

SOUTHERN WESLEYAN UNIVERSITY

GIFT ACCEPTANCE POLICIES & GUIDELINES



Southern Wesleyan University

Gift Acceptance Policies & Guidelines

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POLICIES

INTRODUCTION

Southern Wesleyan University (here in after referred to as SWU), a not-for-profit institution organized under the laws of the State of South Carolina and properly recognized by the Internal Revenue Service, encourages the solicitation and acceptance of gifts for purposes that will help SWU further and fulfill its mission as a general educational institution of the Wesleyan Church. The following policies and guidelines govern the acceptance of gifts made to SWU for the benefit of any of its programs.

The mission of SWU is stated as follows:

Southern Wesleyan University is a Christ-centered, student focused learning community dedicated to transforming lives by challenging students to be dedicated scholars and servant leaders who impact the world for Christ..

PURPOSE OF POLICIES AND GUIDELINES

The Board of Trustees of SWU and its staff solicit current and deferred gifts from individuals, corporations, and foundations to secure the future growth and mission of SWU. These policies and guidelines govern the acceptance of gifts by SWU and provide guidance to prospective donors and their advisors when making gifts to SWU. The provisions of these policies shall apply to all gifts received by SWU for any of its schools, programs and services.

The process of developing gift resources is considered part of SWU's mission and ministry (1 Timothy 6:17-19, 2 Corinthians 8:7, 2 Corinthians 9:9-12). Consequently, SWU is committed to gift development practices that give a positive reflection of the character of Jesus Christ and serve to elevate His reputation among those who see and/or hear its materials. As such, SWU wants to present its gift development efforts as an offering to God in Christ with the confidence that they will draw a response of "Well done!"

It is recognized that there are many tensions that continually must be balanced in the process of gift development. Thus, it is important to return constantly to a well-grounded philosophy that provides unequivocal guidance for effective, Christ-honoring resource development.

In SWU's gift development efforts, it seeks to:

- Earnestly pray that Christ would "stir the hearts and minds" of its supporters to participate in advancing the mission of SWU and the role of Christian higher education plays in the ministry of the church.

- Effectively communicate the needs of students, faculty, and others who will benefit from SWU's educational endeavors, offering opportunities for supporters to become involved through giving, prayer, and personal action.
- Minister to its supporters by assisting them in developing a holistic worldview and an understanding of the purpose and role of Christian higher education.
- Encouraging supporters own spiritual transformation (drawing them closer to the Kingdom) by sharing how Christ is at work on the SWU campus and in and through its faculty, staff, and students.
- Promoting the many ways supporters can actively participate in Christ's work on the SWU campus and support the wide variety of meaningful evangelistic expressions and commitment to a biblically grounded search for truth.
- Providing supporters with meaningful opportunities to exercise the gift of giving.
- Demonstrate good stewardship in the use of SWU resources available for fundraising by:
 - Seeking the best cost/return ratio in its resource development efforts.
 - Exercising its best professional judgment in determining how much to invest in each individual resource development effort and in overall allocations between donor acquisition, cultivation, and education.
 - Maintaining an attitude of openness and transparency in sharing information about its overall resource development program.
 - Holding itself accountable to its donors, beneficiaries, external agencies, and the general public.

All gift development materials will:

- Appropriately express SWU's Christ-centered identity
- Reflect truthfulness and accuracy
- All representations of fact, description of financial condition of the organization, pictures, or narrative about events must be complete and accurate.
- There must be no material omissions or exaggerations of fact or use of misleading photographs or any other communication that would tend to create a false impression or misunderstanding.
- Create realistic donor expectations of how their gifts will be used.
- Affirm the dignity and worth of all individuals represented.
- Not use coercive or manipulative tactics.
- Not create negative impressions of other organizations.

Use of premiums and donor involvement devices

- SWU's goal in working with donors is to draw them closer to its institutional mission so they internalize the mission and consider themselves stakeholders. Premiums, and other

involvement devices, are sometimes a helpful way to bring the institutional into the donor's home, as well as to connect the donor more intimately with its mission.

