Approved by the MCLA Foundation Board of Directors on May 5, 2011

GIFT ACCEPTANCE POLICIES AND GUIDELINES

FOR

MASSACHUSETTS COLLEGE OF LIBERAL ARTS FOUNDATION INC.

(Supersedes all previously approved related documents)

May 2011

I. PURPOSE OF POLICIES AND GUIDELINES 1
A. Further the mission of MCLA 1
B. Provide guidance to Foundation staff and Committees 1

II. ETHICS POLICY & CONFLICTS OF INTEREST 1
A. *Donor Bill of Rights* and *Model Standards of Practice for the Charitable Gift Planner* as guides 1
B. Reserve the right to refuse gifts 1

III. DEFINITIONS 1
A. Gift 1
1. Basic Definition of Gift 1
2. Generally No Quid Pro Quo 2
3. Examples of Non-Gift Transactions 2
4. Gifts for projects that may benefit a director personally may be refused 2
5. Gifts from employees to support their own activities may be refused 2
B. Grants 2
1. Non Specific Grants defined 2
2. Specific Grants defined 2
C. Contract 3

IV. GIFT ACCEPTANCE POLICY 3
A. Background and Authority 3
B. The Foundation Gift Review Committee 3
C. Special Situations 4
1. Gifts in Support of Research Projects and Activities 4
2. Conditional Gifts 4
3. Refunding Gifts 4

V. TYPES OF GIFTS 5
A. Outright Gifts 5
1. Cash and Cash Equivalents 5
2. Securities 5
3. Interests in Business Entities 6
4. Real Property 6
5. Personal Property – Tangible and Intangible 8
B. Planned Gifts 9
1. Bequests 9
2. Beneficiary Designations 9
3. Charitable Gift Annuities 9
4. Charitable Remainder Trusts 10
5. Life Insurance 11
C. Pledges 12
1. Definition of a pledge 12
2. Pledge Documentation 12
3. Pledge payments 12
4. Pledge Write-Offs 13

VI. MISCELLANEOUS PROVISIONS 13
A. Securing appraisals and legal fees for gifts to the MCLA Foundation 13
B. Valuation of gifts for development purposes 14
C. Filing of IRS Form 8282 upon sale of gift items 14
D. Acknowledgement of all gifts 14

VII. REVIEW AND AMENDMENT OF THIS POLICY 14

Gift Acceptance Policies and Guidelines

I. PURPOSE OF POLICIES AND GUIDELINES

A. The Massachusetts College of Liberal Arts Foundation Inc. (the "Foundation") is a not for profit organization granted tax-exempt status and organized under the laws of the Commonwealth of Massachusetts. The Foundation encourages the solicitation and acceptance of gifts to help the Massachusetts College of Liberal Arts ("MCLA") further fulfill its mission. The following policies and guidelines govern acceptance of gifts made to the Foundation.

B. While this document is intended to provide guidance to the Foundation staff and various Committees regarding acceptance of gifts, donors are ultimately responsible for ensuring that the proposed gift furthers their charitable, financial and estate planning goals. Therefore, each prospective donor is urged to seek the advice of independent legal and/or tax counsel in the gift planning process and the Foundation staff shall take appropriate steps to so notify prospective donors. The Foundation shall not give legal, accounting, tax, or other advice to prospective donors.

II. ETHICS POLICY & CONFLICTS OF INTEREST

A. In carrying out the responsibilities outlined in this document and all activities associated with philanthropy, individuals involved will adhere to the highest level of ethical standards. The Foundation Boards, administration, staff and employees will use the nationally adopted *Donor Bill of Rights* and the *Model Standards of Practice for the Charitable Gift Planner* as guides.

B. The Foundation shall promote gifts that serve to fulfill its mission and comply with established legal and ethical fundraising laws and standards. To this end, the Foundation reserves the right to refuse gifts that do not fulfill its mission or that violate any legal or ethical law or standard.

