

POLICY MANUAL

VOLUME VI

INSTITUTIONAL ADVANCEMENT

August 2016

GEORGIAN COURT UNIVERSITY

THE MERCY UNIVERSITY OF NEW JERSEY

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Volume VI
Institutional Advancement Policies

6.1 Fundraising and Gift Acceptance

| FUNDRAISING AND GIFT ACCEPTANCE | |
|--|--|
| Effective Date: | [TBD] |
| Policy Number: | VI -6.1 |
| Supersedes: | Not Applicable. |
| Issuing Authority: | [TBD] |
| Responsible Officer: | Vice President for Institutional Advancement |
| Applicability: | All university employees, trustees, volunteers, students and university organizations. |
| History: | |

PURPOSE

The purpose of this policy is to define the types of gifts accepted by the University and to provide a set of standards by which such gifts are solicited, reviewed, accepted, and acknowledged by Georgian Court University.

POLICY

Fundraising at Georgian Court University (GCU) consists of four campaigns: Planned/Estate Campaign Gifts; Major/Capital Campaign Gifts; Annual Campaign Gifts, and Event Sponsorship/Attendance Campaign Gifts.

The Office of Institutional Advancement (OIA), on behalf of the Board of Trustees (Board), accepts all philanthropy to GCU for all fundraising appeals and campaigns. Before formally accepting a gift or grant, IA determines that gifts and grants to the University are evidence of philanthropic intent and that the donor’s philanthropy is in accord with the stated mission and goals of the University. The Board shall assure itself that all philanthropic promotions and solicitations are ethical.

GCU must be sensitive to the interests and capabilities of its donors and donor prospects and must not burden them with excessive or inappropriate solicitations. With the increasing competition for contributions in higher education, it is essential that the University make every contact with prospective donors meaningful and appropriate.

Fundraising activities on the part of individuals, departments, or other groups are welcomed. However, to avoid conflicting communication, no person or organization of GCU is authorized to solicit an individual, organization, corporation, or foundation for a donation or gift-in-kind in the name of GCU without prior clearance in writing from the Vice President for Institutional Advancement (VPIA). This includes, but is not limited to, the solicitation of ads for ad journals, sponsorships, gifts of equipment, or direct contributions of money, plus anything else that qualifies as a donation. When in doubt, staff, faculty, and students must consult with the school

dean, Provost or Vice President who needs to approve, in writing, the initiative before discussion with the VPIA takes place.

When soliciting charitable contributions, no employee or representative of GCU is authorized to commit GCU to an agreement which is in conflict with established university **and Office of Institutional Advancement (OIA)** policies and procedures, or that compromises, in any manner, the position of any office or department in the performance of its assigned responsibilities.

Any community member who wishes to seek a contribution of money, real property, personal property, or gift-in-kind from an individual, corporation, foundation, or other organization for the purpose of continuing, enlarging, or initiating an approved program, project, or activity, will coordinate such solicitation effort from its inception with the **OIA**. The **OIA** will ensure that, in the solicitation for support from such sources, GCU priorities are observed and plans for such programs, projects, or activities have been reviewed and approved in advance of solicitation by academic, financial, and other appropriate administrative officers.

As a general rule, a solicitation for a gift or bequest must stress the advantages of an unrestricted gift. Prior to acceptance, a bequest or restricted gift must be assessed to assure that it does not place unreasonable constraints or requirements on the University. While GCU will accept gifts which are restricted so as to affirmatively assist particular individual or group efforts, it is the policy of the University to seek to persuade the donor, when appropriate, to allow language in any gift documents permitting use of the funds for general purposes.

Scholarships or student award gifts will not be accepted by the University if they are offered on the condition or with the understanding that the award will be made to a student of the donor's choice. GCU will pay no fees to any person in consideration of directing a gift or completing a gift instrument to the University and its campaigns.

DEFINITIONS

Annual Campaign—Any organized effort by a nonprofit organization to secure gifts on an annual basis by volunteers, phone, direct mail, email, social media, or any combination of those efforts. Also frequently called the Annual Appeal, or Annual Fund. Gifts, unless otherwise designated, benefit the unrestricted operating funds of the University.

Campaign—An organized effort to raise funds for a nonprofit organization through solicitation by volunteers, phone, direct mail, email, or social media, or any combination of those efforts.

Capital Campaign or Major Gifts—A campaign to raise substantial funds for a nonprofit organization to finance major building projects or major program initiatives, supplement endowment funds, and/or meet other needs that require significant investment.

Case Statement—A carefully prepared document that describes the reasons why a university or organization merits philanthropic support.

Constituency—A category of donors and prospective donors, such as alumni, parents, members, employees, and, in a broader sense, individuals, corporations, and foundations.

Contract—Restricted payments received from various contractors, made in accordance with the terms of contracts entered into by an organization, to conduct specific programs.

Cultivation—The process of gradually developing the interest of an important potential contributor through exposure to university activities, people, needs, and plans to the point at which he/she may consider a major gift.

Deferred or Planned Gift—The creation of a vested future interest in property for the benefit of a charitable organization. Current value is ascertainable using actuarial tables.

Direct Mail—Soliciting gifts by letter or series of letters to elicit support for an organization.

Donor—An individual, corporation, foundation, or organization that has made a gift to a nonprofit organization.

Donor List—A list of donors to an organization. This list might include names, addresses, telephone numbers, amounts of gifts, dates, receipt numbers, motives for the gifts, funds to which gifts were restricted, honor/memorial information, and any comments noted when gifts were received.

Endowment—Funds that are kept intact and permanently invested, a portion of the earnings from which are applied to purposes designated at the outset by the donor.

Face-To-Face Solicitation—Solicitation directly via a visit to a prospective contributor at his/her home, office, or other selected location.

Gift—A voluntary transfer of things of value from individuals, businesses, foundations, and other sources for either unrestricted or restricted utilization in the operation of an organization, for which the organization has made no commitment of resources or services, other than the possible agreement to the designation of the use of the gift by the donor.

Gift Clubs/Recognition—The practice of recognizing gifts, first through immediate acknowledgment by card or letter, and subsequently through personalized notes, personal expressions of appreciation directly to donors, published lists of contributors, and/or other appropriate ways. Many nonprofits recognize major donors through membership in gift clubs. Membership is generally based on the size or type of the gift.

Gift in Kind — A gift of goods and/or services which may be used in the operation of the organization, or may be converted to cash assets with the authorization of the donor, at the discretion of the receiving organization.

Gift Report—A report that provides information on gifts received in response to an appeal. A gift report often shows the fund for which the gifts will be used.

Goal—The overall financial objective of any campaign.

History of Giving—A summary of all gifts; number of gifts; year-to-date giving; first, last, and largest gifts; motives and funds; last five years' giving summary; pledge summary; matching gift summary; and miscellaneous giving summary.

Individualize—The ability to include specific and personal information about a donor/prospect in a letter (e.g., event attended, specific support in the past, how a scholarship gift was used, etc.).

Institutional Advancement—A term used to define the overall operations of university fundraising, alumni relations, and development.

Objectives—The specific purposes for which a campaign is launched, encompassing the full scope of the stated needs; the *raison d'être* for the campaign.

Operating Funds—Money applied directly to meet regular, ongoing expenses incurred in the general operation of an organization. Operating funds are usually unrestricted, so that the University may use gifts as they deem most appropriate.

Personalize—To write to a donor/prospect using their personal name(s) in the address and salutation.

Philanthropy—The spirit of active goodwill toward humankind, especially as shown in efforts to promote their welfare. Generally, philanthropy is the philosophy and practice of supporting, through financial and other contributions, programs and campaigns conducted by charitable organizations.

Proposal—A carefully prepared written request for a gift or grant.

Prospect—A potential donor; an individual, corporation, foundation, or association that may make a gift to a nonprofit organization.

Prospect Rating—A procedure for evaluating the giving potential of various prospects through judgments of knowledgeable persons, functioning as a special campaign committee.

Prospect Research—The continuing search for new and pertinent information concerning prospects already on record and for identification of new individuals, foundations, corporations, etc., utilizing numerous reference sources.

Quasi- or Board-Directed Endowment—Funds that a board of trustees decides to retain and invest. There are two types of quasi-endowments: restricted and unrestricted. With restricted quasi-endowments, while the board makes the decision to establish an endowment account with the funds, neither the principal nor the interest may be used for any purpose other than that designated by the donor. With unrestricted quasi-endowments, the board has the authority to decide at any time to expend the total dollar amount and to designate how the earnings are to be spent.

Restricted—Gifts, grants, or contracts given or paid wherein the donor or granting and contracting organization has specified that the gift, grant, or contract is to be used to support specific programs or projects.

Soft Credit—credit to parties other than the individual or organization that legally tendered a gift for recognition purposes, including matching gifts.

Special Events—A public occasion such as a dedication or a groundbreaking ceremony, or an event specially contrived to focus attention on the organization during a fund-raising campaign, thus aiding the cultivation process.

Special Project—A program or project requiring special funding but usually not of sufficient proportions to necessitate a campaign.

Sponsors—Individuals who agree to use their names on letterheads and other campaign literature in order to show readers that a campaign or program has high-level endorsement.