- When using premiums or other donor involvement devices, consider the following:
 - Does it have a ministry value to the donor?
 - Does it provide a deeper understanding of SWU's ministry?
 - Is it cost effective?
- If premiums or other incentives are offered in exchange for a contribution, SWU will advise the donor of the fair market value of the premium or incentive and that the value is not deductible for tax purposes.

Stewardship

- SWU's desire is to minister to donors as it seeks their financial support. SWU seeks to maximize funds for its institutional mission, while at the same time spending enough funds on fundraising and administrative costs to keep donors well informed and provide donors the accountability they deserve. In an increasingly competitive fundraising marketplace. Knowing how much is appropriate to spend in various fundraising activities is a challenge SWU faces every day.
- It is SWU's commitment to its donors to provide its best professional judgment at all times. To do this, SWU will seek to be as knowledgeable as possible in focusing the content, format, and audience of its resource development activities in order to bring the highest return for the investment made, while honoring the entirety of this statement of philosophy and principles.

Policy Assumptions

- All appeals are directed to specific audiences. Reasonable assumptions will be made about how a typical person in that particular audience would understand its materials. Best efforts will be made to match the communications to the specific audience.
- It is assumed that all of SWU's communications materials (including magazines, newsletters, etc.) work together to present the donor with an increasingly complete understanding of its programs, campus, and institutional mission.
- Donor acquisition and reasonable administration costs are a normal and necessary cost of doing business. Therefore, SWU assumes that a reasonable portion of all donations received is allocated toward the acquisition of new donors and the administration of gifts.
- SWU assumes that all donors expect that some portion of their gift will cover organizational fundraising and administrative costs. SWU seeks to minimize these costs, as a percentage of donations received, while meeting SWU's requirements for resource development, organizational management, and financial and programmatic accountability.

STATEMENT OF ETHICS, DONOR RIGHTS AND CONFIDENTIALITY

SWU's Office of Advancement will always balance the needs and interests of the donor with the mission and goals of SWU when presenting gift options. All negotiations will be held in strictest confidence and SWU, subject to state and federal law, commits to upholding each respective donor's expectations of confidentiality and will uphold the Donor Bill of Rights. SWU staff shall comply, again subject to state and federal law, with the:

- 1) Partnership for Philanthropic Planning's Model Standards of Practice for the Charitable Gift Planner
- 2) Association of Fund Raising Professional's Code of Ethical Principles and Standards of Professional Practice
- 3) Statement of Ethics for the Association for Professional Researchers for Advancement.
- 4) ECFA Standards on Stewardship of Charitable Gifts and other relevant policy sections pertaining to fundraising practice and procedure.

With regard to campaign and annual fund recording, SWU will comply with the standards of practices stated in the CASE Management Reporting Standards guidelines and Partnership for Philanthropic Planning Guidelines for Reporting and Counting Planned Gifts.

USE OF LEGAL COUNSEL

SWU shall seek the advice of legal counsel in matters relating to acceptance of gifts where appropriate. Review by counsel is recommended for:

- 1) Gifts other than cash or publicly traded stock, such as gifts of real estate, private or closely held stock, partnership interests, etc.
- 2) Documents naming SWU as Trustee
- 3) Gifts involving contracts such as bargain sales, etc., requiring SWU to assume an obligation such as a debt, mortgage, or other liability.
- 4) Transactions with potential conflicts of interest, inappropriate private benefit for the donor, or other arrangements that may invoke IRS penalties upon audit.
- 5) Other instances in which use of counsel is deemed appropriate by the Gift Acceptance Committee or the Executive Committee of SWU's Board of Trustees.

CONFLICT OF INTEREST

SWU will not give legal or financial advice and will strongly urge all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts and the resulting tax, estate, and financial planning consequences.