III. DEFINITIONS

A. Gift

1. Basic Definition of Gift

A "gift" is any charitable contribution to the Foundation for the benefit of MCLA, which is intended as a donation, bestowed voluntarily and without expectation of tangible compensation. Gifts usually take the form of cash, checks, securities, real property, or personal property and may be current or deferred.

2. Generally No Quid Pro Quo

Gifts are not generally subject to an exchange of consideration or other contractual duties between the Foundation and the donor, except for gifts of real property and certain deferred gifts as set out in this Policy, although objectives may be stated and funds may be restricted to a specific charitable purpose acceptable to the Foundation. Fundraising activities including special events may have a non-gift element; the value of the non-gift element will be determined and subtracted from the total amount to determine the contribution portion.

3. Examples of Non-Gift Transactions

    a. A payment to or for a specific individual
    b. A payment that is conditional on a future event or the substantial probability of return to the donor or another individual(s)
    c. Expenses associated with conveying a gift (appraisal fees, shipping, etc.)

4. Gifts made for an academic program or project, even when carried out by named individuals (e.g., "a science research project under the direction of the Program's Director"), may be permitted at the discretion of the Foundation so long as the gift meets the IRS criteria for a charitable gift.

5. Accepting Gifts from College Employees to Support their Own Activities: Gifts to the Foundation from College employees to support their own activities may be accepted if the purpose of the gift is to support bona fide institutional activities or purchases. The gift must meet appropriate IRS guidelines and criteria.

B. Grants

Grants are revenues received by the Foundation from individuals, corporations, foundations, and other sources, for the support of MCLA programs and projects. Grants fall into two main categories:

1. Non Specific Grants are those received in support of restricted programs or projects, but which do not result from a specific grant proposal, no specific resources or services are committed, and no accounting of the use of the funds is required.

2. Specific Grants are those received in accordance with the terms of approved grant proposals for specific programs and projects. Commitments of the Foundation's or MCLA's resources or services are made as a condition of the grant, and an accounting of the use of the funds may be required by the grantor.

C. Contract

Contracts are restricted payments received by the MCLA from various contractors, made in accordance with the terms of contracts entered into by MCLA to conduct specific programs. Payments made pursuant to contracts are not gifts.

IV. GIFT ACCEPTANCE POLICY

A. Background and Authority

The Foundation Board of Directors provides authority to:

"take hold of and administer on behalf of MCLA or any institution therein, real and personal property or any interest therein and the income thereof either absolutely or in trust for any academic or other purpose within the jurisdiction and corporate purposes of the Foundation. The Foundation may acquire property for such purposes, appropriation or lease and by the acceptance of gifts, grant, bequests and devises…"

B. The Foundation Gift Review Committee

The Gift Review Committee shall minimally consist of the following:

- Chair of the Foundation Board
- President of the Foundation
- MCLA Vice President of Administration and Finance (or designate)
- Three (3) Foundation Corporators, preferably with finance or legal expertise

The Gift Review Committee is charged, by the Foundation Board of Directors, with the oversight of the review process by which all non cash gifts (i.e. gifts-in-kind, property, etc.) made to the Foundation are properly screened and accepted as gifts, and making recommendations to the Board on gift acceptance issues when appropriate. Once a gift has been accepted, the Office of Institutional Advancement is responsible for recording and acknowledging it.

The Gift Review Committee shall review all gifts of significant risk as defined below. All gifts of significant risk shall be documented by a written agreement between the donor and the Foundation, and must be approved by the Gift Review Committee before the Foundation may accept the gifts.

Gifts of Significant Risk

- Non-publicly traded securities
- All gifts of real property
- Gifts of personal property if not to be used by the Foundation or MCLA
- All gifts of real or tangible personal property subject to donor restrictions regarding the disposal of such property

- Any bargain sale of property where a donative element is associated with the acquisition of property by the Foundation below its fair market value
- Cash gifts with significant donor restrictions
- All gifts of unusual items or gifts of questionable value
- All Charitable Gift Annuities

The Gift Review Committee shall meet at least once a year to review "Gift Acceptance Policies and Guidelines" and shall be prepared to respond in a timely manner to requests for review and approval/non approval of specific gifts.

