5. GIFT HANDLING, REPORTING AND STEWARDSHIP

I. HANDLING CONTRIBUTIONS

The Foundation will accept a variety of payment methods for pledges and gifts. This includes cash and checks; investment securities, 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) received from a University employee or other third party by The University at Albany Foundation should be recorded on a Deposit Transmittal Form and hand-carried to the Foundation by the end of the next business day after receipt from a donor.

Administrative Fees
In order to support the work of The University at Albany Foundation and the Division of University Development, the Foundation has determined that it needs to levy two administrative fees to offset the cost of maintaining and administering the Foundation and related endowments:

1) Expense Recovery Fee – the expense recovery fee is levied once against all gifts, pledge payments and philanthropic grants except those to the investable principal of an endowment. The current Board approved recovery fee is 9%. (as of July 1, 2016.)

2) Endowment Management Fee – the Foundation takes an annual administrative service fee on the endowment portfolio. The current fee is 1%. (as of July 1, 2018) on all endowments.

The Foundation may, in rare instances, waive or reduce fees. 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.)

II. HOW WE REPORT PHILANTHROPY

The Division of University Development will issue regular reports 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 may not be included in the normal reporting process.

**CREDITING AND VALUATION**

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

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.

Saleable gifts of tangible personal property and of real estate will be valued at their appraised fair market value on the date of transfer.

Upon the recommendation of the Vice President for University Development, 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 regulatory guidelines.

**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 credit the gift for undesignated, unrestricted use of the Foundation.

The donor of a gift may be an individual, multiple individuals, or an organization. Under accepted accounting practices, the name on the check will be credited with the gift. If the gift is made with a credit card, the name on the card 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.

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

**Matching Gifts**

Corporate gift matches will be recorded as gifts from the corporation. Such gifts will also be soft credited to the matched individual at the time the gift match is received. 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.

Corporate gift matches are not eligible to pay off an individual’s pledge. Matching gifts are the gift of the corporation, not the employee, and the employee cannot commit the corporation’s assets to paying off their pledge.

**Gifts of Securities**
The Foundation will accept stocks, bonds, and mutual funds as gifts. 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 let The Foundation or Donor Relations know by e-mail and forward 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:

**DTC #0164**
Account name: The University at Albany Foundation
Account number: 8769-8796

Securities held by the donor in certificate form need to be mailed to the Foundation following these instructions:

1) Contact The University at Albany Foundation at 518-437-5090 and inform them that you will be transferring stock in certificate form.

2) Mail the stock certificates without any endorsement or assignment to 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 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 credited at nominal value (generally $1) until they are liquidated.

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 Donor Relations will advise the donor’s prospect manager when a security is received, and will prepare an acknowledgement for the donor that includes the high, low, and mean value of the security on the date of receipt. The Office of Donor Relations is responsible for providing this tax receipt letter and initial acknowledgement. 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.

**Gifts-in-Kind or Tangible Personal Property** (note: these are the logistics regarding booking GIK.)
The Foundation will generally accept gifts-in-kind. How gifts-in-kind are valued is regulated by the IRS. The IRS has provided substantial regulations regarding gifts-in-kind and the Foundation CFO should be contacted prior to accepting any gifts-in-kind (see more information at Gift Acceptance Policies and Guidelines.)

A few of the more important rules regarding gifts-in-kind are:

- 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.
- 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).
- Volunteers may deduct reasonable direct out-of-pocket expenses incurred while helping the Foundation. The Foundation must request the services of the volunteer, supervise the volunteer, and have some level of accountability for the volunteer’s actions. There are many types of out-of-pocket expenses that are deductible, including mileage associated with volunteer work for the Foundation. Travel related expenses associated with the Foundation’s management (i.e., board meetings) may constitute a deductible out-of-pocket charitable expense. Deductible travel expenses include round-trip airfare costs for an overnight stay, transportation to and from the destination, lodging and meals. Deductible out-of-pocket expenses also include the cost associated with hosting an event for the Foundation. Such events might include fundraising or recruiting events at a private residence where the volunteer pays for food, beverages or entertainment.
- Regarding the donation of services by the taxpayer, the value of one’s services does not qualify as a charitable contribution. Charitable contributions can only be taken for money or property that is donated to the Foundation. Thus, the value of pro bono services or donated time is not considered to be a charitable deduction.
- The IRS requires most gifts-in-kind valued at more than $500 to be reported on Form 8283, which the donor must complete and provide the Foundation for attestation on the receipt of the gift described. 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 based on the dollar value and type of non-cash gift. If needed, 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.

