



GIFT ACCEPTANCE POLICY

UNIVERSITY RELATIONS

800 MARTINSBURG ROAD, MOUNT VERNON, OHIO 43050-9500 • www.mvnu.edu
TEL: (740) 397-9000, EXT. 4352 • FAX: (740) 397-7609

Table of Contents

Introduction	3
Terms and Definitions.....	4
General Policies	5
Gift Acknowledgement	
Compliance Responsibility for Gift Acceptance Policy	
Evaluation of Costs Associated with Acceptance of Certain Gifts	
Acceptance and Administration of Restricted Gifts	
Memorandum of Understanding	
Qualified Appraisals	
Gift Acceptance Policies.....	6
Policies	
Cash	
Gifts of Insurance	
Tangible Personal Property and In-Kind Gifts	
Real Estate	
Securities	
Pledges	
Pledge Recording Policies	
Planned Gifts.....	9
Charitable Bequests	
Charitable Gift Annuities	
Charitable Remainder Trusts	
Charitable Lead Trusts	
Endowments	
Gifts of Life Insurance	
Life Estate	
Pooled Income Fund	
Reporting Policy	

Introduction

This policy statement is designed to ensure that all gifts to, or for the use of, Mount Vernon Nazarene University (MVNU) are structured to provide maximum benefits for both the donor and MVNU. Throughout its existence, MVNU has benefited from gifts from alumni, friends, churches, corporations and foundations.

Due to the ever-increasing complexity of giving plans and concepts, this policy has been developed to establish standards by which all gifts to MVNU will be evaluated, as well as a formal process for carrying out such evaluations.

Acceptance of any contribution, gift, or grant is at the discretion of Mount Vernon Nazarene University according to the following considerations and guiding principles:

- In accepting a gift, MVNU also accepts the responsibility to the donor to steward that gift properly. This includes administering the gift properly, providing the donor with accurate, timely financial information about the gift, and, when appropriate, reporting to the donor about the use of the gift.
- Donations of gifts for unrestricted, general purposes are encouraged because of the flexibility they provide to the University.
- MVNU does not provide legal, accounting, tax, or other such advice to donors. Each donor is ultimately responsible for ensuring their proposed gift meets and furthers their charitable, financial, and estate planning goals. As such, each donor is encouraged to meet with a professional advisor before making any gift to the University.
- MVNU reserves the right not to accept certain gifts, including:
 - Those which would not be in the best interest of the donor (i.e., ones that might be inappropriate in light of the donor's personal or financial situation).
 - Those that require any compensation, whether through commissions, finders' fees, or other means, to the donor or any third party for directing funds to MVNU.
 - Those from which MVNU will realize little or no financial gain.
 - Those that are offered for purposes inconsistent with the University's educational mission.
 - Those which have restrictions that might violate MVNU's ethical standards or require any form of discrimination.
 - Those that are offered that might violate the standards of the University's governing body, the Church of the Nazarene.
- MVNU shall acknowledge all gifts and donations in a manner that respects and honors the donor, and in accordance with regulations and requirements of the Internal Revenue Service.

Terms and Definitions

Conditional Gift	Gifts that, because of some qualifier or restriction, are considered non-routine. Conditional gifts may commit the University to act within a specified time or use a gift for a specific purpose.
Endowment	A gift of at least \$15,000 to be invested for the purpose of producing present and future income that may be expended or reinvested with the original gift. The principal (or corpus) of the endowment is to be kept intact. Income is expended according to the current policy of the MVNU Investment Committee and may be restricted or unrestricted according to the donor's intent.
Gift	A gift is not consideration in the legal sense and therefore the donor receives no direct benefit and requires nothing in exchange beyond an assurance that the intent of the contribution will be honored.
Outright Gift	These gifts are typically gifts of cash, stocks, bonds, real property, tangible personal property, or tangible personal property. The requirements of the IRS regarding tax deductibility of gifts of tangible personal property are complex. Donors will be encouraged to seek consultation from their own tax advisor for deductibility issues.
Planned Gift	Planned gifts generally are gifts or commitments made in the present with the benefit to MVNU "deferred" until a future date. However, planned gifts may include outright gifts of appreciated property (securities and real estate) or gifts of tangible personal property.
Pledge	Pledges are commitments to give a specific dollar amount according to a fixed time schedule.
Restricted Gift	A restricted gift is any gift on which a donor places special restrictions as to its use. Please be advised that discriminatory restrictions could cause MVNU to lose its tax-exempt status or the donor to lose the charitable income tax deduction for the gift, therefore restricted gifts will be evaluated individually.