Based upon the recommendation of the appropriate Foundation authorities all other gifts may be accepted by the Foundation.

C. Special Situations

1. Gifts in Support of Research Projects and Activities

   In the case of a gift offered in support of a specific professor's projects or research activities, the MCLA VP of Administration and Finance will characterize any business or pecuniary ties that exist between the donor and the professor. If any business or pecuniary ties are identified, acceptance of the gift would require approval from the Gift Review Committee. If an exception is granted for acceptance of the gift, the Foundation staff will direct the head of the department in which the professor holds his or her appointment, to exercise oversight of the gift to ensure the conformance of gift utilization with this policy.

2. Conditional Gifts

   Conditional gifts are those gifts that, because of some qualifier or restriction, are considered "non routine." Conditional gifts may commit the Foundation to act within a specified time or use a gift for a specific purpose. Time limits for holding a conditional gift shall be reviewed by the Gift Review Committee. Gift acceptance agreements must specify a time period for meeting the conditions for the gift and must also indicate what will happen to the gift if conditions are not met. An acknowledgment of a conditional acceptance will be sent to a donor within 10 days. A second acknowledgment letter will be sent when conditions have been satisfied.

3. Refunding of Gifts

   In rare instances, the Foundation may deem it necessary to refund gifts, either because it is in the best interest of MCLA or because conditions agreed to in accepting a gift cannot or will not be met. Requests for refunds may come either from the donor or from the recipient department and must include a statement of reason.

V. TYPES OF GIFTS

The following gift types and gift instruments may be accepted by the Foundation. Standards set forth herein are to be followed in the acceptance and administration of gifts and grants to the Foundation. The Foundation accepts gifts in the form of outright gifts, pledges or deferred commitments. The details of gift acceptance and the procedures for gift recording differ according to the type of gift.

A. Outright gifts

1. Cash and Cash Equivalents Cash gifts of any amount are accepted by the Foundation. These gifts can take the form of currency, check or credit card contribution. Cash or checks may be delivered in person, by mail, by Electronic Funds Transfer (EFT) or by wire transfer. The date of gift for IRS purposes for gifts made by checks is the date of the U.S. Postal Service postmark on the envelope or the date the check is hand-delivered to the Foundation, however such gifts are *recorded* by the Foundation the date the check is deposited by the Foundation. If gifts are transferred by EFT or wire, the date of the gift for both IRS and Foundation purposes is the date the money is transferred into a Foundation bank account. When gifts are received by credit card, the date of the gift for both IRS and Foundation purposes is the date the credit card charges are processed.

2. Securities

   a. Publicly Traded Securities

      Publicly traded securities (stocks, bonds and mutual funds) are accepted by the Foundation. Gifts of publicly traded securities are typically sold by the Foundation immediately upon receipt but may be retained by the Foundation under certain circumstances. Gifts of securities are valued per IRS rules, generally as the mean of the highest and lowest sale price of the security as of the date of the gift, or a weighted average of the nearest dates on which there was active trading in the security. The date of the gift is defined as the date of the U.S. Postal Service postmark on the envelope or the date the security is hand delivered (physical certificates) or the date the stock is received in a Foundation brokerage account (book-held securities).

   b. Closely Held Securities

      Closely held securities, which include not only debt and equity positions in non-publicly traded companies but also interests in LLPs and LLCs or other ownership forms, may be accepted subject to the approval of the Gift Review Committee. However, gifts must be reviewed prior to acceptance to ensure that:

- there are no restrictions on the security that would prevent the Foundation from ultimately converting those assets to cash,
- the security is marketable, and
- the security will not generate any undesirable tax consequences for the Foundation.

As required by the Internal Revenue Service, for gifts of non-publicly traded securities exceeding $10,000, it is the donor's responsibility to have the securities valued by a qualified independent appraiser. Gifts of non-publicly traded securities of $10,000 or less may be valued at the per-share cash purchase price of the most recent transaction. While it is permissible for the donor's company to redeem the gifted stock, there can be no redemption agreement, either stated or implied, prior to the gift. For a gift of $10,000 or less, when no redemption has occurred during the reporting period, an independent certified public accountant who maintains the books for a closely held corporation is deemed to be qualified to value the stock of that corporation.

