
GIFT ACCEPTANCE POLICY

I INTRODUCTION

Ramapo College of New Jersey recognizes the importance of securing philanthropic contributions and applying for competitive grants and has designated responsibility to the Ramapo College Foundation and the Division of Institutional Advancement. The Foundation will screen, cultivate and solicit donors/funders; record the terms, restrictions and conditions of the gift with a commitment to honor the designation request(s); and administer all gifts, grants and other resources according to the Gift Acceptance Policy. This policy applies to all gifts, grants, pledges and other resources received by Ramapo College or its Foundation, a 501(C) (3) corporation, on behalf of and for Ramapo College of New Jersey. The mission of the Ramapo College Foundation “is to provide the resources that make the difference in Ramapo College of New Jersey’s quest for educational excellence.”

II PURPOSE

This policy serves as a guideline to all staff, faculty and students of Ramapo College of New Jersey involved with accepting gifts or applying for grants; to outside advisors who assist the College’s donors in the gift planning process; and to prospective donors or funders who wish to make gifts to Ramapo. It is further understood:

- This policy is intended as a guide and the basic principles below should be followed for any areas of interpretation including: depositing, recording and acknowledging of all charitable gifts received on behalf of Ramapo College of New Jersey.
- This policy recognizes the substantial increase in need for private, state and federal funds to support College priorities as outlined in the Strategic Plan and the resulting demand on fundraising efforts
- This policy substantiates the need for an administrative fee in keeping with industry standards that helps to recover the increasing costs of development efforts.
- This policy subscribes to the Council for Advancement and Support of Education (CASE) Statement of Ethics and the Association of Fundraising Professionals (AFP) Code of Ethics. Based on these statements, the Donor Bill of Rights along with the Foundation Management Fee statement is shared annually with all donors.

Basic Principles used in interpreting the Gift Acceptance Policy:

All gifts must be appropriate to the mission of Ramapo College, must be legal, and not carry restrictions or conditions that could compromise the College’s core values. It is understood that:

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- All gifts should be recorded and acknowledged according to the standards recommended and / or required by the Internal Revenue (IRS) Code regulations and State and Federal law, and Council for the Advancement and Support of Education (CASE) and National Association of College and University Business Officers (NACUBO)

All gifts should not impose undue risk upon the Foundation, College, or its related programs at any time, now or in the future.

- Employees should never encourage or accept a gift if s/he believes doing so is not in the donor's best interest. Employees should encourage donors to consult with their own financial or legal advisors when contemplating a gift, and not give legal or financial advice.

III SCOPE

This policy applies to all gifts, pledges or grants made to the College, Foundation, or any entity of the College or Foundation.

The Gift Acceptance Committee:

The Gift Acceptance Committee, hereafter referenced, will include the President, Vice President of Institutional Advancement, Planned Giving Officer or Assistant Vice President of Institutional Advancement (depending on the nature of the gift), the Ramapo College Foundation Comptroller, a representative from the Board of Governors (serving on the Investment, Finance or Planned Giving Committees) and when needed the Ramapo College and or the Foundation legal counsel.

- Non-standard gifts (defined in policy) must always be reviewed and acceptability determined by the Gift Acceptance Committee.
- Gifts that if accepted would significantly impact the College, for example restricted capital or academic program opportunities must be reviewed and approved by the College President or appropriate representative (i.e. Board of Trustees, Provost, Dean, Director or College Counsel).
- Naming opportunities for Buildings and Facilities, as well as Academic Assets will be approved by the Board of Trustees in accordance with Trustee Policy 219 Naming of Buildings and Facilities.

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- Non-Academic Assets such as funds for endowments, scholarships and programs will be reviewed and approved by the Ramapo College President and or the Vice President for Institutional Advancement.
- Gifts of Artwork will be reviewed and accepted by the Ramapo College Campus Art Committee.

IV ACCEPTANCE OF GIFTS

Gifts will be recorded on the date received, except as otherwise documented by a commitment or pledge as denoted below. Cash gifts are reported the date the cash is received at the Foundation. If gifts are transferred by EFT or wire, the date of the gift is the date that the money is transferred into the College bank account. Credit card payments and on-line gifts are recorded on the day that the credit card charges are processed.