Furthermore, SWU shall not urge any gift program, agreement, or commitment upon any donor or prospective donor, which will knowingly benefit SWU at the detriment of the donor's financial needs and concerns.

Members of the SWU University Advancement staff will not be permitted to serve as executor or trustee of estates naming SWU as beneficiary.

RESTRICTIONS ON GIFTS

SWU will accept unrestricted gifts, and gifts for specific schools, programs and purposes, provided that such gifts are not inconsistent with its stated mission, purposes, and priorities. SWU will not accept gifts that are too restrictive in purpose. Gifts that are too restrictive are those that violate the terms of the corporate charter, gifts that are too difficult to administer, or gifts that are for purposes outside the mission of SWU. All final decisions regarding the acceptance or refusal of a gift shall be made by the Gift Acceptance Committee of SWU (as defined below) or other appropriate SWU administrators, Board of Trustees members, Committees, or representatives as duly authorized.

In keeping with principles of good stewardship, SWU reserves the right to assess an overhead rate against gifts with restrictions to reasonably allocate administrative and fundraising expenses to the restricted gift those expenses support. The assessed percentage will be based on reasonable cost assumptions and may never exceed the actual rate of overhead costs incurred based on the ratio of total general and administrative expenses with total expenses. The Advancement Committee and Finance Committee will jointly set the overhead rate and periodically review it based on data provided by the Office of Advancement and the CFO. The gift acceptance committee may exempt certain restricted gifts or classes of restricted gifts when it deems such an exemptions advantageous to the overall interests of SWU.

THE GIFT ACCEPTANCE COMMITTEE

The Gift Acceptance Committee shall consist of:

- President
- Vice President for Advancement
- Vice President for Financial Affairs (CFO)
- Provost
- Chairman of the Board of Trustees
- Other members of the President's Cabinet

The Gift Acceptance Committee is charged with the responsibility of reviewing all gifts made to SWU, properly screening and accepting those gifts, and making recommendations to the Board of Trustees on gift acceptance issues when appropriate. This committee, or other appropriate SWU administrators, Committees, or representatives as duly authorized, may approve exceptions to these policies and procedures on a case-by-case basis.

TYPE OF GIFTS

The following gifts are acceptable pursuant to these policies and procedures:

- Cash
- Tangible Personal Property (art, antiques, collections, etc.)
- Intangible Personal Property (securities, bonds, etc.)
- Real Estate
- Remainder Interests in Property
- Oil, Gas, and Mineral Interests
- In-Kind / Contributed Services
- Bargain Sales
- Life Insurance (Beneficiary and/or Owner)
- Charitable Gift Annuities
- Charitable Remainder Trusts
- Charitable Lead Trusts
- Retirement Plan Beneficiary Designations (IRA, etc.)
- Bequests

GUIDELINES

The following criteria shall govern the acceptance of each gift form:

CASH/CHECKS

- 1) Cash is acceptable in any form. Checks will be made payable to Southern Wesleyan University and shall be forwarded directly to the Office of Advancement. Gifts via credit card (Master Card, Visa, & Discover) will also be accepted.
- 2) To receive a proper receipt for tax deduction purposes, a donor's cash gift to SWU should be hand delivered to the Office of Advancement Services during the tax year, or postmarked with the appropriate tax year date. On-line donations made by credit card should be received no later than the last day (December 31st) of the appropriate calendar year. Year-end gifts will be recorded as received in the year indicated on the postmark.
- 3) Donors can make a one-time gift or establish a schedule of recurring gifts (e.g., monthly contributions). For a one-time gift, the gift date will be established as the date on which SWU receives the donor's credit card information. For recurring gifts, the gift date will be the date on which the gift is submitted for credit card payment.