Stewardship—Careful accounting for the raising and spending of funds in accordance with the objectives of the nonprofit organization and in keeping with the wishes of the donor.

Tax Acknowledgement/Tax Receipt—The timely "thank you" and receipt for a gift showing the date of the gift, gift type, and purpose of the gift (if it is restricted) in accordance with IRS regulations.

Unrestricted—Nature of a gift that it is donated to be used where it is most needed by the charitable organization as determined by the organization leadership.

Voluntarism/Volunteerism—The willingness of private citizens to serve voluntarily to benefit programs and causes, both in fund-raising campaigns and in other capacities.

Year-End Giving—The practice among many charitable organizations to seek gifts, usually via mail campaigns, in the last two or three months of a calendar or fiscal year on the premise that prospects will take last-minute advantage of opportunities to secure tax deductions.

PROCEDURES/GUIDELINES

Office of Institutional Advancement (OIA)

The OIA develops relationships and secures philanthropic resources that enhance Georgian Court University's ability to achieve its vision and mission. The OIA does this by engaging others to improve the University and its community. Through friend raising, advocacy, and fund-raising efforts, the OIA nurtures opportunities benefiting the academic and student success at Georgian Court. The OIA encourage, solicit, receive, and award private gifts, bequests, and donations serving the University's goals.

Gifts are considered philanthropic when the donor intends to make a charitable contribution, imposes limited contractual requirements on the donation, and makes the gift irrevocable. With the exception of a fund-raising event, there can be no expected return or benefit to the donor in exchange for the gift. All philanthropic gifts are required to be processed through the OIA. The OIA ensures that IRS regulations are followed, including proper receipting, record-keeping, and communication with donors. In addition, the OIA works closely with finance and accounting to confirm that the philanthropic figures presented to external sources through appropriate publications are as complete as possible.

Four Campaigns

Planned/Estate Campaign Gifts are made using deferred or other assets instead of outright ask instruments. Examples include bequests, trusts (remainder or lead), charitable gift annuities, life insurance, appreciated securities, real estate.

Major/Capital Campaign Gifts are made using other assets (e.g., appreciated securities, real estate) or a combination of assets and regular income. These are often paid over a period of time—usually three to five years.

Annual Campaign Gifts fund immediate needs from outright assets. Examples include monthly giving through payroll deductions or on credit/debit cards or through automatic bank account transactions.

Event Sponsorship/Attendance Campaigns sponsor or support an event. Examples include reunion, alumni events, a golf event sponsorship, or a golf raffle purchase.

Gift Valuation

Before acceptance, gifts will be assessed by the VPIA in coordination with appropriate department heads to assure that such gifts do not impose unreasonable constraints or conditions upon GCU, and are in accord with the University's capacity to provide the appropriate stewardship. No payment for expense involved in accepting such a gift will be made without the express authorization of the VPIA. Whenever the acceptance commits

GCU to a major or extraordinary obligation not already provided in this policy, the acceptance must be approved by the Board.

In setting up or reviewing the terms of any gift with a donor, a representative of GCU may suggest wording or terms that will assist GCU in complying with the donor's wishes. The representative will not, however, give tax or legal advice. All prospective donors must be advised to seek the counsel of their attorneys and/or their tax and estate-planning advisors concerning all aspects of their proposed gift. If the donor refuses to employ that person's own counsel, OIA will contact GCU's counsel for procedural guidance.

In addition, OIA will typically seek the advice of a tax and/or legal counsel in matters relating to acceptance of the following gifts: securities that are subject to restrictions or buy-sell agreements; documents naming the University as trustee or requiring GCU to act in any fiduciary capacity; gifts requiring GCU to assume financial or other obligations; transactions with potential conflicts of interest; and property which may be subject to environmental or other regulatory restrictions.

Gifts will be valued by GCU on the date the donor relinquishes control of the assets in favor of GCU. The amount reported will be arrived at without regard to the donor's estimation of the gift's value, the worth and date of the gift as reported by the donor to the IRS, or of the value placed on it by the IRS in reference to the donor's tax liability. In cases where gifts are made in cash, the valuation does not pose a problem; where gifts are made with securities, real and personal property, in-kind items, or bearing some real or implied obligation on the part of GCU, best practice and professional standards will be observed. The University's financial accounting treatment of gifts may differ from this reporting policy.

Gift Types

Methods of giving generally accepted by the University are:

Gifts of Cash: Cash gifts include currency, personal or business checks, cashier's checks, wire transfers, money orders and credit card payments for outright gifts for which the donor receives an income tax deduction as prescribed by law. Gifts in the form of cash are recorded in the amount of the actual gift. A donor has the option to restrict some or all of the cash gift to a specific program or department.

The donor will be credited with the full amount of the cash gift. In cases where the donor receives something of value in return for the donation, a receipt in the amount of the gift minus the cost of the benefit received will be provided by the University.

All checks must be made payable to GCU and not to an employee, agent, or volunteer for the credit of the University. Checks are deposited in the ordinary course of business and no employee or agent of the University is permitted to delay deposit of such.

Donors may make gifts to GCU through donor-advised funds or charitable checking accounts. Receipts are not generated for gifts from donor-advised funds or charitable checking accounts, however, acknowledgment letters are completed as requested by the organizations or charities administering the accounts.

Donors whose gifts are matched by a company receive soft credit for the matching amount. The donor is recognized for the combined total of the donation and the matching gift in any donor listing.

Pledged Gifts: Pledges allow a commitment to be paid over a period of time based on an agreed-upon payment schedule. Pledging a gift over a three-to-five year period may allow a donor to make a more substantial gift while affording him/her the opportunity to adjust the timing and amount of each payment to achieve the most beneficial tax treatment. Most annual gifts are not pledged beyond the fiscal year in which they are requested.

Pledged gifts are recorded in the amount of the total pledge in the year that the pledge is signed. A donor has the option to restrict some or all of the pledge to a specific program or department. In order to be recorded, OIA must receive written documentation of the pledge including the name of the donor, the amount of the pledge, any restrictions on the pledged funds, and the schedule of payments.

Gifts of Appreciated Publicly Traded Securities: These include all gifts of stocks, bonds, and other negotiable securities, which are (or will be) readily marketable. Marketable publicly traded securities will be valued at the average of the high and low market value on the date the donor relinquishes control of the assets in favor of the University. The deduction for outright gifts of appreciated long-term securities (held more than 12 months) is equal to the value of the securities on the date the donor relinquishes control of the assets to GCU. Neither losses nor gains realized by GCU's sale of securities nor brokerage fees or other expenses associated with the transaction will affect the value reported.

Stock certificates mailed to GCU are recorded according to the postmark date. Stock certificates sent to GCU via a third party provider, such as UPS or Federal Express, are considered to be legal gifts as of the date of receipt by the University. Stock shares transferred electronically are considered legal gifts as of the date the stock is credited to the account of the University.

It is GCU policy to immediately liquidate any gifts of publicly-traded securities unless retention of the specific security is consistent with the University's investment practices. If a donor is an officer or director of the issuing corporation, the University will inquire as to whether any Securities and Exchange Commission (SEC) Rule 144 restrictions apply that limit the University's ability to sell the donated securities.

GCU will not receive or process proposed transfers of stock that have no current market value (i.e., "worthless stock") at the time a transfer to the University is proposed.

Securities controlled under SEC Rule 144 are held until the restriction on the sale expires and then they are immediately sold in the manner indicated above.

Gifts of Closely Held Stock: This is a gift of stock of a private or family-held corporation. Gifts of closely held stock exceeding \$10,000 will be valued at the fair market value placed on them by a qualified independent appraiser as required by the IRS for valuing stock that is not publicly traded. Neither the University nor IA will be responsible for obtaining or paying for an appraisal. Gifts of less than \$10,000 may be valued at the per share cash purchase price of the most recent transaction. Normally, this will be the buy-back transaction of the donor. If no buy-back is consummated during the campaign period – annual or longer – a gift of closely held stock may be credited to the campaign total at the value determined by a qualified independent appraiser. All such gifts will be held until liquidated, at which time the funds will be used consistent with the gift intentions of the donor(s) and the established policies of GCU.

Gifts of Real Estate: Almost any type of real property from personal or vacation homes and commercial buildings to farms or ranches or even undeveloped lots constitute gifts of real estate. The property may be donated outright; serve as the corpus of a trust arrangement; or, if it is the donor's personal residence, the donor and/or spouse may gift the property with the right of lifetime tenancy. Whenever feasible, a prospective donor of an outright gift of real estate will be encouraged to sell the real estate in contemplation for donation to GCU. Outright gifts of real estate, the bargain portion of bargain sales, and/or partnerships will be credited, recognized and/or commemorated at fair market value at the time it is transferred to GCU. An independent, qualified appraiser paid by the donor must determine the fair market value of the property. The university will ensure due diligence with respect to all inspections, appraisals, liens, liabilities and gifting agreements before approving a gift of real estate. Outright gifts of mortgaged real estate are treated as bargain sales and generally are not accepted unless there is an assurance that the stated property can be sold within a reasonable period of time and there is substantial equity in the property that will be realized at the time of sale. Approval of the Board Financial Policy Committee for all gifts of real estate is required prior to acceptance by GCU.