General Policies

Gift Acknowledgement

All donors shall be sent a gift receipt per IRS regulations and guidelines within a reasonable timeframe. When appropriate, donors shall be given tokens of appreciation not to exceed federal requirements. The Chief Advancement Officer shall be responsible for oversight and compliance with the requirements regarding gift acknowledgement and receipts.

Compliance Responsibility for Gift Acceptance Policy

Overall responsibility for ensuring compliance with the requirements of this policy rests with the President. All gifts should be screened by the Chief Advancement Officer and/or the President. In appropriate cases, gift proposals will be further screened by the President.

Evaluation of Costs Associated with Acceptance of Certain Gifts

Proposed gifts of property and tangible personal property must be evaluated to determine whether the costs to MVNU associated with receiving the gift can be accommodated prudently. Such evaluations might include the possible cost of transportation to MVNU, storage costs while making adequate campus space available, cost of maintenance, repair and insurance, and cost of disposal.

For example, accepting real property might require payment of closing costs, payoff of debt secured by the property, and physical changes to the property necessary to ensure safety or to control environmental hazards. Similarly, the cost to retrofit space on campus and provide necessary utilities associated with a proposed gift may be deemed excessive. Occasionally, associated costs might weigh against the acceptance of a gift.

The authority and responsibility for prompt, careful evaluation of such costs shall rest with the Chief Advancement Officer who shall, after conferring with the appropriate campus offices, bring the gift proposal to the President for a review and decision.

Acceptance and Administration of Restricted Gifts

Frequently, donors require the University to use gifts in particular ways. It is the responsibility of MVNU to comply with such arrangements if such a gift is accepted. The Chief Advancement Officer, under the direction of the President, is responsible for ensuring compliance with the requirements regarding gift acknowledgements and receipts.

Memorandum of Understanding

Before completing major and/or planned gift arrangements with donors, the President, on behalf of MVNU and the donor, will sign a memorandum of understanding which shall contain the following elements:

- The purpose for the gift
- The background behind the gift
- How funding will be made

- Criteria specifying who will benefit
- MVNU's responsibilities
- Use(s) of the gift
- Academic year of activation
- Plan for public announcement of the gift

Qualified Appraisals

Legal and ethical requirements prohibit MVNU from appraising gifts. This protects both the donor and the University. Such appraisals are to be conducted by certified, independent appraisers not associated in any way with MVNU as per IRS Form 8283, and the cost shall be the donor's responsibility.

Gift Acceptance Policies

Policies

The following policies relate to the types of gifts typically received by MVNU. It is understood that special gifts or circumstances might require a case-by-case review by the President and might not be addressed by this document.

Cash

Cash is often the easiest way to give and the form of gift most frequently accepted by the University. These gifts can take the form of currency, check, or credit card contribution. Cash may be delivered in person, by mail, by the MVNU website, by Electronic Funds Transfer (EFT), or by wire transfer.

Cash (currency and check) gifts are reported to the Gift Receipts and Records Coordinator when received.

With EFT or wire transfer gifts, the date of the gift shall be the date the money is transferred into MVNU's bank account.

Credit card gifts are reported on the day the credit card gift is received.

Gifts of Insurance

MVNU will accept life insurance policies as gifts only when the University is named as the irrevocable owner and sole beneficiary of the policy.

MVNU prefers life insurance policies that are fully paid. Those gifts will be valued at the replacement cost of the policy. All partially paid policies must have written explanation of how further premiums are to be paid. Said proposed gifts must be presented to and approved by the President or Chief Advancement Officer prior to gifting. Said gifts will be valued at the surrender value of the policy the day the gift transaction is completed.

Tangible Personal Property and In-Kind Gifts

(Please refer to the section above regarding costs associated with acceptance of certain gifts.)

Gifts of tangible personal property or in-kind gifts include, but are not limited to, such items as precious metals, jewelry, artwork, collections and equipment.