A donor's name and address must be provided in order for a gift to be accepted. Gifts from donors who wish to remain totally anonymous to the College or Foundation will not be accepted

All non-standard gifts must be reviewed by the Gift Acceptance Committee. In accordance with the IRS, non-standard gifts are defined as a contribution of an item that is not reasonably expected to be used to satisfy or further the organization's exempt purposes (aside from the need of such organization for income or funds) and for which (a) there is no ready market to which the organization can go to liquidate the contribution and convert it to cash, and (b) the value of the item is highly speculative or difficult to ascertain. For example, the contribution of a taxpayer's successor member interest of the type described in Notice 2007-72, 2007-36 I.R.B. 544, is a non-standard contribution for this purpose.

- 1) Gifts of cash (currency, check or credit card transactions) and of publicly traded securities are accepted as outright gifts or payments on pledges. Gifts of securities will be sold immediately by the Foundation. For gift crediting and accounting purposes, the value of the securities is the average of the high and low on the date of the gift. If there are no trades on the day of the gift, the average high and low of the next closest day will be used.
- 2) Pledges can be made only by the entity exercising legal control over the assets to be given. Matched pledges from an employer cannot be counted as part of a pledge; however, the donor can receive soft credit for recognition purposes. An

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individual cannot commit funds through a donor-advised fund or community foundation as part of a pledge.

- 3) Pledges of a donor's assets should be documented, committing to a specific dollar amount according to a fixed payment schedule, and a clearly identified intent for use of the gift. Written correspondence from the donor (preferably a signed Gift Agreement) and signed acceptance by the Vice President for Institutional Advancement should be secured.
- 4) Based on Auditor approval, a pledge that is documented from the Foundation to the donor in a letter, outlining the same details based on a conversation held with the donor, can be recognized as a bona fide commitment from the donor. This oral commitment should be made to more than one person. The donor should have a history / be known to the College such as an alumnus, board member or faculty/staff member. The donor should have a record of previous contributions.
- 5) Pledges may be payable in single or multiple installments, however the pledge normally may not exceed five (5) years in duration.
- 6) Oral Pledges made through an authorized telethon or phonathon campaign or program can be counted and reported in totals for annual funds or restricted gifts. Confirmation notice is mailed or e-mailed to the donor immediately following the solicitation period. The Finance Committee will set a date, most often 30 days after the close of the fiscal year, at which time these annual pledges are removed.
- 7) Non-publicly traded investments will be coordinated by the Gift Acceptance Committee for process of review and acceptance, as these can be complex in nature and potentially create an undue burden on the Foundation.
- 8) Gifts in Kind (GIK) and Tangible and Intangible Personal Property
 - a) May include but is not limited to works of art, motor vehicles, software, antiques, equipment, collections, jewelry, furniture, rare books, manuscripts, or any other item that has determinable value. Intangible gifts may include patents, copyrights, and intellectual property.
 - b) All such gifts, if valued at \$25,000 or more, are subject to prior review and approval by the Gift Acceptance Committee.
 - c) If the gift is for the use of a specific School, Major or Office within the College, the appropriate College official, for example the Dean or head of that convening group, must be consulted and must agree prior to the acceptance of that gift
 - d) Gifts of tangible personal property for use by the College will be transferred to the College's books as soon as it is accepted.