Gifts of Tangible Personal Property and Gifts-In-Kind: The university will accept gifts of tangible personal property from individuals and in-kind gifts from organizations and corporations in accordance with the procedures established below. In general, all gifts of tangible personal property must further the University's mission or be readily marketable. The final determination of need rests with the VPIA in consultation with the appropriate department and the University president.

Outright gifts of tangible personal property, for which individual donors qualify for a charitable gift deduction under current IRS regulations, will be credited, recognized and/or commemorated at the appraised value of the property at the time it is transferred to the University, less any encumbrances. Unless otherwise authorized by the Board, the University will seek to liquidate such assets in order to secure the cash needed to fund its programmatic and/or facility priorities. Once a gift is accepted, the item becomes university property. If at any time the University wants to sell or otherwise dispose of the gift, the disposition must follow university policy and state law.

Since a donor must complete IRS Form 8283 when claiming a deduction of \$500 or more for non-cash gifts, a representative from the GCU finance division may sign part IV of IRS Form 8283, confirming receipt of the non-cash gift. If the donor is claiming a deduction of \$5,000 or more, the donor must get a qualified appraisal by a qualified appraiser no earlier than sixty (60) days prior to the date of the donation. The donor is responsible for establishing and documenting the value of such gifts for tax purposes. Neither the University nor IA will be responsible for obtaining or paying for an appraisal or assuming responsibility for packing, insuring, and transporting the gift to the University. The donor should refer to IRS Publications 526 and 561 for specific information on valuing non-cash gifts and determining the applicable deduction. Gifts of under \$5,000 may be reported at the value declared by the donor or a qualified on-campus expert (e.g., library, art professor). Any gift-in-kind that can be liquidated will be credited to a campaign on an item-by-item basis.

If the University decides to sell or dispose of a gift valued over \$5,000, the faculty, staff, or administrator wishing to sell or dispose of the gift must consult with OIA to determine

if the donor has attached specific conditions on disposition of the gift. OIA may need to submit a form 8282 to the IRS stating the date of disposition and value received.

Generally, the University's acceptance of non-cash gifts will not involve significant additional expense for their receipt, present or future use, insurance, maintenance, or administration. Generally, the University will not incur burdensome financial or other obligations, directly or indirectly.

The university will not accept gifts of tangible personal property, such as books, paintings, etc., if such gifts are to be made on the condition, understanding or expectation that the gifts items will be loaned to the donor or to persons designated by the donor for life or for an extended period of time as determined by the donor.

Cashless Stock Options Exercise Programs: This gift is an exercise of stock options tied to a donation of the stock to GCU. The amount of money remaining from the difference between the sale price and the exercise cost shall be credited to GCU.

Corporate Matching Gifts: These gifts will be encouraged and credited to the donor in the proportion designated by the matching gift arrangement. When fulfilled, the matching gift and individual pledge count in full toward campaign totals if in accordance with the corporation's policy. The university does not accept pledges of matching gifts from donors nor can the pledge be increased to include a potential matching gift. Only the corporation itself can pledge a matching gift.

Professional Services and Volunteer Travel Expenses: The goal of any campaign is to realize real and applicable financial resources. Therefore, while the University is grateful for the involvement of volunteer leadership, these are gifts that will not be credited to the campaign or recorded in annual donor categories. An individual functioning as a trustee, alumni board member, volunteer, or committee member is not eligible to donate volunteer time dedicated to the University-related activities as a gift of professional services. If the individual is retained, either by contract or similarly in writing, to perform a professional service, that individual may be able to donate the payment for professional services back to the University. An individual functioning as a trustee, alumni board member, volunteer, or other similar committee member may be eligible to deduct related travel expenses as defined by IRS guidelines; however, the University does not record that travel as a gift, include it in campaign or other giving program totals, or credit the individual in donor categories.

Gift-in-Kind Acceptance Procedures

Prior to accepting a gift-in-kind, no matter the monetary value, the Gift Acceptance Approval Form should be presented for approval to the appropriate dean or director, vice president, and OIA.

1. The form is to be used:
 - a. When faculty, staff, or student organizations desire to seek donations of material gifts (e.g., equipment, art, etc.); and
 - b. When faculty, staff, or student organizations are contacted by outside sources seeking to donate cash or material gifts.

2. The University contact will complete as much of the information as possible, depending on the nature of the contribution. A reasonably detailed description of the property should be included.
 - a. Gifts of equipment and/or technology need to be in good condition and useful to the University as determined by the dean/director, the vice president, and the IT and/or facilities staff. They must also be cleared by the instructional liaison, student service administrator, IT, or administrative services administrator, and the vice president prior to acceptance.
 - b. IRS guidelines require that the donor—not the University—place a value on the donation.
3. After approval of the form by the appropriate dean or director, vice president, and OIA, the University contact will arrange with the donor for delivery of the items, and will work with appropriate offices on campus for use or distribution of the items.
4. The OIA will forward an acknowledgment to the donor for tax reporting purposes that includes the information required by the Internal Revenue Service, including:
 - a. The date of the contribution;
 - b. The location of the contribution; and
 - c. A reasonably detailed description of the property.
5. The OIA will forward a copy of the form to the Office of Finance for determination of fixed asset identification. Once accepted, gifts become University property and must be inventoried by the Office of Finance and Administration.
6. The University contact is encouraged to generate additional written appreciation to the donor AND forward a copy to the OIA.

RELATED POLICIES

Annual Campaigns Policy
Stewardship Policy
Strategic Campaigns Policy

6.2 Annual Campaigns

| ANNUAL CAMPAIGN | |
|-----------------------------|---|
| Effective Date: | [TBD] |
| Policy Number: | VI -6.2 |
| Supersedes: | Not Applicable. |
| Issuing Authority: | [TBD] |
| Responsible Officer: | Vice President for Institutional Advancement |
| Applicability: | All university employees engaged in activities related to institutional advancement and alumni relations. |
| History: | |

PURPOSE

The purpose of this policy is to define the set of standards by which unrestricted gifts and pledges to the University for current-year operations as part of the Annual Campaign are accepted and processed by Georgian Court University (GCU).

POLICY

The Annual Campaign consists of unrestricted giving, operating scholarship funds, and restricted operating gifts and grants.

The core of annual giving is the fundraising program seeking and resulting in unrestricted gifts to the University for current-year operations. This includes all unrestricted gifts requested by mail, email or the phonathon. In addition to unrestricted giving, restricted gifts made for operating scholarship funds, gifts in support of program operations, and grants from private corporations and foundations are included within the Annual Campaign.

DEFINITIONS

See Definitions section of the University's Fundraising and Gift Acceptance Policy.

PROCEDURES/GUIDELINES

Pledges to Annual Campaigns

The purpose of annual giving is to generate operating support for the institution for a specific fiscal year. Therefore, no open annual giving pledges may remain on the books from a previous fiscal year. If some pledges are significant in size, a manual review of pledges will be done and in concert with the donor, a pledge may be extended for the following fiscal year. Approximately 30 days after the close of the fiscal year, all open pledges for the previous fiscal year for mail, email, or phonathon campaigns will be reviewed and written off. It is possible to commit a gift to the annual campaign for a number of years. These multi-year annual pledges to operations will not be automatically written off.

Oral pledges made through an authorized phonathon campaign or program may be counted and reported in the annual giving totals until the fiscal year closes. This assumes that a form of confirmation notice is mailed to the donor immediately following the solicitation

period. However oral pledges made but not yet fulfilled are not counted towards the percentage of alumni who make gifts to the University.

Fundraising Events

Fundraising events provide friend-raising opportunities as well as revenue and may include galas, golf outings, or other types of event approved by the OIA. The OIA reviews the roster of events annually to ensure that they continue to be appropriate and support the University with revenue and other opportunities. Gross revenue from events may be directed to unrestricted or restricted use, as determined by OIA. Expenses for events are budgeted annually in the OIA.

RELATED POLICIES

Fundraising and Gift Acceptance Policy
Stewardship Policy

6.3 Strategic Campaign

| STRATEGIC CAMPAIGN | |
|-----------------------------|--|
| Effective Date: | [TBD] |
| Policy Number: | VI – 6.3 |
| Supersedes: | Not Applicable. |
| Issuing Authority: | [TBD] |
| Responsible Officer: | Vice President for Institutional Advancement |
| Applicability: | All university employees engaged in activities related to institutional advancement and alumni relations |
| History: | |

PURPOSE

The purpose of this policy is to define the set of standards by which strategic fund-raising campaigns are approved and managed by Georgian Court University (GCU).

POLICY

A multi-year strategic fundraising campaign is markedly different than ordinary annual fund-raising efforts in that it has a specific goal of money to be raised within a fixed period of time, generally one (1) to five (5) years. Normally, campaigns are restricted to raising the substantial amounts of money needed for construction of new buildings, endowments, major renovations, and other large projects or programs. As campaigns depend upon reaching out to the larger community beyond the circle of existing donors, their success or failure directly affects the University's reputation as a whole and its ability to raise money for other needed programs.