These gifts shall be sold or used for the benefit of Mount Vernon Nazarene University, at the sole discretion of the President. Paramount to the acceptance decision will be an assessment of the ability to liquidate the gift, or determined related use of the gift.

The MVNU Finance Office, with direction from the Advancement Office, is responsible for issuing the Form 8283 (Non-cash Charitable Contributions) to the donor, and for issuing the Form 8282 (Donee Information Return) to the Internal Revenue Service. Form 8282 will be issued in the event the gift of personal property is sold within two years from the date of gift.

Donors will also be informed at the time of the acceptance of said gift that MVNU will, as a matter of policy, cooperate fully in any and all matters related to IRS investigations of non-cash, personal property charitable gifts.

Real Estate

Properties with clear title, not encumbered by recorded or unrecorded rights of way or easements, are eligible for gifting. Potential gifts of real estate must be approved by the President after completion of an analysis of the transaction, which may include the following elements:

Current ownership documentation, location, property description, current and past property uses, current MAI appraisal, title report, hazardous waste inspection (if necessary), disposition plans, terms of the proposed transaction, and a current and accurate survey of the property.

Gifts of residential, rental, commercial, industrial, or agricultural real estate may require a visit by the President and/or Chief Financial Officer with subsequent approval by the President. Prior to acceptance, an independent appraisal for all properties is required. Any costs associated with obtaining a certified appraisal shall be the responsibility of the donor. MVNU will accept these appraisals unless the President feels a second appraisal is warranted. In that case, MVNU will be responsible for all costs of the second appraisal. The average of the two independent appraisals will be considered to constitute the "fair market value" of the real estate, thus the value of the gift.

No gift of real estate encumbered by a mortgage or lien shall be accepted, unless:

- 1) It is income-producing and is fully expected to continue generating sufficient income to cover all financing and operating costs, or
- 2) It is in the process of being sold and is expected to sell in less than one year's time.

No property will be accepted that has violations of local, state, or federal law. There must be a clear title to the property, one not encumbered by recorded or unrecorded rights of way or easements.

It is the common practice of MVNU to accept gifts of real estate with a market value of more than \$10,000. Upon the recommendation from the Chief Advancement Officer in consultation

with the President, the University may accept real estate with a value of less than \$10,000 on a case-by-case basis.

It is the policy of the University to maximize the benefit of gifts of real estate and to liquidate said gifts in a prudent and timely manner. The Vice President for Finance will handle the sale of said property (s). The President must review all potential sales of real estate that would result in net proceeds less than or equal to 80% of the gift value prior to closing.

All gifts of real estate shall be evaluated in light of the need for an environmental study whose cost shall be borne by the donor. If there has been any historical commercial use of the property, a Phase One environmental study will be required. Furthermore, if there has been any historical industrial use of the property, a full Phase Two study is required. A qualified environmental professional will be hired to conduct the audit. In the unlikely event that the gifted real estate incurs environmental clean-up expenses, under CERCLA (Comprehensive Environmental Response, Compensation and Liability Act) or any similar legislation either before the gift transfer has occurred or after, the University retains the right and authority to seek reimbursement from the gift account for any and all expenses involved in environmental analysis or clean up if the President decides to pursue further the gift of real estate. The University retains the right to this reimbursement if the hazard is discovered after the gift of real estate has been accepted and closed, even if the cost of clean up completely depletes the gift account. The University will not be liable for any lawsuits resulting from environmental hazards discovered on gifted property.

Securities

Securities or mutual funds that are traded on any recognized stock exchange or that have prices quoted daily and are readily marketable will be accepted as outright gifts or pledge payments.

The value of said securities is determined by averaging the high and low trading price on the day the securities are received by the University in accordance with established IRS policy.

Regarding closely held securities: all such gifts must be examined prior to acceptance for valuation and marketability. The President and/or Chief Financial Officer must approve all such proposed gifts prior to acceptance.

Pledges

Pledges are commitments to give a specific dollar amount according to a fixed time schedule. Annual fund pledges are usually for amounts less than \$1,000 and less than one year.