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- e) Gifts valued at \$500 or more:
 - i) Deeds of Gift are required; or
 - ii) Statements of Value are required.
 - f) For gifts valued at \$500 to \$5,000, donor provides a signed good faith estimate.
 - g) For individual gifts whose value exceeds \$5,000 and donor wishes to claim a taxable deduction, donor must provide a current, qualified, professional independent appraisal at his/her own expense within in the specific time deadline imposed by the IRS.
 - i) For gifts valued exceeding \$5,000 and Donor declines to provide appraisal, it is the responsibility of the College or Foundation to obtain an appraisal absorbing the cost of such appraisal.
 - ii) Documentation from the donor stating that they will not provide an appraisal and do not wish to claim tax deduction is best practice.
 - iii) For donors who wish to claim tax deductions, IRS Form 8283 is required for value of \$500 or more; however the Foundation is not required to sign this form unless individual gift values exceed \$5,000.
- 9) Real Property
- a) Outright gifts of real estate, including contributions of fractional interests and remainder interests in charitable life estates, are all subject to review and acceptance in advance by the Gift Acceptance Committee.
 - i) The donor is responsible for obtaining a current appraisal of the property. The cost of the appraisal is borne by the donor and the appraisal must be performed by a certified licensed appraiser.
 - ii) Prior to presentation to the Gift Acceptance Committee, a member of the staff must conduct a visual inspection of the property. If the property is located in a geographically isolated area, a local real estate broker can substitute for a member of the staff in conducting the visual inspection.
 - iii) Gifts of real estate must be examined for conformity with state and federal laws, including EPA regulations, state environmental laws, and satisfactory evidence of environmental and building code compliance.
 - iv) Due to expenses associated with gifts of real estate, only gifts in excess of \$100,000 will be accepted.
 - v) Prior to presentation to the Gift Acceptance Committee, the donor must provide the following documents:
 - (a) Real estate deed of donor
 - (b) Real estate tax bill for current calendar year
 - (c) Plot plan depicting current improvements
 - (d) Substantiation of zoning status and current compliance
 - (e) Existing title insurance policy, if any.
 - (f) Any additional document required by the Committee

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vi) For Foundation gift crediting and accounting purposes, the value of the gift is the appraised value of the real estate.

b) Gifts of timeshares are not accepted by the Foundation.

10) Irrevocable and Revocable Deferred Gifts

a) Irrevocable deferred gifts include charitable gift annuities, charitable remainder trusts, life insurance owned by the Foundation and named the Foundation the beneficiary, and pooled income fund contributions. The Vice President of Institutional Advancement or Director of Planned Giving has the responsibility for establishing and for coordinating the process of review and acceptance of such gifts, in coordination with the Gift Acceptance Committee. Once the Foundation is named as irrevocable beneficiary of a deferred gift, the donor may not re-designate the remainder interest to be distributed to another charity.

b) Revocable deferred gifts include wills, trusts, life insurance policies (where the Foundation is not the owner and beneficiary), commercial annuities, IRA and other retirement plans. The Vice President of Institutional Advancement or the Director of Planned Giving will assist donors in naming the College and the Foundation as beneficiaries of such deferred vehicles.

11) Planned Gifts

a) Donors who make a planned gift will be recognized as members of the *Ramapo College Legacy Society*. The Ramapo College Foundation commonly accepts the following planned gift options:

- i. Bequests
- ii. Charitable gift annuities
- iii. Deferred gift annuities
- iv. Charitable remainder trusts
- v. Charitable lead trusts
- vi. Memorials and endowments
- vii. Life Insurance
- viii. Retirement Plans

b) Bequests: Donors can make charitable bequests to the Foundation in wills or living trusts:

- i. The correct language required to establish a bequest to the Ramapo College Foundation: "I, [name], of [city, state ZIP], give, devise and bequeath to the Ramapo College Foundation [written amount or percentage of the estate or description of the property] for its unrestricted use and purpose."

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- ii. Assets transferred through bequests that have immediate value to Ramapo College, or can be liquidated shall be encouraged by the development staff. Gifts that appear to require more cost than benefit shall be discouraged or rejected.

- iii. Donors who have indicated that they have made a bequest to the Ramapo College Foundation will be asked to disclose, in writing or by copy of the will, the relevant clause that benefits Ramapo College as evidence of their gift.