Any school, department, center, or division wishing to conduct an annual or strategic fund-raising project must develop a formal written plan in conjunction with Office of Institutional Advancement (OIA). This plan is presented by the dean, director, Provost, or Vice President to the Vice President for Institutional Advancement (VPIA) and the University President. The plan

must be approved by the President in consultation with the OIA and President's Cabinet. Large capital or comprehensive campaign plans must be approved by the Board.

DEFINITIONS

See Definitions section of the University's Fundraising and Gift Acceptance Policy.

PROCEDURES/GUIDELINES

Multi-Year Campaigns

General policy guidelines and procedures related to multi-year campaigns apply when the University is actively engaged in a multi-year campaign. Active engagement in a campaign includes the silent and public phases of a campaign, but does not include the feasibility study. Guidelines and procedures include the following items:

All private gifts and grants with signed pledges or documentation for an approved strategic campaign will be credited toward the campaign goal. This will include deferred (future) commitments, reported both at face value and deferred (future) value, discounted to present value. Grants are included in campaign revenue and are distinguished from contracts (exchange transactions) by the NACUBO checklist for classifying revenue as a contribution or exchange transaction derived from FASB SFAS 116 & 117. A strategic campaign may reach its total dollar objective before it reaches the individual project objectives. Public campaign announcements will be very clear about the campaign goals and outcomes.

All unrestricted bequests received by GCU will be counted toward the campaign. Verbal or revocable bequest commitments will not be counted. In order to receive campaign credit for confirmed outright bequest provisions, individuals must be 70 years of age or older at the time of the pledge, or have exceptional circumstances that qualify their intention to give an end-of-life gift. Irrevocable bequests documents may be counted at any age of the donor. Annual giving appeal gifts will also be counted. All gross revenues from events and sales of merchandise designated to campaign projects during the campaign will be credited toward the appropriate campaign appeal goal.

The Finance and Executive Committee and Advancement and External Affairs Committee, as well as the University auditors and attorney will review these campaign gift procedures and guidelines as circumstances warrant.

Endowment Campaigns

Most endowment funds are perpetual. Endowment gifts to any campaign may be used to establish a special fund or may be added to an existing fund. The terms of any endowment should be written to allow the most flexibility. However, the donor must be comfortable and satisfied with the terms of the agreement. Both parties must understand exactly what is expected from the donor and the University.

Endowment income is the financial engine that provides the resources that assure survival and excellence over the long term. A generally accepted goal for endowment income is 10% of the annual budget or maintenance of about twice the annual budget in endowment principal.

Gifts intended to create or be added to an endowment fund must be supported by a formal gift instrument, the Endowment Agreement, which clearly states the donor's intent to establish or add to an endowment fund and specifies any restrictions. When either designated funds or

endowed fund accounts are to be established by a donor, the donor or related department must consult with IA to develop either a gift agreement or endowment agreement to be signed by both parties outlining the use of funds. In the absence of a gift agreement or endowment agreement, the University will make decisions for the donor. One of the stated purposes of IA is to carry out the donor's wishes and assure that the funds and property received are applied to the uses specified by the donor. The language used in establishing restricted and endowed funds should be such that the terms can be modified to permit suitable use in the future as conditions require in the light of changed circumstances.

All new endowments will be invested in instruments conducive to the appreciation of capital and guided by the University's investment policy guidelines. Endowment by its nature begs for a long-term approach so that the endowed fund will not only fulfill its purpose of generating annual income to be used for its stated purpose, but will also go beyond that level so as to produce earnings that can be added back into the principal (the corpus) to promote growth in principal and provide a hedge against inflation. No endowment will be separately invested without the approval of the Advancement and External Affairs Committee and the Trustee Finance and Investment Committee. The Board of Trustees' Finance and Investment Committee sets the spending policy (pay out rate) of all endowed funds. The university's current spending policy for endowed funds is 4.5% of a three-year rolling average of the invested endowment principal.

Pledges to Strategic Campaigns

All gifts accepted by the University for any campaign will be in accordance with the charitable gift making methods approved by the University and that conform to federal and state tax regulations.

All pledges will be recorded using a formal pledge document signed by the donor or a signed letter containing the appropriate information. E-mail will be an acceptable format. A letter from the University to the donor, outlining the same details based on a conversation held with the donor, as a bona fide commitment from the donor will be honored if the donor returns a signed copy to the University. If the initiation of a major project of construction or program is made on reliance of a pledge, then a more detailed document must be completed to ensure enforceability of the pledge.

Campaign pledges may be paid on a schedule established by the donor, preferably over a three- to five-year period. Exceptions may be made with the approval of the Gift Acceptance Committee. If a donor becomes delinquent in fulfilling a pledge, the University will work with the donor to revise the pledge payment schedule to help the donor fulfill the original commitment. Only legally enforceable unconditional pledges and promises to give are counted and reported in any multi-year campaign. Conditional pledges are those that place requirements on the institution to perform some task or take some sort of action that it might not otherwise initiate. A conditional pledge may also depend on some future event over which neither the institution nor donor may have control. The pledge payment period during a campaign should not exceed five years regardless of when the pledge is made.

A Gift Acceptance Committee, consisting of members of the Board of Trustees' Advancement and External Affairs, the University President, and the chair of the campaign executive committee handles disputes, conflicts, or special requests regarding campaign gifts. The Board of Trustees' Financial and Investment Committee determines the policy on allowance for uncollectible pledges whenever a pledge is deemed uncollectible.

Annual Review of Open Campaign Pledges

Both the finance office and the OIA will monitor formal pledges made to GCU. Following the formal establishment of a pledge, it may be deemed necessary to alter the original terms of the commitment. In such instances, the installment schedule, installment amounts, and/or overall pledge amount, may be modified. Modifications made will be mutually understood and agreed upon by the donor and GCU. In some cases, an entire pledge or a portion of a pledge may be written off if requested by a donor or deemed necessary by OIA.

Pledge write-offs associated with previously assigned naming opportunities will be handled in a manner appropriate to the particular pledge. The write-off of a complete pledge will, in most instances, void any previous understandings between GCU and the donor relating to a specific named structure, space, award, program, or project. Significant write-offs on pledges associated with building construction projects may necessitate amendments and/or adjustments to previous financial statements and representations made in relation to GCU's issuing of bonds. A statement addressing the total of pledge balances written off during the course of a fiscal year will be included in an annual report to the Board of Trustees.

RELATED POLICIES

Endowment Spending and Investment Policy
Fundraising and Gift Acceptance Policy

6.4 Stewardship

| STEWARDSHIP | |
|-----------------------------|--|
| Effective Date: | [TBD] |
| Policy Number: | VI -6.4 |
| Supersedes: | |
| Issuing Authority: | [TBD] |
| Responsible Officer: | Vice President for Institutional Advancement |
| Applicability: | All university employees engaged in activities related to institutional advancement and alumni relations |
| History: | |

PURPOSE

The purpose of this policy is to provide a set of policies, procedures and guidelines by which gifts are processed, recorded, and acknowledged by Georgian Court University (GCU). In addition, the policy sets forth policies, procedures, criteria and guidelines for naming opportunities at the University.

POLICY

Gift Acknowledgement

The Office of Institutional Advancement (OIA) is responsible for the processing, recording, acknowledging, and maintaining records, related correspondence, and documents for all gifts including cash, securities, gifts-in-kind, pledges, and grants from private and public sources

including individuals, corporations, and private foundations in accordance with the procedures set forth in this policy.

Any member of the faculty or administrative staff receiving such a gift or grant will promptly forward it and all pertinent correspondence to the OIA for deposit, accounting, and acknowledgement. After the recording of gifts, securities, and original documents (such as wills, trusts, deeds, annuity agreements, contracts and correspondence) establishing restrictions, such gifts will be deposited into the custody of the VPIA.

Gift Recording

All gifts credited to any campaign will be recorded according to national standards recommended by the Council for the Advancement and Support of Education (CASE), Voluntary Support of Education (VSE) reporting protocols, and any additional requirements of the National Association of College and University Business Officers (NACUBO) where applicable. As recognized by these associations, campaign gift recording and crediting is not necessarily the same as accounting for financial records.

Naming Opportunities

As the need for donations to the University continues to increase, there is an opportunity for GCU to facilitate gifts by naming university structures, programs, endowments, and other funds in honor of significant financial contributors to the University. The Board of Trustees retains authority for naming (or renaming) buildings, components of buildings, open spaces, and other physical facilities of the University, and for establishing guidelines for the naming of endowments in support of the University. No names will be approved that will imply the University's endorsement of a partisan, political, or ideological position, or of a commercial product. This does not preclude a naming with the name of an individual who has at one time held public office or with the name of an individual or a company that manufactures or distributes commercial products.

Individuals and organizations may be considered for such recognition if they have made significant financial contributions to the University. A planned bequest or legacy gift from a donor who is still alive will not normally be considered for a naming opportunity. Determination of what constitutes a significant financial contribution is made on a case-by-case basis taking into consideration the total cost of the project, the availability of other funds, and the guidelines and criteria set forth in the Procedures section of the policy. Notwithstanding any other provision of this policy, no naming will be approved or, once approved, continued, that will call into serious question the public respect or trust of the University or otherwise conflict with the purpose or mission of the University.