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 final determination on the acceptance of closely held securities shall be made by the Gift Review Committee and legal counsel when necessary. Every effort will be made to sell non-marketable securities as quickly as possible.

3. Interests in Business Entities

Gifts of interests in business entities (partnership interests, S corporations, non-publicly traded stock, interests in limited liability companies, etc.) may be accepted by the Foundation with the approval of the Gift Review Committee. Prior to acceptance of such a gift, the Gift Review Committee should analyze issues affecting the value and marketability of the gift including: the terms of a partnership or LLC operating agreement; any issues of legal and/or financial liability in accepting the gift; the probability of conversion to a liquid asset within a reasonable period of time; projected income that will be available for distribution and administrative fees; and the nature of the business from which the asset is derived.

4. Real Property

a. Real property includes improved or unimproved land, personal residences, farmland, commercial property, bargain sales of real property, conservation easements, rental property, mineral interests, and time shares. It is generally the Foundation's intent to dispose of all gifts of real estate as expeditiously as possible. This intent will be communicated to donors when the Foundation receives notification of the donor's intent to gift real property. The Foundation

may help facilitate the transfer of real property from the donor to the Commonwealth of Massachusetts for use by the College.

b. In regards to unrestricted gifts of real property, the Foundation reserves the right to retain the real property, or immediately sell the real property.

c. Donors can receive a sizable charitable income tax deduction by making a gift to the Foundation of their real estate while retaining full use and rights to the real property during his/her lifetime. (The donor retains a "life estate" and the Foundation receives the "remainder interest.")

   A life estate gift is created by a deed to the Foundation, which reserves a "life estate" for the life of the donor, or his or her designees. Real estate used in a life estate gift must have a minimum value of $50,000. Donors must sign a Life Estate Agreement with the Foundation to clarify their responsibility for property repairs, taxes, insurance and other expenses. Donors are encouraged to have all documents reviewed by their own attorneys.

d. No gift of real property shall be accepted by the Foundation without the approval of the Gift Review Committee. The Gift Review Committee will review and may approve the acceptance of a gift of real property only after a thorough examination of the criteria listed below:

   i. Market Value and Marketability. The Foundation must receive a current appraisal (not older than 60 days) of the fair market value of the property and interest in the real property the Foundation would receive if the proposed gift were approved. The appraisal shall be done in accordance with Internal Revenue Service ("IRS") requirements and should be performed by Member Appraisal Institute ("MAI"), Senior Residential Appraiser ("SRA"), or Senior Real Property Appraiser ("SRPA"). Generally, a representative of the Foundation will physically view and evaluate the real property.

   ii. Environmental Risks. An environmental assessment will be made for all gifts of real estate. The appropriate level of assessment will be determined based on the review of each individual property. (i.e. Phase I, Phase II, Phase III, or none if the property is highly unlikely to carry environmental risks.) In some cases an environmental indemnity agreement may be required.

   iii. Limitations, Encumbrances and Title. The donor must disclose the existence of mortgages, deeds of trust, restrictions, reservations, easements, liens of any type or other limitations on title as well as current zoning and provide income statements where appropriate. Encumbrances must be removed prior to the acceptance of the gift of real estate except in very unusual circumstances approved by the Gift Review Committee and where

the Foundation's equity in the real estate will substantially exceed the encumbrances. The Foundation may consider obtaining a survey. The Foundation will also consider whether there are any requirements for compliance with the Americans with Disability Act and other laws affecting the use or sale of real property.

iv. Carrying Costs. The existence and amount of any carrying costs, such as property owner's association dues, maintenance fees, taxes and property and liability insurance, must also be considered.

e. The gift will be completed by the execution and delivery of a deed of gift or other appropriate conveyance document to the Foundation. The costs associated with the conveyance and delivery of the gift, including, but not limited to, recording fees, a current survey, title insurance and/or an attorney's title opinion, will generally be paid by the donor.