- iv. The Ramapo College Foundation will adhere to the following approved Credit Bequests Policy:
 - (a) Campaign totals may only include money received once the bequest materializes.
 - (b) The Ramapo College Foundation will provide recognition to the donors for promised bequests that are accompanied by a signed bequest form or letter from the donor in the Legacy Society
 - (c) The Ramapo College Foundation will credit (count) unrealized bequest intentions if substantial compliance with the following requirements are met:
 - (d) The donor must be a minimum age of 65 or older.
 - (e) The amount of the gift must be a certain amount or percentage, based on a conservative estimate of the future value of the donor's estate.
 - (f) The bequest must be in writing from the donor or the donor's attorney, and it is desired to have it accompanied by a copy of the relevant portion of the donor's will.
 - (g) The donor should have a preexisting relationship with the organization, such as service as a past or current board member, faculty, staff, alumnus or friend of Ramapo College. The bequest will be counted at full value, minus a discount to "present value" the gift. The discount will reflect delay in receipt of the bequest based on the donor's life expectancy, inflation and other factors.

12) Charitable Gift Annuities

A charitable gift annuity is a contract between the Ramapo College Foundation and the donor, not a trust agreement, whereby the donor makes an initial payment of cash or marketable securities to Ramapo College Foundation and the Foundation agrees to pay the donor an annuity for the rest of his/her lifetime. An administrative fee shall be paid from the income earned on the charitable gift annuity.

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- a) There shall be no more than two (2) beneficiaries on a charitable gift annuity
- b) The minimum gift accepted to establish a charitable gift annuity is \$10,000
- c) The minimum age to fund a gift annuity is 50 years of age.
- d) Charitable gift annuity rates are based on the age(s) of the income beneficiaries in accordance with the American Council on Gift Annuities.
- e) At the death of the last income beneficiary, the annuity assets.
- f) Deferred Gift Annuities
 - (i) Administrative fees shall be paid from the income earned on the deferred charitable gift annuity.
 - (ii) There shall be no more than two (2) beneficiaries on a deferred gift annuity.
 - (iii) The minimum gift accepted to establish a deferred gift annuity is \$10,000.
 - (iv) There is no minimum age for establishing a deferred gift annuity, but the donor must be at least 55 years of age before he/she can receive income payments.
 - (v) Charitable gift annuity rates are based on the age(s) of the income beneficiaries in accordance with the American Council on Gift Annuities.
 - (vi) At the death of the last income beneficiary, the annuity assets become the sole property of the Foundation.

13) Charitable Remainder Trusts:

A charitable remainder trust is established when a donor irrevocably transfers money or securities to a trustee who invests the assets to pay annual lifetime income to the donor or others chosen by the donor. At the end of the beneficiaries' lives, the remaining trust assets are distributed to the Ramapo College Foundation.

- a. The Ramapo College Foundation will not ordinarily serve as trustee. The Ramapo College Foundation strongly recommends the donor name a bank or other qualified financial institution as trustee. At its discretion, the Ramapo College Foundation will assist in the drafting of the charitable remainder trust. However, the donor's own counsel must review such documents prior to their execution. The Ramapo College Foundation will, at its discretion, accept remainder interests from charitable remainder trusts pursuant to the recommendation of the Gift Acceptance Committee.

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- b. Investment of a charitable remainder trust shall be determined by the fiduciary hired to manage the trust. No representations shall be made by a Ramapo College Foundation employee or person acting on behalf of Ramapo College as to the management or investment of such charitable remainder trust.
- c. By law, the payout rate for the charitable remainder trust cannot be lower than 5% and the trust remainder interest cannot be less than 10% of the assets contributed to the trust

14) Charitable Lead Trusts:

This type of gift provides an income stream for a specified period of time to the Ramapo College Foundation. Ramapo College receives income from the trust and applies it to a specific project. The principal is returned at the end of the set period to a designated beneficiary.