TANGIBLE PERSONAL PROPERTY

- 1) All gifts of tangible personal property (e.g. art, antiques, jewelry, collections, etc.) shall be evaluated in light of the following criteria:

- a. Is the use of the property related to the mission of SWU?
 - b. Is the property marketable?
 - c. Are there any undue restrictions on the use, display or sale of the property?
 - d. Are there any carrying costs for the property? (e.g. storage, insurance, etc.)
- 2) Gifts of tangible personal property may be accepted outright IF they have a use clearly “related” to SWU’s tax-exempt purpose and have a value in use that is substantially greater than the cost of placing them into use.
 - 3) Gifts whose use may be “ambiguous,” “less related,” or “unrelated,”—such as jewelry, certain artwork or antique furniture collections—may be accepted only after approval by the Gift Acceptance Committee.
 - 4) All gifts of tangible personal property shall either be used by SWU or sold for the benefit of SWU.
 - 5) Note: SWU cannot appraise or assign valuation to gifts of tangible property. Neither SWU nor the Gift Acceptance Committee shall cover the cost of, or otherwise furnish, appraisals for proffered gifts of tangible personal property. Neither SWU nor the Gift Acceptance Committee shall knowingly participate in a transaction in which the value of a gift is knowingly inflated above its true fair market value so as to obtain a tax advantage for a donor.
 - 6) In general, the gift date for tax purposes is when the tangible personal property was physically delivered to SWU, unless delivery service is an agent of SWU, in which case the date would be established when the property is physically picked-up.
 - 7) Gifts that the donor believes to be valued above \$5,000 must be supported with a written appraisal by a qualified independent appraiser. The appraisal is the responsibility of the donor, who will be asked to give a copy of the appraisal to the Gift Acceptance Committee.
 - 8) To receive a proper receipt for tax deduction purposes, a donor’s gift of tangible personal property should be completed by the end of the tax year. A donor may hand deliver either the property, deed, or letter of ownership or postmark such transfer of ownership by the end of the tax year to the Office of Advancement.
 - 9) The donor is responsible for establishing the tax implications of any gift including establishing the value of the donated property. SWU will offer a contemporaneous acknowledgment of the gift and will provide reasonable assistance in documenting the nature of the gift according to established IRS guidelines.
 - 10) SWU may secure a separate appraisal for insurance coverage, etc.
 - 11) The Gift Acceptance Committee of SWU shall make the final determination on the acceptance of all tangible property gifts.

INTANGIBLE PERSONAL PROPERTY – PUBLICLY HELD SECURITIES/CLOSELY HELD SECURITIES

- 1) Readily marketable securities, such as those traded on a stock exchange, can be accepted by SWU. The preferred way of gifting stocks is through stock transfer directly into a stock account controlled by SWU. Donors are urged to contact the SWU Office of Advancement when a stock contribution is made so SWU can alert its broker as to what security and how many shares. Donors should make sure their name, address and phone number are listed on any email or fax so that SWU can properly acknowledge the contribution. If you donors are sending paper stock certificates, they should send it via registered mail or other shipping mechanism that can be tracked.
 - a. The value of gifted stocks will be established as the average of the high and low on the date of the gift.
 - b. The value of gifted bonds will be the mean between the bid and ask price.
 - c. The value of mutual fund shares will be the redemption price on the contribution date.
 - d. For gifts of securities sent through a broker, the gift date is the date on which the securities are electronically transferred into the account of SWU. (IRS rules stipulate that the gift is made when the securities are surrendered, not when a donor calls their broker or otherwise expresses an intent to transfer the securities.)
Note: if the donor is considering a gift of securities that have decreased in value since they were acquired, they may be able to gain a tax advantage by selling the securities first, donating the proceeds, and claiming a capital loss on their tax return.
 - e. Readily marketable securities should be sold or otherwise converted to cash within two business days of receipt by SWU or as soon as reasonably practicable. Exceptions may only be made with approval of the Gift Acceptance Committee.
- 2) Closely Held Securities
 - a. Securities that are not publicly traded may be accepted only through the Gift Acceptance Committee.
Note: By law, the donor is required to have non-publicly traded securities appraised in order to establish their value for tax purposes. Therefore, the Gift Acceptance Committee may request a copy of a qualified appraisal from the donor-appointed appraiser in order to coordinate the liquidation of the securities through redemption or sale. SWU cannot appraise or assign valuation to a closely-held securities gift and is not in a position to cover the cost of the appraisal.
 - b. Closely held securities are defined as not being publicly traded or marketed, and held by a limited number of owners. Closely held securities may include not only debt and equity positions in non-publicly traded companies, but also interests in partnerships, limited partnerships, limited liability companies or other ownership forms. The Gift Acceptance Committee of SWU should consider the following criteria:
 - i. There are no restrictions on the security that would prevent SWU from ultimately converting those assets to cash
 - ii. The security is marketable

