4. Gift Policies

I. HANDLING CONTRIBUTIONS

The University at Albany Foundation is the designated 501 (c) 3 organization for charitable gifts supporting the University at Albany. All contributions must be reported through the Foundation. Gifts should be sent directly to the Foundation rather than the academic or other units on campus.

The Foundation will accept a variety of payment methods for pledges and gifts. This includes cash and checks; VISA, MasterCard, American Express, or Discover credit cards; and wire transfers. If making a wire transfer, please contact the Foundation Office for instructions.

To provide acceptable proof of a contribution to the University at Albany Foundation, checks should be made payable to The University at Albany Foundation. Checks not made out correctly may be returned to the donor or the donor may be contacted to ensure that they intended to make a charitable contribution to the Foundation.

All gifts (including checks, cash, stock, non-cash property, pledge payments, and new pledges) must be recorded on a Deposit Transmittal Form (see attachment) and hand-carried to the Foundation by the end of the next business day after receipt from a donor.

II. ADMINISTRATIVE FEES

In order to support the work of the Foundation and the Division of University Development, the Foundation has determined that it needs to levy two administrative fees:

1) Expense Recovery Fee – to offset the cost of raising gifts, an Expense Recovery Fee is levied once against all gifts and pledge payments except those to the investable principal of an endowment. The current expense recovery fee is 12%. (Effective July 1, 2006.)

2) Endowment Management Fee – to cover the costs of maintaining, recording, and administering endowments the Foundation takes an annual administrative service fee on the endowment portfolio. The current fee is 1.75%. (Effective July 1, 2007.)

The Foundation may, in its discretion, waive or reduce fees if waiving or reducing a fee is in the best interests of the Foundation or the fee is detrimental to completing a significant transaction. Waivers currently in place cover:

1) Gifts and pledge payments for capital projects of at least $1 million that are expected to take 24 months or longer to complete. Although no fee will be charged, no interest will be credited to the account. (Effective July 1, 2007.)

III. TYPES OF GIFTS

Matching Gifts

A matching gift will follow the employee-donor’s gift unless the matching gift company restricts their match. Common restrictions include athletics and capital projects. The Foundation is required to follow the matching gift company’s restrictions because the company is giving the match, not the employee-donor.

All matching gift forms must be processed through the Foundation.

Employee-donors will receive soft credit for recognition purposes for all gift matches at the time the gift match is received.

A donor may indicate in writing that their pledge includes an anticipated gift match. When a donor avails themselves of this option, the Foundation will generally record the pledge as a personal pledge and then credit any matching gifts received. Donors should be advised that this may lead to a situation if the company subsequently changes its policies or the individual is no longer
eligible for the anticipated gift match where the donor might become responsible for the full amount of any unpaid pledge, including the match.

**Gifts In Kind**
The Foundation will accept gifts-in-kind. In general gifts-in-kind are valued as regulated by the IRS. The IRS has provided substantial regulations regarding gifts-in-kind and development staff should be conversant with those. A few of the more important rules regarding gifts-in-kind are:

- If the Foundation cannot accurately determine a fair value for a gift-in-kind it may, in its discretion, book the gift at a nominal value (usually $1).
- The IRS does not recognize professional services provided as gifts-in-kind so the Foundation will not credit a donor with a gift-in-kind for services provided.
- The IRS requires most gifts-in-kind valued at more than $500 to be reported on Form 8283, which the donor must provide the Foundation. Form 8283 needs to be attached to the donor’s tax return if the donor is claiming total tax deductions for gifts-in-kind of more than $5,000. Otherwise, the donor must keep Form 8283 available in case the IRS requests it. Donors may secure a copy of Form 8283 and instructions on the internet at [http://www.irs.gov/pub/irs-pdf/f8283.pdf](http://www.irs.gov/pub/irs-pdf/f8283.pdf) or from their tax advisor.
- The IRS requires a donor to obtain an appraisal from a qualified appraiser for almost all non-cash gifts. The qualified appraiser should sign Part III of Form 8283 and attach their appraisal. The appraisal must meet IRS requirements regarding the appraiser’s qualifications and the methodology used.
- As with all gifts, a gift-in-kind must relate to the Foundation’s tax exempt business purpose (or related-use), which is support for the University at Albany.
- Neither the University nor the Foundation, nor any individual associated with either, may provide appraisals of gifts-in-kind credited by the Foundation. Under IRS guidelines the Foundation cannot pay for an appraisal of a gift-in-kind; the appraisal must be paid for by the donor.
- A letter with a detailed description of the gift-in-kind, valuation, its purpose and any restrictions, must be provided by the donor and must accompany any paperwork, including the Deposit Transmittal Form and Form 8283, provided to the Foundation.
- If a gift-in-kind of any type of property is sold within two years of receipt, or tangible personal property is sold within three years of receipt, the IRS requires the Foundation to file Form 8282 and provide a copy to the donor. In the case of tangible personal property sold within three years, such a sale might trigger a recapture by the IRS of the donor’s earlier charitable tax deduction.

