation may, at its discretion, decline to accept any gift or pledge for one or more of the following reasons:
  1) There are conditions to a gift that are not consistent with the purposes, values, or objectives of the University or Foundation.
  2) The gift could financially jeopardize the donor or the Foundation.
  3) The Foundation does not have the resources to honor the terms of the gift.
  4) Acceptance of the gift will result in unwarranted or unmanageable expense to the Foundation or the University.
  5) There are physical or environmental hazards related to the gift.
  6) The gift could improperly benefit any individual.
  7) The Foundation or the University is unable or uninterested in meeting donor restrictions.
  8) The cost to the University or the Foundation of maintaining the gift or meeting the restrictions placed on the gift by the donor is excessive.
  9) The gift may result in inappropriate or undesirable publicity.

III. CREDITING AND VALUATION

Contributions or pledges that meet the IRS definition of private, philanthropic support will be received and administered by the Foundation.

Credit for a contribution is related to, but distinct from, income from a contribution. Credit refers to the amount credited by the Foundation as a donor’s contribution. Income refers to the amount realized by the Foundation as a result of the contribution. Generally, credit will be the same as defined by IRS regulations without regard to the income received. In instances where it is difficult to establish a value, the Foundation may decide to credit a gift at nominal value (generally $1) until the gift’s liquid value is determined.

For gift recording purposes, gifts of publicly traded securities will be credited at the mean market value on the date of transfer, in the manner defined by the IRS.

Corporate gift matches will be recorded as gifts from the corporation. However, such gifts may be soft credited to an individual’s personal pledge if the individual so indicates in writing and the corporation allows it. In cases where individuals indicate they expect to pay part of a pledge with a gift match, they are responsible for any unreceived gift match.

Saleable gifts of tangible personal property and of real estate will be valued at their appraised fair market value on the date of transfer. Such gifts will not normally have restrictions against subsequent sale. Gifts of tangible personal property or real estate with restrictions on subsequent sale will not be accepted unless approved in advance by the Executive Director and the appropriate committee of the Foundation Board.

Gifts

A gift is an outright contribution of an asset with value where the donor voluntarily gives up control of the asset to the Foundation. The donor may indicate the use the Foundation makes of the gift. If no indication is made, the Foundation will consider the gift for undesignated, unrestricted use of the Foundation.

The donor of a gift may be an individual, multiple individuals, or an organization. Under generally accepted accounting principles, the name on the check will be credited with the gift. If other individuals were involved with the gift they may receive soft credit to reflect their support of the Foundation and the University.

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All gifts must be accompanied with as much documentation to indicate who the donor(s) are, or else the Foundation will only give credit to the name on the check or an accompanying letter.

In the absence of any identifying information, the Foundation may list the donor as anonymous.

Pledges
Pledges are a promise to make a gift or series of gifts at some time in the future. Under New York law, pledges are legally enforceable.

Pledge Fulfillment
Pledges may be fulfilled on a schedule specified by the donor. The Foundation generally accepts a payment schedule up to five years from the end of the fiscal year in which the pledge is made. Annual payments are typically made in equal amounts, but may be otherwise agreed upon by the donor and the development officer.

Pledges fulfilled predominately in later years may require additional funding to compensate for present value discounting and/or actual expenditures for a project in its early years.

Activity funded by pledge(s) will generally not begin until sufficient cash has been accumulated. No pledge will commit the University or the Foundation to any expenditure greater than whatever funds are available under Foundation policies relating to the establishment of funds. The Executive Committee of the Foundation Board may, at their discretion, agree to commit additional funds for an activity that has not yet accumulated sufficient funds if it is in the best interests of the University and the Foundation to do so and undesignated, unrestricted funds are available to be drawn upon.

Pledges may be fulfilled by any asset acceptable to the Foundation. In the case of non-cash assets other than securities, the Executive Director has the discretion to accept the asset in full or partial payment of a pledge and advise the appropriate committee of the Foundation Board of the decision. The Executive Director will decide to accept non-cash assets other than liquid securities by considering whether there seems a reasonable likelihood that the non-cash asset can be liquidated within a reasonable time or, if not, provide useful value in support of the University’s educational mission.

Planned Gifts
Bequest provisions, promises to give identified retirement assets, gifts of paid-up life insurance, and any other revocable deferred gifts must be documented by the donor and include a copy of the Will or other third party paperwork. Promises to give identified retirement assets (such as an existing IRA) also need a signed release from the donor’s spouse. Such revocable deferred gifts will be separately credited in a revocable deferred gift category. Revocable deferred gifts will be reported at both face value and present value, consistent with NCPG gift crediting guidelines.