- iii. The security will not likely generate any undesirable tax consequences for SWU or the donor.
- iv. If potential problems arise on initial review of the security, further review and recommendation by an outside professional may be sought before making a final decision on acceptance of the gift. The Gift Acceptance Committee for SWU and legal counsel shall make the final determination on the acceptance of closely held securities when necessary. Every effort will be made to sell non-marketable securities as quickly as possible.

INTANGIBLE PERSONAL PROPERTY - OTHER ASSETS

SWU may accept other forms of intangible personal property such as bonds (municipal, US savings, corporate, government, etc.) or notes.

REAL ESTATE

- 1) Prior to acceptance of real estate in any form (e.g., outright gifts, bargain sales, remainder interests, charitable remainder trusts, gift annuities, etc.) the gift must be approved by the Gift Acceptance Committee of SWU and by SWU's legal counsel if appropriate. Criteria for acceptance of the property may include:
 - a. Property must be useful for the purposes of SWU, either by resale or through retention.
 - b. Property must be marketable and judged by real estate professionals to be resalable within one (1) year, unless SWU wishes to retain the property.
 - c. Property must be free of any encumbrances, mortgages, debts, restrictions, reservations, easements, or other limitations associated with it, unless otherwise approved for acceptance. If SWU assumes debt with the property, the debt ratio must be less than 50% of the appraised market value.
 - d. Carrying costs, which may include insurance, property taxes, mortgages, or notes, etc., associated with the property, may be negotiated for payment by the donor of SWU as considered appropriate.
 - e. Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life estate interest.
 - f. Property must be properly zoned for resale or retention by SWU.
- 2) The donor must obtain an independent appraisal substantiating the value of the property.
- 3) Prior to acceptance of real estate, SWU shall require an initial screening or Phase I environmental review, by a qualified environmental engineer, of the property to ensure that the property has no environmental contamination or damage. In the event that the initial inspection reveals a potential problem, SWU shall retain a qualified inspection firm to conduct a Phase II or Phase III environmental audit. The cost of the environmental audit shall generally be an expense of the donor.
- 4) SWU encourages a warranty deed for a fee transfer. Legal costs of title transfer may be assumed by SWU. Where appropriate, title insurance shall be obtained by SWU prior to the acceptance of the real property gift and at the discretion of the Office of

Advancement. The expense of the title insurance may fall to SWU or the donor as negotiated.

- 5) To receive a proper receipt for tax deduction purposes, a donor's gift of real state to SWU should be completed by the end of the current tax year, i.e. the deed to the property prepared and recorded. The donor will be recognized for the appraised value of the gift. Donor shall pay for appraisals to substantiate their deduction. SWU may secure a separate appraisal for insurance coverage, etc.

REMAINDER INTERESTS IN PROPERTY (with Retained Life Estate)

- 1) SWU may accept a remainder interest in a personal residence, farm, or vacation property subject to the provisions of real estate as previously mentioned. The donor or other occupants may continue to occupy or use the real property for the duration of the stated life (i.e., life estate). At the death of the donor, SWU may use the property or sell it.
- 2) Where SWU receives a gift of a remainder interest, expenses for maintenance, real estate taxes, insurance, and any property indebtedness may be paid by the donor or primary beneficiary pursuant to a separately executed contract. The contract will also provide for review or approval by SWU in the event the donor wishes to sell or rent his/her life estate interest.
- 3) If the donor wishes to vacate the property, the property can be rented to generate income for the donor, sold jointly by the donor (life estate) and SWU (remainder interest) or the donor can contribute the remainder life estate to SWU and receive an appropriate tax deduction.