DEFINITIONS

See Definitions section of the University's Fundraising and Gift Acceptance Policy.

PROCEDURES/GUIDELINES

Gift Acknowledgement Procedures

All personal gift records identifying a donor will be treated with professional discretion and will be subject to the normal listings and uses of GCU. Gift records of donors requesting confidentiality or anonymity will be accorded such. The university will always honor a

donor's wish for anonymity. The VPIA may disclose such information or documentation as authorized by such a donor or as may be required by law.

On a regular basis, gifts are recorded in the advancement database and acknowledgement letters are produced and/or signed by the appropriate staff member in OIA or the President's office. In addition, the department receiving the gift may and is expected to express appreciation and gratitude for the gift. The OIA will also coordinate further acknowledgement through the issuing of reports, visits and appropriate recognition.

Documented bequests, annuities, life insurance gifts, and other planned giving vehicles that have been confirmed will be acknowledged by the OIA within one week of notification. The OIA will ensure that the University president has been notified of significant planned gifts, and the University president may also acknowledge confirmed planned gifts.

Naming Opportunities Guidelines

Determination of what constitutes a significant financial contribution is made on a case-by-case basis, taking into consideration the total cost of the project, the availability of other funds, and the following guidelines:

New facilities – fifty percent (50%) of new construction costs or three million dollars whichever is greater.

Renovated facilities – seventy-five percent (75%) of the cost of renovating a facility.

Existing facilities without renovation – seventy-five percent (75%) of the fair market value of the facility.

Portable items – donation of the collection or at least fifty percent (50%) of the value of the collection.

Tribute markers – fifty percent (50%) of the cost or value of associated items (e.g., trees, gardens).

Endowed chairs and professorships – full funding of the endowment.

Programmatic Entities – determined on a case-by-case basis.

Donor names proposed for fountains, ornamental buildings, landscaping, trees, benches, and similar features will normally require a gift to cover the full cost of the project.

Duration of Name

Naming of facilities, spaces, endowments, and programs in honor of individuals is generally expected to last the lifetime of the facility, space, endowment, or program. Naming in honor of corporations or other organizations will have a set number of years attached to the naming which will be determined on a case-by-case basis. Naming associated with a particular facility, space, endowment, or program does not preclude further naming within the facility, space, endowment, or program.

When permanent name recognition has been extended for a gift received, it will be honored in perpetuity. In the event of changed circumstances, e.g., a facility no longer exists; the University reserves the right to determine the form which such permanence may take. From time to time, it may be appropriate to offer named recognition for a limited period of time. In this case, GCU is obligated to honor the name for that period of time, subject to renewal of the opportunity.

Provisions in this policy that refer to naming for a benefactor also in general apply to naming for a third party at the wish of a benefactor. If possible, the third party will be contacted by the University if such a gift is being considered.

The OIA is responsible for maintaining and updating an inventory of named facilities and shall advise on consistent application of current, approved naming policies with respect to recognition of philanthropic donations. The President and/or Board reserve the right to decide on the physical displays which may accompany named recognition.

Criteria for Selection of Naming Honorees

The university welcomes the opportunity to honor those who have rendered extraordinary service or support to GCU without requiring a financial gift commensurate with the naming opportunity. Naming a facility, space, endowment, or program for an individual, organization, or corporation is one of the highest honors that the University can bestow. This recognition is a lasting and powerful affirmation of the honoree's connection to the University's mission. As such, honorees must have exemplary character, an unqualified reputation for honesty, personal integrity, and the highest standards of personal and professional ethics, and must maintain these characteristics.

Honorees who have been employed by the University must have given extraordinary service to the institution in a teaching, research, service, or administrative field with such exceptional distinction that their contributions are widely recognized by their peers, both at the University and elsewhere. Honorees may not be current employees, individuals in active service at the University, or those holding elected office at the time of the naming, unless the circumstances are exceptional and approved by the Board.

Facilities Naming Approval

Facilities naming opportunities fall into two classes and each may have different criteria and procedures for approval:

Class I includes facilities and spaces that are part of the outside environment of the University; for example, buildings, complexes of buildings, roads, walkways, playing fields, parks, gardens, and agricultural or forestry plots; names in this class must be approved by the Board of Trustees upon recommendation of the University President following consultation with the VPIA.

Class II includes facilities and spaces that are part of the interior space of the University; for example, library/reading rooms, laboratories, seminar rooms, galleries, recreational courts, and lounges; this class also includes collections or groups of portable items, which are identifiable because of a specific focus or purpose; for example, collections of art and/or artifacts; and finally it includes tribute markers – plaques, medallions or other markers usually in association with such features as trees, benches, or small monuments. Names in this class must be approved by the University President following consultation with the VPIA.

Note: If the University enters into a contractual agreement giving a party legal entitlement to name a tax-exempt bond-financed facility, or portion thereof after a for-profit entity, such contract may give rise to a private business use with respect to the named space. The following naming opportunity will not be treated as a private business use: if a facility is named for an individual or nonprofit entity whose name

does not overlap with the name of a for-profit entity with which the person or nonprofit is associated. The OIA will identify all naming opportunities that do not fall within the exclusion described above and will refer them to the VPIA for review and approval prior to any final decision or the execution of any enforceable agreement. See the University's Post-Issuance Tax Exempt Bond Compliance Policy.

Named Endowments

An endowment fund may be contributed by and named for an individual or organization benefactor, or a specific honoree, to provide a permanent source of funding for restricted or unrestricted purposes as specified by the donor. Persons interested in establishing a named endowment fund should consult with the OIA prior to making the gift so that the donor's intentions are appropriately established in writing. Negotiation of any named endowment agreement on behalf of the University must be recorded over the signature and with full knowledge of the President.

Gifts to establish named endowment funds for specific purposes must meet the minimum dollar requirements set by the President and the Board. The principal amount of the original gift need not meet the minimal dollar requirements if the donor agrees to fully fund the endowment at the minimum dollar requirement within a specified period of time not to exceed five years. The university reserves the right to review the minimum amounts required for named endowments periodically and to amend the minimum amount required to ensure that endowment proceeds are sufficient to fund the intended purposes of the endowments. If, and when, the University acts to change the minimum amount required to establish a particular named endowment fund, such action must not be retroactive to funds already established and named. These minimum dollar requirements may be changed from time to time at the discretion of the Board and the President. An endowment fund may be activated even though the principal amount has not reached the required minimum, when a donor assumes a binding obligation to supplement the fund through subsequent gifts and/or irrevocable estate planning vehicles.

Naming Endowed Academic Units, Chairs and Professorships

Endowments for academic units, chairs, and professorships are approved by the Board following consultation with the University President, the Provost and the VPIA based on: the endowment levels established by the University; the appropriateness of the specific naming consistent with GCU policy; a plan for raising the full amount required to fund the endowment including the length of time for raising the funds and alternate arrangements if the funds are not raised within the specified time; guidelines for spending prior to full funding of the endowment; and a process for monitoring spending to assure conformance with intent.

Naming of programmatic entities (academic and non-academic programs) whether separate organizational units or not (departments, schools, colleges, institutes, centers, conferences, symposia, activities, organizational units, etc.) will take place only in exceptional circumstances. The naming of programmatic entities is a sensitive matter and must include acceptance and agreement from many different constituencies on campus with final approval required from the Board upon recommendation of the University President. Before recommending any such naming, the President must ensure: the proposed name is consistent with the University policy regarding honorees; the autonomy of the programmatic entity and the academic freedoms to which GCU is committed will be safeguarded; and the level of financial gift support has been taken into consideration

The University follows general guidelines for named endowments and minimum funding requirements:

Schools of the University (Minimum \$10,000,000): A gift naming of an academic unit should be at a level that will transform the nature of the unit involved, enabling the unit to reach a level of excellence. The gift must be in the form of an endowment used to sustain a margin of excellence.

Academic Departments, Centers & Institutes (Minimum \$5,000,000): A gift naming of an academic unit should be at a level that will transform the nature of the unit involved, enabling the unit to reach a level of excellence. The gift must be in the form of an endowment used to sustain a margin of excellence.

Endowed Chairs (Minimum \$2,000,000): The endowed chair designation will be linked to a selected faculty position filled by an outstanding scholar and teacher.

Professorships (Minimum \$1,000,000): The endowed professorship designation will be linked to a faculty member whose accomplishments indicate potential for sustained national and international leadership and whose current efforts are focused on honing teaching skills and/or establishing a superior record of research or other scholarly activity.

Visiting Lecture Series (Minimum \$100,000): A lecture series brings to the University a variety of outstanding individuals of broad experience and expertise whose presentations will have University-wide and interdisciplinary appeal. Earnings from the endowed fund will provide for honoraria, travel expenses, and other costs associated with presenting such speakers.