- a) The Ramapo College Foundation will not ordinarily serve as trustee. Investment of a charitable lead trust shall be determined by the fiduciary hired to manage the trust. No representations shall be made by a Ramapo College Foundation employee or person acting on behalf of Ramapo College as to the management or investment of such charitable remainder trust Life Insurance
- b) Gifts of paid up life insurance will be accepted. Donors will be informed that the Foundation may retain the policy in force or elect to surrender the policy for the cash value immediately or at any time it is deemed appropriate.
- c) If the life insurance policy is partially paid up, the value of the gift for Ramapo College Foundation's gift crediting and accounting purposes is the policy's cash surrender value. Payment on premiums of life insurance policies shall be paid by the donor and recorded as gifts at the time the payment is made by the donor. The Foundation will not be responsible for premiums if the donor does not respond to a premium bill by due date. If required, the Foundation will cash it in for the surrender value.
- d) The development officer will work with the donor to clarify the purpose of the gift – whether it be for endowment (existing or new), specific program or department, or unrestricted use – by attachment of a memorandum, letter, or endowment agreement to be attached to the policy. If intended for endowment purposes, the face value of the policy must meet the Foundation's minimum funding standards for endowments in effect at the time of the gift of the policy.

15) Retirement Plans:

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When a donor informs the Ramapo College Foundation of his or her intent to designate the College as beneficiary, the development officer should ask the donor for a copy of the actual beneficiary designation. The Ramapo College Foundation should confirm that the donor completed the designation properly, including obtaining the necessary waivers from the donor's spouse.

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a) Special Situations

- i. Conditional Gifts are those with some qualifier or restriction, or gifts that commit the College or Foundation to some action within a specific time or to use the gift in a specific way. Such gifts may be subject to reviewed by the Gift Acceptance Committee, if such action is outside of the College or Foundation's course of business. The disposition of such a gift should the conditions not be met must be specified, and the gift will only be recognized after the condition has been met or time has passed.

V. MANAGEMENT FEES /OVERHEAD FEES

Definition of Fees:

The Foundation Board of Governors, in keeping with industry standards, established a management fee in 2001 to help recover the increasing costs of development efforts. This fee has not increased and would require Board of Governors approval for any change. It supports development operations to continue to seek, solicit and obtain funds to meet the College's Strategic Plan.

Assessment and Method of Fee Payment:

1. The Foundation will assess a one-time management fee of 5% on all new restricted gifts of \$250 and above.
2. On all newly created endowments and new gifts of \$250 and above to existing endowments, the Foundation will assess a one-time charge of 2.5%.
3. Revenue generated from initial interest and appreciation may be used to pay the management fee or the donor may provide a separate fee donation.
4. This fee is assessed upon receipt of gift and applies to all cash gifts, gifts of securities, pledge payments and nongovernmental grants.
5. Deferred gifts, such as charitable gift annuities, trusts, bequests will be assessed only at the time they are realized.
6. Grants received from non-governmental sponsors, such as foundations, authorities, corporations, or other organizations, will be assessed according to the Foundation policy except where there are preexisting published guidelines that prohibit it. If a gift assessment fee or overhead cost is allowable, it must be added to the proposal budget to the fullest extent possible.
7. If a management fee is not allowed by the sponsor, but the overhead cost is, the fee may be deducted from the overhead granted in the award.
8. All government grants submitted through the Office of Grants and Sponsored Programs must include the full applicable and available Indirect Costs Recovery formula approved and in place for the College.

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Disclosure to Donors:

1. All donors of \$250 or more annually receive the Donor Bill of Rights, Ramapo College Foundation Statement of Fundraising Values including notification of the Administration of Fees.
2. Proposals, fund agreements, and stewardship reports inform Foundation donors that a portion of the gift is used to cover the cost of development operations. Oral discussion takes place at the time of solicitation and the fee is included in budgets for gift / grant agreements.
3. Donors receive full credit for any management fee paid thru their gift.
4. Fees are not assessed on non-cash gifts such as gifts-in-kind or art donations.

VI APPLICABILITY AND ASSISTANCE

Ramapo College of New Jersey Board of Trustee Policy assigns all College fundraising to the Ramapo College Foundation. Management of the Foundation is vested in the Board of Governors, which has approved this policy and delegates responsibility for its administration and adherence to the Executive Director/Vice President for Institutional Advancement, the Foundation Comptroller and all development officers.

Questions regarding this policy and gifts may be made to the vice president at 201-684-7615. Questions regarding grant applications may be made to the Office of Grants and Sponsored Programs at 201-684-7724. Questions regarding the acceptance of gifts and application of fees may be made to the Foundation Comptroller at 201-684-7479.