OIL, GAS AND MINERAL INTERESTS

- 1) SWU may accept oil, mineral and gas property interests, when appropriate. Prior to acceptance of an oil, gas, and mineral interest, the gift shall be approved by the Gift Acceptance Committee, and if necessary, by SWU's legal counsel.
- 2) The donor will be recognized for the appraised value of the gift. Donors shall pay for appraisals to substantiate their deduction. SWU may secure a separate appraisal for insurance coverage, etc.

BARGAIN SALES

- 1) SWU may enter into a bargain sale arrangement in instances in which the bargain sale furthers the mission and purposes of SWU. A bargain sale is a transfer of property where SWU pays a discounted price (i.e. below appraisal value) for the property. If a bargain sale is for real estate, the gift will be subject to the procedures of real estate as previously mentioned. All bargain sales must be reviewed and approved by the Gift Acceptance Committee and legal counsel, when appropriate.

- 2) Factor used in determining the appropriateness of a transaction include those outlined in the Real Estate section. In addition, SWU must also obtain an independent appraisal substantiating the value of the property.

LIFE INSURANCE

- 1) SWU may be named as a beneficiary and/or irrevocable owner of an existing or new life insurance policy. If SWU is named beneficiary, but not owner, then the gift is revocable and the donor is not entitled to current income tax deduction, (but at the owners death may receive an estate tax charitable deduction.) If SWU is named both beneficiary and owner, the gift and current income tax deduction is valued at the policy's interpolated terminal reserve value or appropriate cash surrender value, if any, upon receipt. If the donor contributes future premium payments, SWU will include the entire amount of the additional premium payments as a gift in the fiscal year they are made.
- 2) If the donor does not elect to continue to make gifts to cover premium payments on the life insurance policy, SWU may:
 - a. Continue to pay the premiums
 - b. Convert the policy to paid up insurance
 - c. Surrender the policy for the current value
 - d. Sell the policy as a life settlement
- 3) The donor remains the insured. To receive a proper receipt for tax deduction purposes, the ownership and/or beneficiary transfer must be completed by the end of the tax year in which the deduction is claimed.

CHARITABLE GIFT ANNUITIES

- 1) SWU may offer current and deferred charitable gift annuities upon approval of the Gift Acceptance Committee. The minimum gift for funding is \$10,000. The minimum age for life income beneficiaries of a gift annuity shall be 60. Where a deferred gift annuity is offered, the minimum age to begin payments to the beneficiaries shall be 50. Donors of any age may make gifts to establish a deferred gift annuity so long as the law allows. No more than two life income beneficiaries will be permitted on any gift annuity.
- 2) Annuity payments may be made on a quarterly, semi-annual, or annual schedule coinciding in date with the calendar quarters. The Gift Acceptance Committee may approve exceptions to this payment schedule. SWU will pay the beneficiary (ies) a fixed annual amount. The rates used in issuance of charitable gift annuities are based upon rates established by the American Council for Gift Annuities (ACGA) in effect as of the time of establishment of the gift annuity.
- 3) SWU may accept real estate, tangible property, or any other illiquid asset in exchange for current or deferred charitable gift annuities on a case-by-case basis as approved by the Gift Acceptance Committee. Factors to consider include: marketability of the assets, value of the assets, and use of the assets by SWU.