Scholarships/Awards/Prizes/Grants (Minimum \$25,000): Scholarships provide important financial assistance to talented and deserving students. The minimum scholarship endowment level is \$25,000. An endowment fund may be established within a reasonable period (usually two to five years) agreed upon by the donor and GCU. A gift or pledge to establish an endowed fund must be accompanied by a formal, signed document detailing the endowment agreement. A newly endowed fund named for the donor (or designee) may be established for gifts under \$25,000 when there are clear prospects of the endowed fund reaching \$25,000 within five years. An agreement between the University and the donor will provide for disposition of the fund should it fail to reach \$25,000 within the designated time period.

The Board reserves the right to review for approval, on a case-by-case basis, any naming request not specifically addressed above and not otherwise delegated by the Board of Trustees to the University President.

Formal Recognition of Naming

When name recognition has been extended for a gift received, it must be honored in accordance with a written gift agreement signed by University officials and the donor(s). In the event of significant changes in circumstances, the University reserves the right to determine the form of name recognition, in consultation with the donor when possible.

Individuals and organizations whose names are approved by the Board are expected to exemplify the attributes of integrity and civic leadership. Should a donor, for whom a University naming opportunity has been made, violate these standards, the Board may elect to remove the donor's name from the naming opportunity. The Board has the right, in consultation with the donor, to change the name of a building, space, facility, or endowment

if, for example, a corporate donor has itself changed its name, marital donors have divorced or separated, or a named program has been terminated because it no longer meets the needs of the University.

The University reserves the right to remove any name that may compromise the public respect or trust of the University or conflicts with the purpose or mission of the University. If at any time following the approval of a naming, circumstances change substantially so that the continued use of that name may compromise the public respect trust, the University President will consult with the Board, regarding future action.

Donor Recognition and Reporting

All gift reporting must comply with standards established by the OIA based on the Council for Advancement and Support of Education's (CASE) Standards for Annual Giving and Campaigns in Education Fund Raising Membership in University giving societies is generally based on cumulative annual giving during a fiscal year, which may include soft credit for corporate gifts generated by the individual donor. Foundation and corporate gifts are included for purposes of donor recognition. Gifts of personal property and in-kind gifts are included. Additional soft credit is also added for foundation/corporation matching gifts received as a result of, or controlled by the individual donor. Multi-year pledges are counted in the year the payment is received.

Reporting Soft Credit: Each recipient is awarded 100% soft credit unless otherwise noted.

Alumni couples: When a gift is made by an alumnus/alumna who is married to another alumnus/alumna, each receives 50% hard credit and 50% soft credit (so that both show up as alumni participants, but the value of the gift is not counted twice).

Note: For calculating alumni participation rates, contributions from married alumni may be counted as coming from two individual alumni (as most states have communal property laws) unless the couple otherwise states. (Source: CASE standards)

Corporate principals: The principal of a corporation may play an instrumental role in helping the institution secure a gift from that corporation. In such cases, it is common to give the principal soft credit for the gift. However, the principal usually does not automatically receive soft credit for all gifts from that firm – unless he or she actually orchestrated the gift. (Source: CASE standards.) (See the role and responsibilities of Advancement staff above.)

A principal is considered to be the owner or one of the primary persons governing the corporation, a person who has primary responsibility in liability or obligation. Examples of principals are Owners, Proprietors, Sole Shareholders, Directors, Presidents, Chief Executive Officers, Managing Partners, etc.

Donor-advised funds: Gifts made through a donor-advised fund are a gift from an organization, not an individual. However, the donor who made the original gift to the fund (and that person's spouse or partner, if applicable) normally receive soft credit for the amount contributed to the institution. (Source: CASE standards)

Note: Advancement staff should be aware of the implications of these gifts on pledge payments and matching gifts. The IRS may consider a donor-advised fund payment on a personal pledge as income to the individual, potentially subjecting the donor to additional taxes and penalties. In addition, most companies do not match gifts from donor-advised funds. (For detail on donor-advised funds, see CASE standards, page 36-38.)

Fundraising consortia: Hard credit goes to the fundraising consortium when such an organization is the donor of record. Fundraising consortia “often provide a list of how much of their contribution can be attributed to specific individuals. Those individuals normally receive soft credit for the amounts indicated in the provided list, but because the organization typically retains a portion of the gift, the soft credit amount should equal the net amount of the gift the institution received.” (Source: CASE standards)

Independently administered matching gifts: Many companies now use foundations and donor-advised funds to administer their matching gift programs. Such gifts count as coming from the legal donor (usually the foundation or fund). CASE standards suggest that “it is usually appropriate to give soft credit both to the company and to the donor whose gift was matched.” For recognition purposes (listings in honor rolls, for example) giving by corporations includes giving by company sponsored foundations and other related entities.

Personal and family foundations: An institution that receives a gift from a family foundation may wish to give credit in its donor reports and publicity to the family member(s) responsible for suggesting the gift, rather than – or in addition to – the foundation. In the VSE and CASE campaign surveys, however, report the gift as the standards prescribe – that is, as being from the foundation. Any or all of the related family members receive soft credit for gifts made by the foundation. (Source: CASE standards)

Specific Foundations and their administrators may request that no soft credit be awarded in writing or by email, and such note should be placed on their record in Raiser’s Edge by the Advancement Services Specialist.

Advisors, Representatives or Volunteers: No legal credit, soft credit, or recognition credit, is given for advisors or others who may have been instrumental in getting a donor to make a gift, such as a financial advisor, lawyer, or volunteer. No legal, soft, or recognition credit is given for representatives of a donor such as the personal representative of an estate or a trustee (where the trustee is not the same individual who funded the trust). In this instance, it is appropriate to recognize the Advisor, Representative, or Volunteers as the solicitor of the gift.

Donors are recognized in the University’s annual report for contributions to annual and strategic campaigns. Other forms of recognition may be appropriate from time to time.

GCU will inform the donors or other fund contacts of the performance of endowed funds, the amount of money awarded from the fund, and the recipients of the funds on an annual basis. On or before September 1 of each year, the OIA will work with the investment firm of the University to produce donor reports on endowed funds to be sent to the contacts for each endowed fund.

On or before November 1 and March 1 of each year, the Financial Aid office will supply the names of the recipients of donor funded scholarships to OIA, and the recipients of scholarship funds will then be asked by OIA to write thank you letters to the donors. OIA will collect the thank you letters from students and distribute them to donor funded scholarship donors and contacts.

Any faculty member, academic department or other unit of the University that administers an endowed fund or sponsored program fund will receive a quarterly statement of funds received, and will be required to provide a summary report about their department or project activities. be edited, reformatted, and forwarded by OIA to the donors.

Employees and volunteers who have access to information concerning donors or prospective donors must take every precaution to ensure that such information is used only for authorized purposes and properly discarded when no longer in use. Violation of this policy may result in disciplinary action, up to and including dismissal.

RELATED POLICIES

- Fundraising and Gift Acceptance Policy
- Annual Campaign Policy
- Strategic Campaign Policy
- Post-Issuance Tax Exempt Bond Compliance Policy

6.5 Planned Giving

| PLANNED GIVING | |
|-----------------------------|--|
| Effective Date: | [TBD] |
| Policy Number: | VI – 6.5 |
| Supersedes: | Not Applicable. |
| Issuing Authority: | [TBD] |
| Responsible Officer: | Vice President for Institutional Advancement |
| Applicability: | All University employees engaged in activities related to institutional advancement and alumni relations |
| History: | |

PURPOSE

The purpose of this policy is to provide a set of policies, procedures, and guidelines by which planned gifts are accepted, processed, and acknowledged by Georgian Court University (GCU).

POLICY

It is the policy of GCU to accept planned gifts, including bequests, charitable remainder annuity trusts, charitable remainder unitrusts, charitable gift annuities, charitable lead trusts, gifts of life insurance, life estates, and deferred income buildup plans in accordance with the acceptance and stewardship procedures Office of Institutional Advancement (OIA) giving office facilitates the acceptance and acknowledgement of all planned gifts to the University.

DEFINITIONS

See Definitions section of the University’s Fundraising and Gift Acceptance Policy, as well as the definitions set forth in the Procedures/Guidelines section below.

PROCEDURES/GUIDELINES

Types of Gift Planning Instruments and Acceptance Guidelines

Planned gifts may be made to the University through the following gift planning instruments:

Bequest: A bequest is a gift made upon death of a donor to the University in a donor's Last Will and Testament or other legally binding testamentary document. Gifts made via a bequest may be outright or contingent, unrestricted or restricted and may include any item or thing of value.

The amount of the gift is exempt from estate taxes. Realized bequests received during any campaign must be credited toward the campaign. Irrevocable bequest instruments received by the University during any campaign must be considered on a case-by-case basis and may be credited toward the campaign. Both realized bequests and irrevocable bequest instruments will be credited to any campaign only if not reported in a previous campaign. Such bequests will be credited, recognized, or commemorated at the value established at the time of probate and/or at the fair market value on the date of the transfer of the asset(s).

The university President or his/her designee is responsible for approving and accepting gifts made through bequests. The OIA will determine initially if the bequest is to GCU. If it is, the OIA will cooperate with the executor of the donor's estate to complete whatever action is required to affect legal transfer of the gift from the donor's estate.