• 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.

**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.

Corporate gift matches are not eligible to pay off an individual’s pledge. Matching gifts are the gift of the corporation, not the employee, and the employee cannot commit the corporation’s assets to paying off their pledge.

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 Director of the Foundation may, at his/her 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 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 and five years thereafter.

GIFT AND PLEDGE RECORDING

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. All staff and volunteers involved with securing the gift should be indicated on the Deposit Transmittal form.

Attached to the Deposit Transmittal should 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.

**Special Circumstances**
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 by the affected University administrative or academic manager and the Provost.

**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, Great Dane Athletic Club (GDAC) activities, 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 $X. 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.”

Revised: 3/9/17
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.

Raffles
Raffles are games of chance, and those participating in a raffle are not making charitable donations. Depending on the amount of a raffle, it may need to be registered with NYS Gaming. The University at Albany Foundation does not endorse raffles.

III. STEWARDSHIP OF GIFTS & PLEDGES

Receipts
The IRS requires the Foundation to provide a tax receipt to the donor for all gifts greater than $250. However, the Foundation will send or e-mail receipts to all individuals for all gift levels, and receipts to organizations for gifts greater than $250, within 48 hours of the gift being recorded on the database. 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 communicated to the donor.

In the case of monthly or perpetual gifts made by donors on-line, the Foundation will provide a cumulative dollar amount of their giving made in the previous tax/calendar year (to be mailed approx. each January).

Memoranda of Understanding and Gift Agreements
For all endowed 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 the donor. 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 then be referenced in the will, annuity contract, or other legal documentation establishing the deferred gift.
Bequests received by the Foundation will have a Guideline for Administration prepared by the Office of Donor Relations and signed by the Executive Director of the Foundation and the fund manager. The GFA 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.

For bequests to The University at Albany Foundation without designation, direction or indication of usage, the funds may be designated to The University at Albany Foundation’s Endowment for Innovation.

Gifts or pledges received as part of a specific naming or recognition campaign 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. 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.

Plaques or physical recognition pieces related to named, endowed funds are not encouraged or provided by the Division of Development or The University at Albany Foundation.

**Acknowledgements and correspondence**

The Office of Donor Relations is responsible for acknowledging contributions to The University at Albany Foundation. An extensive program has been established, which thanks and recognizes donors for their outright gifts, pledges and gifts-in-kind.

The Office of Donor Relations will also prepare an acknowledgement letter under the signature of the Executive Director of the Foundation for all gifts received from members of the Foundation Board of Directors, University Council, Alumni Association and other campus boards.

Donor gift and pledge information will be provided by Donor Relations on a regular basis to the appropriate colleges/schools/departments to acknowledge donors for all levels of gifts. Prospect managers are also expected to steward and acknowledge, when appropriate, gifts contributed by assigned prospects.

**Donor Bill of Rights**

*(Adopted from guidelines established by AFP, CASE, AHP and Giving Institute)*

I. To be informed of the organization’s mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.

II. To be informed of the identity of those serving on the organization’s governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities.

III. To have access to the organization’s most recent financial statements.

IV. To be assured their gifts will be used for the purposes for which they were given.

V. To receive appropriate acknowledgement and recognition.

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VI. To be assured that information about their donations is handled with respect and with confidentiality to the extent provided by law.

VII. To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.

VIII. To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.

IX. To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.

X. To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.