- 4) Funds contributed in exchange for a gift annuity shall be set aside and invested during the term of the annuity payments. Once those payments have terminated, the funds representing the remaining principal, contributed in exchange for the gift annuity, shall be transferred to SWU's unrestricted fund, general endowment, or to a specific fund as designated by the donor. Exceptions to these restrictions may be approved by the Executive Committee of SWU's Board of Trustees.
- 5) SWU will comply with all applicable state laws relative to gift annuity contracts including the laws of South Carolina as well as the laws of the states where gift annuity donors reside. SWU will register to accept gift annuities in states where required.
- 6) SWU may choose to offer annuities through a third-party charitable solution vendor and/or use commercial insurance markets to help reduce SWU's risk or provide immediate charitable benefit to the institution.

CHARITABLE REMAINDER TRUSTS

- 1) In some cases, donors may not inform SWU of such a remainder interest. SWU may in some instances accept appointment as trustee of a charitable remainder trust subject to the approval of the Gift Acceptance Committee. The Office of Advancement may share with donors and their legal counsel the IRS approved safe harbor charitable remainder trust forms. However, the donor's legal counsel must draft all the trust documents with review and approval by SWU's Gift Acceptance Committee and legal counsel for any trusts in which SWU is named trustee.
- 2) If SWU is named a trustee, then the Charitable Remainder Trust:
 - a. Will be funded with at least \$75,000 in cash, securities, real estate, etc..
 - b. SWU will pay the donor of the trust a mutually agreed rate in accordance with applicable laws and regulations.
 - c. Payouts will be no more than quarterly and can be made for any of the following:
 - d. The life of one beneficiary who must be 55 years of age or older.
 - e. The lifetime of two beneficiaries, both of whom must be 55 years of age or older.
 - f. A period of 20 years or less.
 - g. SWU may invest in tax exempt securities.
 - h. The trust will comply with all applicable legal requirements for the type of charitable trust.

CHARITABLE LEAD TRUSTS

SWU may accept a designation as income beneficiary of a charitable lead trust. SWU may accept an appointment as Trustee if SWU is the major beneficiary of a charitable lead trust, subject to review and approval of legal counsel and the Gift Acceptance Committee on a case-by-case basis.

RETIREMENT PLAN BENEFICIARY DESIGNATIONS

- 1) Donors and supporters may designate SWU as a beneficiary of their retirement plans. Such designations shall not be recorded as gifts to SWU until such time as the gift is irrevocable. Where the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.
- 2) Donors may name SWU as a beneficiary on the retirement plan beneficiary designation form as well as in the donor's will or trust bequest documents, naming the plan specifically as the source of the gift to avoid income in respect of a decedent taxation.
- 3) Donors who are 70½ may make a Qualified Charitable Distribution of up to \$100,000 per year to SWU. Charitable rollovers are not tax deductible, but donors will receive a special gift acknowledgment in accordance with IRS regulations.

BEQUESTS

- 1) Donors and supporters of SWU will be encouraged to make bequests to SWU as part of their respective wills and trusts. Donors are encouraged to use more gift language focused on the general mission or general endowment of SWU. Gift restrictions will be evaluated by the Gift Acceptance Committee.
- 2) Sample bequest language may be used such as:
“I devise and bequeath 20% of the remainder and residue of property owned at my death, whether real or personal, and wherever located to Southern Wesleyan University for its general mission.”
- 3) Such bequests shall not be recorded as gifts to SWU until such time as the gift is irrevocable. Where the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

ENDOWMENT GUIDELINES

- 1) Current and planned gifts, or a combination of both, may create or add to endowment funds.
- 2) SWU will work with the prospective donor on the terms and conditions of endowment funds provided that they support SWU's mission and are substantial enough to yield a meaningful annual income.
- 3) All proposed gifts to endowment other than general endowment require a written declaration establishing the terms of the fund signed by the donor and president of the university. Each endowment declaration must be approved by the Gift Acceptance Committee.
- 4) A minimum required gift of \$25,000 is required for a named endowed scholarship. Other required gift levels for named funds will be established by the Gift Acceptance Committee.
- 5) Because conditions change over time, SWU requests that all endowments contain a contingency clause established by the Gift Acceptance Committee.