All other pledges must have written documentation that contains the following:

- The amount of the pledge must be clearly specified.
- There should be a clearly defined payment schedule.
- There shall be no contingencies or conditions.
- The donor must be considered to be financially capable of making the gift.
- Any naming opportunities shall be evaluated per the MVNU Facilities Naming Policy approved by the Board of Trustees.
- The acknowledgement and any naming opportunity associated with the pledge shall be removed if for any reason the pledge is not completed within the agreed upon payment schedule.

Pledge Recording Policies

- Anticipated matching gifts will not be included in pledge amounts.
- Pledges and expected matching gifts will qualify separately for donor recognition in appropriate giving level groups.
- For gift recognition purposes, donors will not be recognized publicly until the pledge is paid in full.
- If, for any reason (rounding, gift evaluation or continued incremental giving), the pledge amount is altered, the donor will be recognized at the level of final payment.
- In the event of death, pledge balances will be expunged when the University is notified, unless there are provisions in the donor's will or the family has indicated there is intent to complete the pledge.

Planned Gifts

MVNU encourages donors to disclose their bequest intentions to the Advancement Office in writing to ensure the University is able to carry out their wishes and that the gifts conform to the principles stated in this Gift Acceptance Policy.

If there is a gift from the estate of a deceased donor the University is unaware of that does not meet the principles of this Gift Acceptance Policy, that decision will be communicated to the legal representative of the estate. Attempts will be made to achieve a mutually acceptable gift agreement between both parties.

Charitable Bequests

When possible, the donor shall be instructed that the exact corporate legal name of the institution is "Mount Vernon Nazarene University" with the Federal identification number of 310725957. MVNU is a not-for-profit educational institution registered in the state of Ohio, and the Internal Revenue Service has issued a letter of determination finding that MVNU is a tax-exempt entity under Section 501(c)(3) of the Internal Revenue Service Code.

Please share this sample language with your legal counsel. We encourage donors or their legal counsel to contact MVNU for guidance as to correct language, especially if the gift is to be applied for a specific use. For instance, if you wish to establish a permanent endowment with your charitable bequest, a separate fund agreement to be signed by you and the University shall be prepared by MVNU for your consideration.

Unrestricted Bequests

The following is suggested language for unrestricted bequests to be used for the greatest current need of the University.

I give to the Mount Vernon Nazarene University, a not-for-profit institution organized under the laws of the state of Ohio and located in Mount Vernon, Ohio, (choose one)

- _____% of my estate, or
- the sum of \$_____, or
- all my right, title, and interest in the following described property:

- _____, or
- All the rest, residue, and remainder of my estate to be used in such manner as the President and/or Board of Trustees of the University, in their sole discretion, determine.

Restricted Bequests

For restricted bequests to establish a named permanent endowment fund, we suggest the following:

I give to Mount Vernon Nazarene University, a not-for-profit institution organized under the laws of the state of Ohio and located in Mount Vernon, Ohio, (choose one) to be used for “The _____ Endowment”.

- _____% of my estate, or
- the sum of \$_____, or
- all my right, title, and interest in the following described property:
_____, or
- all the rest, residue, and remainder of my estate

Details for the management and administration of this fund are contained in the final Endowment Agreement with the Mount Vernon Nazarene University signed by me and the appropriate representative of Mount Vernon Nazarene University before my death.

The property constituting this gift may, in the sole discretion of the President and/or Board of Trustees of MVNU, be merged with the general assets of the University for more convenient administration or investment, but the gift shall be entered in the books and records of MVNU as The (Name) Endowment and this fund shall be used for the preferences as defined in the final Endowment Agreement with MVNU signed by me and the appropriate representative of MVNU before my death.

The designation of the preferences for which this gift is to be used shall not be construed as requiring the administration of this gift as a trust, the furnishing of bonds, or the making of annual reports to the court.

In the event the President and/or the Board of Trustees of MVNU, in their sole discretion, determine that the use of this fund for the preferences stated in the final Endowment Agreement is no longer legal, practical, or possible of performance, or for other good and lawful reason, then said preferences should be changed, and the President and/or Board of Trustees shall use this fund for such purposes determined will best promote and support the educational mission of MVNU.

Charitable Gift Annuities

A charitable gift annuity is a contract between MVNU and the donor, whereby the donor makes an initial payment of cash or marketable securities to MVNU and MVNU agrees to pay the donor an annuity for the rest of his/her lifetime.