Gift credit will be given for all irrevocable deferred gifts (e.g., pooled income funds, gift annuities, or charitable remainder trusts) made directly to the Foundation or documented charitable remainder trusts managed by a third party. Irrevocable deferred gifts will be reported at both the face value and present value of the gift. Donors may receive soft credit for recognition purposes so that the total is equal to the face value.

All anticipated income for the Foundation from charitable lead trusts will be credited to the donor at face value as a pledge on the date the Foundation receives documentation of the lead trust. As income is received from the trust it will be credited as a pledge payment against the pledge. For campaign reporting purposes, however, the campaign report will be limited to a pledge for the anticipated income to be received during the campaign period.

IV. GIFT AND PLEDGE RECORDING

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Gifts
A gift is processed and recorded only when actually received by the Foundation, not when it is presented to a University or Foundation staff member or volunteer. All gifts should be recorded on a Deposit Transmittal form (see attached). All staff and volunteers involved with securing the gift should be indicated on the Gift Transmittal form.

Attached to the Deposit Transmittal form must be a signed, written, dated statement from the donor indicating the purpose of the gift and any restrictions. Any gift received without documentation from the donor indicating the purpose of the gift may be processed as an undesignated, unrestricted gift.

Pledges
A multiple year pledge or a pledge for a significant amount in a campaign will be processed and recorded only when a written, signed pledge statement from the donor is received by the Foundation. For donor recognition purposes only, if a written, signed pledge cannot be obtained from a donor, a signed and dated memorandum from the appropriate staff member setting forth the circumstances of the pledge and a satisfactory explanation for the lack of documentation may be accepted by the Executive Director or his/her designee.

In the case of annual fund solicitations, an oral commitment is sufficient for the pledge to be listed on system. Annual fund pledges are not transmitted to the Foundation’s financial books and all open pledges are written off at the end of the fiscal year in which the pledge is made.

For donor recognition purposes, in the absence of a written, signed pledge statement from the donor, a signed and dated memorandum from the appropriate staff member which states a good reason for the lack of documentation together with proof of attempts to obtain documentation from the donor may be accepted by the Executive Director or his/her designee.

In either situation, a completely filled out Deposit Transmittal Form should be attached to the documentation. The Deposit Transmittal and the attached documentation must indicate the total amount of the pledge, the payment schedule by date and amount, the use of the pledge, any restrictions on use, and contact information for the donor.

Any pledge received without documentation as to use may be processed as an undesignated, unrestricted pledge.

Terms, special provisions, or other agreements or understandings with a donor that affect a pledge or payment schedule must be approved in writing by the Executive Director of the Foundation or his/her designee prior to being presented and signed by the donor. Special arrangement, agreements, or understandings which affect the fulfillment of the University’s commitment under the terms of the gift or pledge must be approved in writing in advance by the affected University administrative or academic manager and the Provost.

V. MEMORANDA OF UNDERSTANDING

For all non-estate gifts or pledges, a Memorandum of Understanding (MOU) will be prepared by the Office of Donor Relations and signed by the donor, the Executive Director of the Foundation, the unit head (i.e., dean or Vice President), and the fund manager whenever a transaction establishes an endowment. No gift or pledge will be booked without an MOU signed by all parties. In cases where a gift or pledge payment is received before the MOU is complete, the gift or pledge payment may be deposited in an Undesignated Major Gift (UMG) account until the MOU is complete.

For bequest intentions and other deferred gifts, a Memorandum of Understanding should be prepared by the Office of Donor Relations and signed by the donor, the Executive Director of the Foundation, the unit head (i.e., dean or Vice President), and the fund manager. The MOU should

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then be referenced in the will, annuity contract, or other legal documentation establishing the deferred gift.

Bequests received by the Foundation will have a Memorandum of Responsibility (MOR) prepared by the Office of Donor Relations and signed by the Executive Director of the Foundation and the fund manager. The MOR will serve as the file record of the use of the fund and any restrictions on the fund and have attached to it the relevant legal document(s) from the deceased donor or executor.

Each gift or pledge that will be recognized with physical recognition (such as a separate plaque) or named space must have a MOU For Named Space prepared by the Office of Donor Relations and signed by the donor and the Executive Director of the Foundation. Transactions lacking this MOU may not be recorded and processed. As noted in the Section on Recognition Opportunities, the full approval process must occur before a space can be named and the University and the Foundation reserve the right to revise existing named spaces or recognition opportunities.

VI. SPECIAL CIRCUMSTANCES

Upon the recommendation of the Vice President for University Development and the President of the University, the appropriate committee of the Foundation Board may consider special circumstances and review a proposed gift or pledge in order to consider crafting exceptional gift crediting. In these special circumstances, the parties involved must continue to act within all pertinent IRS, FASB, CASE, and NCPG regulations and guidelines.