**Gifts of Art/Literary Works**
The Foundation may, in its discretion, accept gifts of art that meet all gift-in-kind requirements, including any Form 8283 and/or appraisal requirements. The Foundation will generally value gifts of art according to their accompanying appraisal.

Development officers should remember that tax laws allow a charitable tax deduction at fair market value only for art work that is not the work product of the donor. A donor can only receive a tax deduction equal to their basis in the art, which is generally the cost of materials if the donor is also the artist.
Gifts of art will be held for instructional purposes. They thus meet all IRS related-use requirements. The Foundation will generally not sell or transfer gifts of art within three tax years of their donation.

**Gifts of Real Property**
The Foundation may, in its discretion, accept gifts of real estate. The Foundation will undertake a thorough review of the location, environmental condition, any possible restrictions as to use or transfer, and line of title of any real estate before deciding whether to accept it.

Once the Foundation has accepted a gift of real estate, it may hold the property if the Foundation, in its discretion, decides the property can support the educational mission and activities of the University. If not, the Foundation will sell the property and credit the proceeds as instructed by the donor.

**Gifts of Securities**
The Foundation will accept stocks, bonds, and mutual funds as contributions. Tax treatment of appreciated securities may make such gifts especially advantageous.

Mutual funds may involve special arrangements for transfer, so development officers should advise donors to allow extra time for the transfer to occur.

Development officers who are advised by a donor of a transfer should use a stock transfer form (see appendix _____) to ensure they gather all necessary information, including documentation from the donor regarding the use of the proceeds.

Securities held in street name (i.e., by a broker) should be electronically transferred to the Foundation’s account at Charles Schwab. The transferring broker will need to know the transfer information:

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DTC #0164
Account name: The University at Albany Foundation
Account number: 8769-8796
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Securities held by the donor in certificate form need to be mailed to the Foundation following these instructions:

1) Call the Director of the Office of Gift Planning or the Foundation’s CFO at (518) 437-5090 and inform him/her that you will be transferring stock in certificate form.

2) Mail the stock certificates without any endorsement or assignment to the Director of the Office of Gift Planning or the Foundation’s CFO at The University at Albany Foundation, 1400 Washington Ave UAB 226, Albany, NY 12222. Include a cover letter indicating the purpose of the gift.

3) Send one signed stock power for each stock certificate to the Director of the Office of Gift Planning or the Foundation’s CFO at The University at Albany Foundation, 1400 Washington Ave UAB 226, Albany, NY 12222. Please send the stock powers in a separate envelope from the stock certificates. Do not complete any other line on the stock power, except your signature, which must match the name on the front of the stock certificate. You need to have your signature on this stock power Medallion Guaranteed. This can be done by any bank or financial institution officer, or by a broker.

Gifts of closely-held, restricted, or infrequently traded securities will be accepted only at the discretion of the Executive Director and/or the CFO of the Foundation and the appropriate committee of the Foundation Board. These decisions must be made on a case-by-case basis. Acceptance is determined by conditions affecting eventual liquidation by the Foundation. Such gifts may be credited at nominal value (generally $1) until they are liquidated.

Revised: 1/27/2010
A gift of a security is completed upon the delivery of a properly endorsed certificate to the
Foundation, or in the case of a transfer through a broker, when the stock is received in the
Foundation's Schwab account. The value of the gift is determined by the IRS as the mean value
of the liquid security on the day it is received.