If a donor designates a bequest for restricted use the OIA will prepare a fund agreement for execution by the donor's next-of-kin or if none are known the executor of the donor's estate, which will include wording that allows for modification of the agreement if unforeseen circumstances prevent the University from using the bequest in accordance with the donor's original purpose.

If the OIA and President determine that a bequest will place unreasonable constraints and/or conditions upon the resources and finances of the University, or that any restrictions regarding the University's use of a bequest gift are unreasonable or legally impermissible, the OIA will contact the executor of the donor's estate to request the unacceptable restrictions be altered or eliminated. If approach is not successful the University may consider engaging legal counsel to petition and appropriate court for permission to alter or eliminate a restriction; alternatively, acceptance of the bequest may be refused or waived.

Charitable Remainder Trust (CRT): A CRT is an irrevocable transfer of assets to a trust, naming GCU as the only beneficiary or as one of several charitable beneficiaries. The donor or designated recipient receives a stream of income for life (or a set number of years) of a set amount or a fixed percentage, based on the wishes of the donor and the trust's value each year. A donor generally receives an immediate tax deduction and may add to the principal of the Charitable Remainder Unitrust in future years. Gifts made to establish charitable remainder trusts where the remainder is not subject to change or revocation will be credited as future commitments (deferred gifts) at the discounted present value of the remainder interest allowable as a deduction by the IRS.

Charitable Remainder Annuity Trust (CRAT): The minimum age for a CRAT is 50 years and the minimum amount is \$100,000. No additions are permitted in this type of trust. It may be funded by cash or securities traded on exchanges or real property, subject to Board approval. The income level is negotiable. If the donor accepts the CGA (Council on Gift Annuities) rate, then a Gift Annuity should be recommended. Income distribution will be quarterly. The maximum number of lives is two, both aged 70 or over.

Charitable Remainder Unitrust (CRUT): The provisions of a CRUT are donor-determined. When GCU is consulted, or named trustee, the following guidelines apply. The minimum age for a Charitable Remainder Unitrust is 55 years and the minimum amount is \$100,000. There

is no minimum for additions to the trust. It may be funded by cash or securities traded on exchanges, closely held stock or real property, subject to Board approval. The income level is negotiable but must be at least 5%. Income distribution will be quarterly or monthly if requested and the monthly payment greater than or equal to \$1,000. The maximum number of lives is two, age 55 or over with next generation lives only at donor's request.

Charitable Gift Annuity (CGA): A CGA is an irrevocable gift in exchange for a guaranteed fixed income for life, which is calculated based upon the size of the gift and the donor's age at the time of the gift. Upon the donor's death, the residue is passed on to GCU. Because the University will not receive the gift portion until the death of the final income beneficiary, gift annuities will be credited as future commitments (deferred gifts) as the present value of the remainder interest from the gift tables. It is the responsibility of the OIA to maintain a list of the current states in which the University is licensed to provide for charitable gift annuities.

The minimum age for a Charitable Gift Annuity is 70 years and the minimum amount is \$10,000. The minimum subsequent funding is \$5,000 with a new agreement. It may be funded by cash or securities traded on exchanges or real property, subject to Board of Trustees approval. The income level is less than or equal to the CGA (Council on Gift Annuities) recommended rate. Income distribution will be quarterly or monthly if requested. The maximum number of lives is two, both aged 70 or over. A Deferred Payment Charitable Gift Annuity is the same as the Charitable Gift Annuity except that the gift can be accepted at age 55 for payments beginning at age 70.

Outright gifts of cash will be accepted and recorded for a charitable gift annuity in the amount of the cash gift as of the date it is received.

Gifts of securities for a charitable gift annuity will be recorded only when assets pass irrevocably from donor control. Gifts of securities pass irrevocably from donor control, when a donor puts them in the mail; a donor delivers them personally to IA, or a donor instructs his or her broker to transfer securities irrevocably to a GCU account. To facilitate security transfers, the OIA will work directly with donors and their professional advisors to effect gifts of securities in accordance with prevailing internal policies and procedures.

GCU may accept gifts of real property, improved and unimproved, including detached single-family residences, condominiums, apartment buildings, commercial property, farms, and acreage for charitable gift annuities. The VPIA is responsible for approving and accepting gifts of real property in consultation with the CFO/Vice President of Finance and Administration and the President who will consider various criteria including environmental standards to judge the appropriateness of the gift.

Charitable Lead Trust (CLT): A CLT is an income producing asset placed in trust, the income of which is directed to GCU for a designated period of time, after which the trusted asset is returned to the donor or non-charitable beneficiaries named by the donor. All annual payments of a lead trust made during any campaign period will receive campaign credit.

Life Estate: For a Life Estate, the minimum age is 70 years and the minimum value is \$100,000. It may be funded by a personal residence, vacation home, or farm, all with Board approval. There is no income to the donor except that the donor retains rental income, if any. The donor is responsible for taxes, utilities, maintenance and insurance with GCU named as a co-insured. The maximum number of lives allowed is two, both aged 70 or over.

Life Insurance: Gifts of life insurance will be accepted and credited to any campaign totals for the cash value of the policy only if the University is the owner and irrevocable beneficiary of the policy and with the understanding that the University may cash in the policy at any time. Life insurance is accepted with gift credit at its cash surrender value on the day of the gift. Generally, the University does not accept policies that have been borrowed against or invaded by the insurance company for premium payments. If the University does agree to accept such a policy, the value of the policy less encumbrances shall be credited for campaign purposes. For a new policy, this allows the donor to classify the regular premium payments as charitable tax-deductible contributions.

Deferred Income Buildup Plans: Designation of GCU as the beneficiary of a donor's qualified pension plan, IRA, Keogh, commercial deferred annuities, or employee stock options is acceptable. This allows the donor the use of the assets during the donor's lifetime, while providing the donor with the opportunity to make a large future gift and reducing the donor's taxable estate.

Planned Giving Stewardship

Gift Acknowledgement: The OIA will produce a variety of acknowledgement letters for different types of planned gifts to GCU. The OIA must secure pertinent gift documentation for the files, and provide copies of the documentation to the finance department. The OIA produces receipts for all planned gifts to GCU as appropriate.

Gift Recognition: Beyond the immediate written and/or telephone acknowledgement for gifts, the OIA will determine other means of recognizing gifts in order to cultivate interest in future gifts. Some gifts, by their size and nature, will be considered for public recognition. Approval should be sought once a donor's intent has been clarified, but before a gift or fund agreement has been signed or a gift is closed. The amount and type of gift recognition donors are to receive must be clearly articulated in formal gifts or fund agreements prior to acceptance and must be commensurate with the size of the gifts. Recognition will be offered through invitations to events, greetings for birthdays and personal occasions, and visits by staff, and members of the Board.

Public Announcements: The OIA will work closely with the marketing department to prepare and issue all news releases and other internal and external media releases as appropriate. Public announcements of gifts serve to establish the validity of the financial needs of GCU to accomplish its mission and goals, create a compelling case for individual investment in meeting GCU funding needs, promote a positive image, and support donor cultivation efforts through appropriate publicity.

The Lofty Pines Society: The Lofty Pines Society celebrates the generosity of individuals who have pledged their support of GCU with a gift from their estate. Membership is open to supporters of the University who share a common desire to help support the future excellence of GCU and its students. The Lofty Pines Society honors individuals who provide written proof that they have included GCU in their will, trust or other type of estate plan.

RELATED POLICIES

Fundraising and Gift Acceptance Policy
Annual Campaigns Policy
Strategic Campaigns Policy

6.6 Alumni Communications and Mailings

| ALUMNI COMMUNICATIONS AND MAILINGS | |
|------------------------------------|--|
| Effective Date: | [TBD] |
| Policy Number: | VI – 6.7 |
| Supersedes: | Not Applicable. |
| Issuing Authority: | [TBD] |
| Responsible Officer: | Vice President for Institutional Advancement |
| Applicability: | All university employees, students and university organizations. |
| History: | |

PURPOSE

The purpose of this policy is to provide the University policy for soliciting university alumni or groups of alumni.

POLICY

To avoid conflicting programs, and as a part of our overall strategies for communication, relationship building, and recording, no person or organization on campus is permitted to solicit via phone, mail, email, or any other means alumni or groups of alumni without advance clearance, in writing, from the Vice President for Institutional Advancement.

DEFINITIONS

Alumni or Groups of Alumni—any person who holds a bachelor’s or master’s degree from Georgian Court University (1908-2003 Georgian Court College; 2004-present, Georgian Court University).

Associate Alumni—any person who has completed one semester’s work (12 credits) at Georgian Court University, and is no longer enrolled at Georgian Court University. (1908-2003 Georgian Court College; 2004-present, Georgian Court University).

PROCEDURES/GUIDELINES

Not applicable.

RELATED POLICIES

Fundraising and Gift Acceptance Policy

6.7 Constitution and By-Laws of the Georgian Court Alumni Association

Name

The name of this organization is the Georgian Court University (GCU) Alumni Association, herein after referred to as the Association.

Vision Statement

The members of the Association shall model core values, advocate for alumni in community engagement with the University, assist the office of alumni engagement in effectively serving the alumni, encourage alumni spirit of service and support to current students, support the University in realizing its mission and goals, and promote financial support of the University.