No gift annuity that names an income beneficiary younger than age 60 shall be accepted without approval of the President.

Gift annuities will be accepted for a single life or two life-joint and survivor only unless otherwise approved in advance by the President. A donor may establish more than one charitable gift annuity agreement with MVNU.

The minimum initial contribution for a Gift Annuity shall be \$15,000. Additional gifts to an existing annuity can be made in \$5,000 payments.

MVNU will abide by the payout rate schedule established and modified from time to time by the American Council on Gift Annuities (ACGA) for its gift annuities.

Cash and marketable securities are the only assets accepted for gift annuities. Real property or real estate will not be accepted as the gifted asset for a charitable gift annuity, unless approved by the President or Chief Advancement Officer.

Charitable Remainder Trusts (Annuity Trusts or Unitrusts)

A Charitable Remainder Annuity Trust is established when a donor irrevocably transfers money or securities to a trustee (not affiliated in any way to MVNU) who invests the assets to pay annual lifetime income to the donor or others chosen by the donor. At the end of the beneficiaries' lives, the remaining assets are distributed to the University.

The minimum amount for establishment of a charitable remainder trust is \$75,000, unless a lower amount is approved by the President or Chief Advancement Officer. The number of income beneficiaries is limited to four (4) with the minimum age of the youngest beneficiary being 55. If assets other than cash or marketable securities are used to fund these trusts, the President or Chief Advancement Officer must approve the gift.

Gifts of real property to fund CRT's are not acceptable unless there is a high degree of liquidity available. A qualified appraiser must perform appraisals of real property or real estate. The donor must pay the initial appraisal fee. Future annual appraisal fees shall be charged against the assets of the CRT. Prospective donors are advised to seek their own legal and tax counsel prior to completion of these gifts.

Charitable Lead Trusts

This type of gift provides an income stream for a specified period of time to MVNU. The University receives the income from the trust and applies it, usually to a pre-determined project. The principal is then returned at the end of the set period to whomever the donor designates.

The minimum amount for establishment of a charitable lead trust is \$100,000. Only the President or Chief Advancement Officer may execute legal documents when the University serves as the trustee of these gifts.

A qualified appraiser must perform appraisals of real property or real estate. The donor must pay the appraisal fee. Prospective donors are advised to seek their own legal and tax counsel prior to completion of these gifts.

Endowments

Bequest gifts can be used to create endowments at MVNU. The University would prefer the donor contact Advancement staff as part of the donor's estate planning so that the University would have record of the donor's intent. Bequest endowments must be funded with at least \$15,000 and contain express scholarship criteria instructions. The President must review all bequest endowments prior to acceptance. In the event the President feels the instructions are not complete or too restrictive, an attempt will be made to reach an acceptable agreement with a legal representative of the deceased so the use of the endowment is for such purposes that best promote and support the educational mission of MVNU.

Gifts of Life Insurance

Gifts of life insurance as part of planned giving should name Mount Vernon Nazarene University, Mount Vernon, Ohio, beneficiary of the policy upon death or as beneficiary and owner. All previously mentioned conditions also apply to planned gifts of insurance.

Life Estate

Donors interested in receiving a charitable income tax deduction by gifting their primary residence or farm to MVNU, while retaining full use of and rights to the property during their lifetime may do so. *See section on real estate (p. 8).*

In the event a donor is giving a retained life estate gift, the donor shall remain liable for all property maintenance costs, real estate taxes and insurance for the duration of their life and acknowledge that in writing prior to MVNU's acceptance of the gift. Retained life estates may be for no more than two people, the younger being no less than 55 years of age. Life estate agreements are subject to the guidelines for outright gifts of real estate. The minimum value of property accepted under a life estate agreement shall be \$25,000 at the time of the gift.

Pooled Income Fund

This type of giving is sometimes called a charitable mutual fund. It allows the donor with less than \$15,000 in assets to be donated to MVNU the ability to "pool" his/her funds with other like-minded individuals or couples for scholarship endowments. One such fund is "CHOICE" (Christians Helping Others In Christian Education). All bequest and current donations for scholarships that do not designate a specific fund will be allocated to the CHOICE pooled fund.

Reporting Policy

All irrevocable planned gifts will be reported at full fair market value.