5. Personal Property – Tangible and Intangible

The Foundation may consider gifts of personal property including but not limited to: works of art; manuscripts; literary works; boats; airplanes; motor vehicles; computer hardware and software; and intellectual property. Prior to acceptance of any such gifts the Gift Review Committee must determine that the property is either readily marketable or needed by MCLA. If a gift-in-kind is being considered by the Foundation, the title to the gift property must be clear and unencumbered, and properly documented. In order to approve acceptance of a gift-in-kind, the Gift Review Committee must have information about compatibility, maintenance, storage and transportation costs, as relevant.

Absent a related use for the donated property, if accepted, the Foundation generally will sell or otherwise dispose of such gifts. Because the extent of the donor's allowable charitable deduction depends upon the standard of "related use," the Foundation's intention either to resell the property or to retain it for related use must be clear to the donor at the time of the gift. The Foundation will meet all obligations with respect to IRS forms 8283 and 8282.

Any gift-in-kind involving the following circumstances, and/or which has a value of greater than $100,000, must be approved by the Gift Review Committee:

- Acceptance of the gift involves significant or unbudgeted additional expense for its present or future use or display, maintenance, transfer, insurance, fees or other institutional costs;
- Financial or other burdensome technical or service obligation or expense is or will be directly or indirectly incurred by the Foundation as a result thereof;
- The gift is made on the condition or expectation that the items will be loaned back to the donor or to the donor's designee for life or extended periods of time to be determined by the donor;

- Acceptance or subsequent utilization of the property would result in an "unrelated activity" as defined in unrelated business income tax law.

All gift-in-kind donations to the Foundation must be reported, regardless of value, so that the Foundation can record each gift.

Receipts for gifts-in-kind, generated by the Foundation, shall describe the property transferred, but shall not state a monetary value. Gifts-in-kind will ordinarily be valued at their full fair market value. However, the Gift Review Committee may choose to value the gift (for internal purposes) lower than the appraised amount.

Gifts with a fair market value exceeding $5,000 will be reported at the values placed on them by qualified independent appraisers as required by the IRS for valuing non-cash charitable contributions. In accordance with IRS regulations, it shall be the donor's responsibility to order and pay for the qualified independent appraisal.

B. Planned Gifts

The Foundation accepts deferred gifts including charitable bequests, charitable gift annuities, charitable remainder trusts, gifts of life insurance, and retained life estates.

1. Bequests

A donor can make a charitable bequest to the Foundation in a will and/or living trust. A bequest of cash or publicly traded securities is always acceptable. A bequest of any asset defined herein as being of significant risk must be approved or declined by the Gift Review Committee in accordance with this policy. For a bequest involving real property, the executor, personal representative or trustee may be asked by the Foundation to sell the property within the estate or trust and distribute the net proceeds to the Foundation. The Foundation may also choose to disclaim the property.

2. Beneficiary Designations

Donors can name the Foundation as a beneficiary of certain types of "beneficiary designation" assets. Some examples of accepted beneficiary designation assets are a donor's life insurance policies and qualified retirement plans, such as 401(k) plans, 403(b) plans and Individual Retirement Arrangements (IRAs).

3. Charitable Gift Annuities

a. A charitable gift annuity ("CGA") is a contract between the Foundation and the donor, whereby the donor makes an initial transfer of cash, publicly traded securities or real estate to the Foundation and the Foundation agrees to pay the

annuitant a fixed amount for the rest of his/her lifetime. The Foundation will pay the CGA rates recommended by the American Council on Gift Annuities.

b. CGAs will not be offered to non-Massachusetts residents without review of possible state regulations and/or restrictions by the Gift Review Committee.

c. The Foundation will accept current CGAs, deferred payment GGAs and flexible deferred charitable gift annuities. The deferral period will be discussed between the Office of Institutional Advancement and the donor.

d. CGA agreements are for one life or two lives, as determined at the time of the gift.