Mission Statement

The mission of Association is to further spiritual, cultural and intellectual growth of the alumni of GCU. We seek to enhance the bond among its members and partner with the University in its mission, goals and financial growth. We are committed to serve our members and the University.

Purpose

The purpose of this organization is to seek to enhance the bond among the members of the GCU alumni to accomplish the Mission, promote the welfare of GCU by aiding in its financial growth, promote and support higher education, and cultivate participation with Georgian Court and its global community.

Membership

Full Membership: Any person who holds a bachelor's or master's degree from Georgian Court University (1908-2003 Georgian Court College; 2004-present, GCU). Full members may attend all meetings, vote for Alumni Association Board of Directors' (ABOD) members, and hold office within the Association. Full members are encouraged to be members of a committee.

Associate Membership: Any person who has completed a minimum of one semester's work (i.e., 12 credits) at Georgian Court, and is no longer enrolled at Georgian Court. Associate members may attend all meetings, vote for ABOD members but not hold ABOD office. Associate members are encouraged to be members of a committee.

Honorary Membership: Any person who holds a current executive leadership position in the Sisters of Mercy and/or the University and those with honorary degrees. Honorary members are entitled to the privilege of the floor, may not vote or hold ABOD office.

Alumni Association Board of Directors

The ABOD purpose shall be to guide the University on alumni engagement activities and carry out the mission and strategic plan of the Association, and assist the University in its endeavors.

The ABOD will strive to achieve representative membership from Georgian Court's three schools and numerous affinity groups.

The ABOD shall consist of no more than 25 voting members.

Specifically, the ABOD will strive to include, but not be limited to, the following:

- a) An alumnus of each of the three schools: School of Business and Digital Media, School of Education, and School of Arts & Sciences
- b) An alumnus of any off-campus program of the University.
- c) An alumnus of the University.
- d) Such number of other alumni members-at-large as shall be required in order to fill all available ABOD seats.
- e) Student Representative: The Student Government Association will assign an Alumni Association Representative who is entitled to the privilege to the floor. However, this representative may not vote or hold office.
- f) A representative of the Leadership Council of the Mercy Collegiate Society may be invited to attend meetings of the ABOD but are not members and shall not have any voting privileges or hold office.
- g) The Director of Alumni and Donor Engagement of Georgian Court University will be a non-voting member of the Board and not hold office.
- h) Three to five ABOD Members, nominated by the University President, but subject to approval of, and appointment by the Executive Committee.

All ABOD members are required to serve on at least one ABOD committee and attend ABOD meetings either in person, by telephone, or electronically. ABOD members are also required to assist with events, including fundraisers etc. Any ABOD member unable to fulfill the above responsibilities in part or whole must inform the Secretary of the Executive Committee immediately where their continued participation on the ABOD will be determined.

ABOD members who are unable to fulfill these requirements will be asked to resign from the ABOD and/or be removed by the ABOD.

Executive Committee

An Executive Committee composed of the elected officers, President, Vice President, Secretary, Chairpersons of the standing committees (Alumni Engagement, Professional Development, Student Relations, and Fundraising) and the Director of Alumni Engagement of Georgian Court University. The Director of Alumni Engagement of Georgian Court University shall be a nonvoting member of the Executive Committee.

The Executive Committee shall counsel and make policy interpretations on behalf of the ABOD and shall be empowered to act on its behalf between meetings of the ABOD or when it is impractical to convene the entire ABOD. Such policy interpretations or decisions will be communicated to the entire ABOD within 7 calendar days.

The Executive Committee shall meet either in person, by telephone, or electronically if available, as designated by the President of the Association.

The Executive Committee shall have the power to establish such committees, as it deems necessary for the Association's benefit, and to accomplish the tasks of the Association. The Executive Committee may request the chairs of the committees to call special meetings of any Association committee.

Committee

Chairpersons of all committees will submit reports to the Executive Committee.

All committees of the Association shall meet as frequently as the work of the committee requires or at the request of the President. All ABOD members are required to serve on at least one Board committee.

Meetings

The ABOD shall meet at least two times a year at a time and place designated by the President. The dates of the two ABOD meetings will be advertised at least 90 days in advance to all Association members. Notice of additional meetings will be communicated to ABOD members as early as possible and notice of such meeting will be posted on the Association section of the GCU website. Voting and non-voting members of the ABOD are expected to attend all meetings either in person or by telephone, or electronically. ABOD members who fail to attend two meetings at the ABOD or the committee level in any year are subject to removal from the ABOD should the Executive Committee determine that there is not good cause for the failure of attendance.

The Secretary shall take accurate minutes of all proceedings at all meetings. Copies of these Minutes shall be distributed to all members of the ABOD, as well as to the Secretary of the University.

Nominations and Election of Board Members

A Nominations Committee will be formed for the purpose of soliciting and vetting proposed members.

Nominations to the ABOD will be solicited through the GCU magazine, the GCU website, the alumni Online Community, and through other methods as deemed appropriate (e.g., notification to chapters), in early spring of each year (to coincide with the time when members rotate off the ABOD). Notice shall state a concise statement of the nominating procedure, the deadline for receipt of nominations, availability of the form to complete and submit, and where this form must be sent.

Any member of the Association may self-nominate and/or nominate another member of the Association for ABOD positions. Nominations will also be proposed by the Nominating Committee to achieve representation of all parts of GCU on the ABOD. Each nominated individual will complete a form agreeing that she/he will fulfill the requirements of the position.

The elected members of the ABOD shall serve one four-year term, beginning July 1 upon their election by the members of the Association. Elected ABOD members may not serve more than two consecutive terms or eight years.

Election of Officers

The ABOD will elect all officer positions. Nominations for officer positions will be solicited by the Secretary of the Association opening February 1 and nominations will close March 1. The ABOD will then elect the officers during a meeting before July 1. The Secretary will notify the ABOD members of the candidates for each position and will prepare the ballots for the election at this meeting.

In the event of a vacancy, the President will call a meeting immediately to fill said position.

Officers

Elected officers of the Association: the President, the Vice President, and the Secretary.

The duties of the President shall be those common to the Office, including:

- a) presiding at official Association meetings, attending key Alumni events, and officially welcoming “new” alumni at Commencement;
- b) developing an Association strategic plan in consultation with the Executive Committee;
- c) designating the time and place for all the meetings including Executive Committee and ABOD meeting;
- d) appointing the chairperson of any committee established;
- e) making recommendations for filling vacant Executive Committee positions;
- f) calling a meeting to fill vacancy as may occur in the Executive Committee; and
- g) maintaining on-going communication with the Director of Alumni and Donor Engagement.

The duties of the Vice President who will be the President Elect shall be those common to the Office, including:

- a) attending official Association meetings and key Alumni events;
- b) assisting the President of the Association and serving as chief consultant for all Association projects;
- c) assuming, when necessary, the President's duties and succeeding to the Presidency in the event of the President's resignation or incapacitation;
- d) aiding in the formation of new chapters and clubs as well as advising established chapters, and reporting the status of all to the ABOD,
- e) assuming the role of President at the end of the incumbent’s tenure as President;
- f) being liaison with Awards Committee Chairman

The duties of the Secretary shall be those common to the Office, including:

- a) attending official Association meetings and key Alumni events;
- b) maintaining attendance records at meetings;
- c) reporting the minutes of official Association meetings and meetings of the ABOD and the Executive Committee and filing those minutes with the Alumni Relations Office within six (6) weeks following a meeting;
- d) creating and maintaining ABOD correspondence.

Succession of Officers and Terms of Office

Each year, 25% (or 6 members of the ABOD) will be elected to begin a 4-year term. Seats that are vacated (through resignation or removal by Executive Committee) will also be filled by nomination. If more than 2 years remain in the vacated term, the elected person will complete the term. Newly-elected members will be eligible to run for a second term of 4 years at the completion of the vacated seat term. If less than 2 years remain in the vacated seat term, the seat may be filled at the discretion of the ABOD, either by appointment or by election. This person may run for the first 4-year term at the completion of the vacated seat term.”

All ABOD members shall have staggered terms of four (4) years with a limit of two consecutive terms with one term cycled off at the end of the second term.

Non-Officer ABOD members may serve concurrently as officers in their local chapters and as a ABOD member.

The ABOD shall elect a Vice-President who will be the President-Elect. That Vice-President serves for two years, and then succeeds to the Office of President the following year. The President shall serve a 2 year term. All terms of office shall begin July 1 and end June 30.

The Vice-President may not be elected in the penultimate year of the term as a ABOD member.

The Secretary term will be two years.

In the event a vacancy occurs in any office, other than that of President, the President will call a meeting immediately to fill the vacancy. If a vacancy occurs in the office of the President, the Vice President shall assume the position of the President for the remainder of the President's term, and one additional year.

Voting

Issues addressed at ABOD meetings will pass by majority vote of voting members in attendance at said meeting.

Amendments to the Constitution

The constitution and/or bylaws may be amended by a simple majority of voting members at a regularly scheduled ABOD meeting, provided written proposal is presented to the ABOD for discussion and vote. An *ad hoc* committee will review these documents as needed.