Note: SWU, by action of its Board of Trustees, has adopted and acts pursuant to the provisions of the South Carolina Uniform Prudent Management of Institutional Funds Act.

PLANNED GIFT RECOGNITION

- 1) SWU shall adhere to the Council for Advancement and Support of Education's (CASE) management reporting standards for purposes of reporting the results of annual fund and campaign fundraising totals, and/or the Partnership for Philanthropic Planning's guidelines for reporting and counting planned gifts. However, for purposes of personal recognition, donors will be recognized according to the procedures stated herein.
- 2) All planned gifts not receiving a current tax deductible gift will still be recorded in the donor record, so SWU has an institutional indication of the donor's intended plans.

3) The Legacy Club

The Legacy Club is a membership of those individuals that have formally indicated that they have included SWU in their gift planning through any of the various recognized vehicles, most commonly a will or a trust, with an estimated value in excess of \$1,000.

Recognition may be provided even if the donor has not revealed a dollar amount for the gift. However, when considered appropriate, the donor may be asked for a copy of that portion of their planned gift or estate document that includes mention of the gift. Reasons for those requests include:

- Assure accurate and legal gift language
- Assure full legal name of SWU and its location
- Review any gift restrictions and appropriateness of same
- Assist in SWU's stewardship of the gift
- Allows appropriate donor and campaign recognition if desired
- Assist in the long-term planning of the institution

Examples of revocable and irrevocable planned gifts that qualify for recognition include: bequests in will, gift annuities, life insurance beneficiary designations, remainder interests in trusts (e.g. charitable remainder trusts, irrevocable life insurance trusts, QTIP or marital trusts, etc.) remainder interests in real estate, retirement plan beneficiary designations, etc.

4) Cumulative Gift Recognition

Annual Fund and Cumulative Gift recognition may be provided in cases of irrevocable planned gifts such as:

- The full current value or the present value (ie., IRS current income tax charitable deduction value) for charitable remainder trusts of charitable gift annuities.

- The discounted present value (i.e., IRS current income tax charitable deduction value) for gifts of remainder interests in real estate.
- The present value of the current value as received of income paid to SWU form a charitable lead trust.
- The current cash value or interpolated terminal reserve, of life insurance gifts where SWU is named owner and beneficiary of the life insurance policy.
- Amounts realized upon the maturity of planned gifts.

Cumulative Gift recognition may be provided in cases of revocable planned gifts where the donor and any other intervening life interest are currently 75 years of age or older.

MISCELLANEOUS PROVISIONS

Securing appraisals and legal fees for gifts to SWU: It shall be the responsibility of the donor to secure, where required, an appraisal and independent legal counsel for all gifts made to SWU. The Gift Acceptance Committee may recommend that SWU obtain an independent appraisal to establish the value of a gift. This appraisal shall be the responsibility of SWU.

Responsibility for IRS filings upon the sale of gift items: SWU's advancement staff in cooperation with the business office will be responsible for insuring the filing of IRS form 8282 upon the sale or deposition of any asset sold within two years of receipt by SWU, where the charitable deduction value of the item was greater than \$5,000. Form 8282 must be filled with 25 days of the date of sale or disposition of the asset. Form 8282 with Filing Instructions is attached as an appendix to these policies.

Acknowledgement of Gifts: Acknowledgement of all gifts made to SWU and compliance with the current IRS requirements in acknowledgement of such gifts shall be the responsibility of Office of Advancement Services. IRS Publication 561 "*Determining the Value of Donated Property*" and IRS publication 526 "*Charitable Contributions*" will guide the business process used to address this.

CHANGES TO POLICIES

These policies and guidelines have been reviewed and accepted by the Board of Trustees of SWU. The Board of Trustees must approve any changes to, or deviations, from these policies.

Approved by the Development Committee of the Board of Trustees of Southern Wesleyan University, pursuant to appropriate motion, on _____ day of _____, 2018.