- The minimum age to establish an immediate payment gift annuity is 60.
- The minimum age to establish a deferred or flexible payment gift annuity is 55.
- Income payments from deferred or flexible payment gift annuities must be deferred until at least age 60.

e. Minimum Contribution - $10,000.

f. The Gift Review Committee must approve the CGA before it is accepted by the Foundation.

g. Gifts of real estate will be accepted only to fund deferred payout CGAs. As noted above, the Gift Review Committee must approve all real estate gifts.

4. Charitable Remainder Trusts

a. Charitable Remainder Unitrusts

The basic form of unitrust provides for payment to a donor and/or beneficiary(ies) of an amount equal to a set percentage of fair market value of the assets of the trust, valued annually. The percentage is determined at the time the trust is created, is stated in the trust, and is permanent. The minimum payout presently allowed under IRS regulations is 5% annually. The maximum percentage shall be determined by the Gift Review Committee based on recommendations by the Office of Institutional Advancement, which shall be approved and attached to these policies as an addendum entitled Maximum Payout Allowance for Charitable Remainder Trusts. According to IRS regulations, the value of the charitable remainder must be at least 10% of the net fair market value of the property transferred to the trust on the date of the transfer. The maximum number of life income beneficiaries shall be two.

Payments may be set for life or a term of years not to exceed 20 years. Because income payments are based on a fixed percentage of the annual market value of trust assets, payments will vary in amount as the value of the assets changes.

b. Charitable Remainder Annuity Trusts

Annuity trusts are similar to unitrusts except that the donor and/or beneficiary(ies) annually receive a payout that is fixed irrevocably at the time of the gift and stated in the trust agreement. Under IRS regulations, the payout must equal at least 5% of the fair market value of the assets placed in the trust when it is created. Income in excess of the annual payment is added to the principal. Unlike a unitrust, IRS regulations do not allow additions to annuity trusts.

5. Life Insurance

The Foundation may receive two types of life insurance gifts: as beneficiary or as owner and beneficiary. The donor, on the advice of his or her advisers, must decide which arrangement is in the donor's best interests. In all cases, life insurance gifts shall be valued at the lesser of the cash surrender value or the premiums paid.

a. If the Foundation is named beneficiary of a life insurance policy (and does not own the policy), review of the gift is not required by the Gift Review Committee.

b. If the Foundation receives a gift of insurance for which the Foundation is beneficiary and owner, the gift must be reviewed by the Gift Review Committee. The following criteria apply:

i. The premium must be a lump sum payment or annual premium payments for not more than ten years.

ii. The policy must *not* be a term insurance policy.

iii. The donor must agree to be responsible for additional premium payments if the interest rates fall below expectations and additional premium payments are required. Cash gifts to be used for premium payments are booked at face value as received. The minimum face value for acceptance of a gift of insurance when administrative handling by the Foundation is required is $25,000.

iv. The donors must be informed at the time of the gift that if, for any reason, they are unable to make the gifts to cover the premium payments and there are not dividends to cover the payment, the Foundation will select one of the following options for the future of the policy:

a. Pay any additional premiums and consider the policy paid at current level of insurance, if possible.
b. Surrender the policy for the cash value and use the funds as designated by the donor; or,
c. Use Foundation resources to pay the insurance premium.

C. Pledges

1. Pledges are commitments to give a specific dollar amount according to a fixed schedule. Documented pledges are recorded in the Foundation database and included in financial reporting. Pledges are cancelled (written off) only when circumstances are documented and procedures noted below are followed.

2. Pledge Documentation

a. Legally-Binding Pledge Form: A "Legally Binding Pledge Form" is appropriate where the Foundation is accepting financial or other obligations in reliance on the anticipated gift (e.g. to start capital construction, to initiate a named program, to hire faculty for a specified position, etc.). In such cases, the Office of Institutional Advancement must consult with Legal Counsel to appropriately modify/use the Legally Binding Pledge Form attached to this policy. In cases where a legally-binding pledge is required in the creation of a new fund, the Legally Binding Pledge Form shall be attached to the Fund Agreement.

b. Other Pledges: All other pledges shall be documented using an official "Pledge Form."

c. Minimum Information: All pledge forms must contain the following minimum information:

- Total amount of the pledge
- Funds shall be made payable to the Foundation
- Payment schedule (preferably not to exceed 5 years)
- Designation for use of the funds
- No contingencies or conditions
- Donor's printed name
- Donor's signature
- Confirmation of donor expectations regarding pledge payment reminders

3. Pledge Payments

a. Pledges may be fulfilled through payments of cash or publicly traded securities.

b. If real estate or other non-marketable assets are used as payment, the initial value recorded against the pledge shall be the fair market value of the real estate or assets as determined by an independent qualified appraisal supplied by the donor. If, upon sale of the real estate or asset, the sale proceeds net of all expenses is less than the amount booked against the pledge, an additional pledge shall be booked in an amount equal to the difference between the amount initially booked against the pledge and the net sales price.

c. If publicly traded securities are used as payment, the amount booked against the pledge shall be valued at the mean of the high and low prices on the date of receipt of the securities.

d. Expected matching gift amounts (such as from employers) cannot be used to reduce pledge balances. Matching gifts cannot be obligated by the donor and cannot satisfy pledges. It is permissible for the donor to have matching gifts deposited into the same fund as his/her gift. The original pledge amount should only reflect the anticipated amount for which the donor is personally responsible.

e. If one or more payments have been received before a pledge is posted, only the remaining balance of the total commitment is posted as a pledge. That is, a payment cannot pre-date a pledge.

4. Pledge Write-Offs

a. Single and multi-year pledges, including bequest pledges, must have appropriate approval from the Foundation President to be written off.

b. Single and multi-year pledge write-offs require the submission of a Pledge Write-off Form. This form must be completed, signed and dated by the appropriate parties noted above. An explanation must be provided on the form (e.g., donor died on specified date; donor notified the Foundation of intention not to complete pledge; or pledge is being cancelled and replaced by a new pledge.) This documentation will serve as the source document for financial audits.

VI. MISCELLANEOUS PROVISIONS

A. Securing appraisals and legal fees for gifts to the Foundation:

It is the responsibility of the donor to secure an appraisal (where required by IRS Pub 561) for all gifts made to the Foundation. It is the donor's responsibility to retain independent legal counsel.

B. Valuation of gifts for development purposes:

The Foundation will record a gift received by the institution at its valuation for gift purposes on the date of gift as defined above.

C. Filing of IRS Form 8282 upon the sale or disposition of any gift sold within two years of receipt by the Foundation as required by the IRS shall be the responsibility of the Foundation.

D. Acknowledgement of all gifts made to the Foundation and compliance with the current IRS requirements in acknowledgement of such gifts shall be the responsibility of the President of the Foundation and the Board of Directors. IRS Publication 561 *Determining the Value of Donated Property* and IRS Publication 526 *Charitable Contributions* will be used as the standard.

VII. REVIEW AND AMENDMENT OF THIS POLICY

The Gift Review Committee is responsible for formulating, implementing and amending this Policy. The Foundation Board shall exercise the authority, oversight and responsibilities specified in this Policy. The Gift Review Committee will also review and recommend to the Foundation Board the approval of the real estate portion of this Policy. The Foundation Planned Giving Council (to be formed) shall review and recommend to the Gift Review Committee the approval of the deferred gift portion of this Policy. The Chair of the Foundation or Foundation President, shall report to the Board of Directors as needed. Responsibility for review of and recommendations regarding amendments to the Policy shall be that of the Gift Review Committee. To amend the Policy, a written amendment shall be prepared by the Committee and submitted to the Foundation Board of Directors for review and approval.

Additionally, the Foundation President shall have the authority to amend the Policy to comply with law whenever it becomes inconsistent with the Internal Revenue Code, the Treasury Regulations promulgated thereunder, or other applicable state or federal laws. The President shall provide a written report to the Gift Review Committee explaining the reason for any change to this Policy. The Committee shall thereafter submit any changes or amendments for approval at the next meeting of the Foundation Board of Directors. All such changes made by the Committee are subject to the power of the Board of Directors to accept or modify such amendments.