The Office of Gift Planning will advise the Office of Donor Relations and the donor’s prospect
manager when a security is received and the high, low, and mean value of the security on the
date of receipt. The Office of Donor Relations is responsible for providing the donor with a tax
receipt. Prospect managers may also want to steward their prospect with an appropriate thank
you.

It is the policy of the Foundation to sell all securities received as gifts as soon as practical and
credit the resulting funds according to the donor's instructions. Because market values of publicly
traded securities change throughout the day, the proceeds from securities gifts will vary from the
donor’s gift value. Only the proceeds will be credited to the appropriate fund. The donor should be
advised of his/her gift value without regard to the proceeds realized.

IV. STEWARDSHIP OF GIFTS

Receipts
The IRS requires the Foundation to provide a tax receipt to the donor for all gifts greater than
$250. However, the Foundation’s policy is to send receipts to all individuals for all gift levels, and
receipts to organizations for gifts greater than $250, within five business days. The IRS requires
the receipt include the statement that “no goods or services were provided in consideration of the
gift.” In cases where goods or services were provided, the IRS requires the amount to be
calculated and clearly stated on the receipt.

In the case of payroll deductions by University or Foundation employees, the Foundation will
provide one receipt at the end of the calendar year showing the total charitable contribution made
through an individual’s payroll deduction plan.

Acknowledgement Letters
The Office of Donor Relations is responsible for acknowledging contributions to The University at
Albany Foundation.
An acknowledgement over the President’s signature will be sent:
1) For all gifts of $5,000+;
2) For gifts of $1,000+ from any member of an affiliated or advisory board; and
3) For pledges or gifts of $250+ from University faculty or staff.
For other donors, gifts under $5,000 will receive a general acknowledgement sent with the
receipt.

The Office of Donor Relations will also prepare an acknowledgement letter for the Executive
Director of the Foundation for all gifts received from members of the Foundation Board of
Directors.

Additionally, information will be provided by Donor Relations to the appropriate area to
acknowledge donors for all levels of gifts. Prospect managers are also expected to steward and
acknowledge, when appropriate, gifts contributed by assigned prospects.

V. MIXED GIFT/REVENUE TRANSACTIONS

Fund-Raising Events and “Quid Pro Quo” Transactions
There are IRS requirements and regulations for the solicitation and acceptance of gifts for special
event fund-raising programs where the Foundation accounts for the event’s revenue and
expenses. Examples include fund-raising dinners, golf tournaments, and auctions.

Tickets for fund-raising events must disclose the portion of the payment attributable to the
purchase of admission and the portion solicited as a gift.
1) Separate amounts should be stated in the solicitation and clearly indicated on the ticket. Any time a fund-raising activity is designed to solicit payments intended to be in part a gift and in part the purchase price of admission, the gift portion must exceed the fair market value of the admission in order for the gift to be tax deductible. **Fair market value refers to the comparable cost of attending a similar event, not the cost to produce the event.** Prior approval from the Foundation before planning such events will help avoid potential problems.

2) All literature (invitations, reply cards, flyers, etc.) should be submitted to the Foundation for review before announcing the event or it may be impossible for the Foundation to accept the funds. The literature should indicate that the event is administered, managed, or is an activity of the Foundation. An example of proper wording is “This [program] is an activity of The University at Albany Foundation. The funds raised will be administered by The University at Albany Foundation for the benefit of [program name or account]. Please make your check payable to The University at Albany Foundation.”

3) The following language must appear on all fund-raising event and quid pro quo activity solicitations: “Goods and services were provided in the amount of $__________. Your tax deductible gift is the amount which exceeds the goods and services provided. Please consult your tax advisor.”

4) In cases where all revenue is non-gift, the following statement should be included: “No part of your payment is a tax deductible gift.”

Special rules and regulations also apply to auctions:

1) Documentation from a donor must include the fair market value of the donated item.

2) Donations of tangible personal property to auctions should meet all gift-in-kind requirements and will be treated as gifts-in-kind for receipting purposes.

3) Winning auction bids are tax deductible only to the extent the bid is greater than the declared fair market value. Thus winning bidders must be treated as giving non-gift or split gift revenue, with only the tax deductible portion of the bid listed as a gift.

4) If no fair market value is provided, the Foundation will treat all of a winning bid as non-gift revenue.

A special “split” deposit transmittal form should be used for event and auction revenue. Please see attachment.