

---

## Gift Acceptance Policy

*Gifts Governed By This Policy:* This policy is established to govern the acceptance of all gifts made to Illinois State University Foundation for Illinois State University and any of its affiliated organizations, whether such gifts are *inter vivos* (lifetime) gifts or gifts from estates. No gift to the Foundation may pose restrictions that obligate the Foundation or the University to unexpected expenditures or responsibilities, infringe on academic freedom, expose the University to adverse publicity, or involve unlawful discrimination. All gifts requiring review by the Executive Committee must be approved in advance of acceptance of such gifts and in accordance with this policy. The committee will annually review the various giving vehicles accepted by the Illinois State University Foundation. It is the responsibility of any development officer or other University official presented with a gift or working with an estate to bring all gifts subject to review before the Executive Committee prior to accepting such gifts.

*Acceptance Procedure:* Gifts subject to review should be submitted with the appropriate and necessary information for decision by the committee (see specific gift types below). The Executive Committee will review the materials presented by the development officer or other appropriate departmental official and make a determination of whether to accept or reject the proposed gift (or, if necessary, to postpone a decision pending the receipt of additional information). The final determination of the Committee shall be communicated to the development officer or other appropriate departmental official by the Chair, and the development officer or other appropriate departmental official shall communicate the Foundation's decision to the donor in writing.

1. **Cash or bequests of cash:** Cash gifts do not require review provided the gift is to be used in a manner that is related to the mission of the University. Any questionable cash gifts should be brought before the Committee.
2. **Publicly traded equities:** Gifts of publicly traded equities do not require review provided the gift is to be used in a manner that is related to the mission of the University. Any questionable gift of equities should be brought before the Executive.
3. **Restricted Securities:** Gifts of restricted, or non-publicly traded securities, require review. The development officer should submit: a) written summary of the securities; (b) current appraisal of the fair market value; and, c) indication of its marketability.
4. **Gifts in Kind:** The Executive Committee has delegated the authority to accept certain types of Gifts-in-Kind (G-I-K) valued at less than \$5,000 to the Foundation Accounting Office, including but not limited to tickets to athletic events, postage, television sets, VCR's, stereos, computers and computer software, medical equipment, and items for auction. Such gifts need not be formally presented for acceptance, but instead may be sent directly to Foundation Accounting Office for processing. Only in the event that the Foundation Financial Coordinator is unsure as to whether the Executive Committee would accept such a gift does a G-I-K valued at less than \$5,000 need to be brought before the Committee for review.
5. **Tangible Personal Property:** The Executive Committee will consider gifts (valued at \$5,000 or more) of tangible personal property, including but not limited to works of art, manuscripts, literary works, boats, motor vehicles, and computer hardware, only after a thorough review indicates that the property is either: a) readily marketable; or b) needed by the University for use in a manner that is related to the mission of the University. The development officer or other appropriate

---

departmental official will prepare a written summary of the gift proposal and submit that summary to the Executive Committee through the secretary of the Executive Committee. At a minimum, the summary shall include the following information:

- description of the asset
- the purpose of the gift (e.g. endowment, an unrestricted gift, etc) and the department(s), program(s), or endowment(s) to benefit from the gift
- an estimate or appraisal of the gift's fair market value and marketability
- any potential University use and, if so, written review by the department to benefit from the asset
- any special arrangements requested by the donor concerning disposition (e.g., price considerations, time duration prior to disposition, potential buyers, etc.)
- storage and/or maintenance requirements

6. **Real Property:** The Executive Committee will consider gifts of real property, both improved and unimproved (e.g., detached single-family residences, condominiums, apartment buildings, rental property, commercial property, farms, acreage, etc.), including gifts subject to a retained life estate, only after a thorough review of the criteria for acceptance set forth below under the direction and supervision of the Executive Director of the Foundation:

- Market Value and Marketability. The Executive Committee must receive a reasonably current appraisal of the fair market value of the property and interest in the property the University would receive if the proposed gift were approved. Development Officers will inform the donor that, if the gift is completed, the IRS will require an appraisal made within sixty days of the date of gift. Development officers must understand and communicate to donors that it is the University's policy to dispose of all gifts of real estate (other than property that the University wishes to retain) as expeditiously as possible. Thus, regardless of the value placed on the property by the donor's appraisal, the University will attempt to sell at a reasonable price in light of current market conditions, and the donor needs to be informed that any such sale occurring within two years of the date of gift will be reported to the IRS on Form 8282.
- Potential Environmental Risks. All proposed gifts of real property, including gifts from estates, must be accompanied by a Phase I environmental audit performed at the donor's expense. The only permitted exception to this requirement is for residential property that has been used solely for residential purposes for a significant (at least twenty-year) period of time. In cases where this exception applies and no environmental audit is undertaken, the donor/executor must have outside parties complete an Environmental Checklist and may be required to execute an environmental indemnity agreement. Even in cases where a Phase I audit is submitted, the Executive Director of the Foundation may require that the donor sign an environmental indemnity agreement.
- Limitations and Encumbrances. The existence of any and all mortgages, deeds of trust, restrictions, reservations, easements, mechanic liens and other limitations of record must be disclosed. No gift of real estate will be accepted until all mortgages, deeds of trust, liens and other encumbrances have been discharged, except in very unusual cases where the fair market value of the University's interest in the property net of all encumbrances is substantial.
- Carrying Costs. The existence and amount of any carrying costs, including but not limited to property owners' association dues, country club membership dues and transfer charges, taxes and insurance, must be disclosed.
- Title Information. A copy of any title information in the possession of the donor, such as the most recent survey of the property, a title insurance policy, and/or an attorney's title opinion, must be furnished.

- 
7. **Paid-up Life Insurance:** The Foundation will accept—without the necessity of review and approval by the Executive Committee—gifts of life insurance policies, including whole life, variable and universal life policies that are **paid-up** as of the date of the gift.
  8. **Unpaid-up Life Insurance:** The Foundation will accept—without the necessity of review and approval by the Executive Committee—gifts of life insurance policies, including whole life, variable and universal life policies that meet the following criteria:
    - Have a payment schedule not to exceed twelve years and that assumes an interest rate not to exceed one percent below the prevailing prime interest rate as reported in the Wall Street Journal (for existing policies an "in force" illustration will be required);
    - Require a written pledge of a charitable contribution from the donor to the Foundation in a total amount that equals or exceeds the total premiums due, and with pledge payments scheduled so as to equal or exceed each policy premium payment as that payment becomes due. This written pledge also will acknowledge the absolute ownership by the Foundation of the policy given and acknowledge the resulting right of the Foundation to cash-in the policy and apply the proceeds of the same for the benefit of the Foundation in accordance with an existing endowment agreement, if any; and if there is no endowment agreement in effect, or if minimum funding levels for the same are not attained with the proceeds, then the pledge shall provide that the proceeds shall be applied for the benefit of the University as the Foundation Board may deem appropriate, giving due consideration to the intent of the donor.
    - Illinois State University Foundation is designated as the owner and the beneficiary of the policy
    - If intended for the establishment of a new endowment account, the face value of the policy meets the minimum funding standards for endowment accounts for its stated purpose(s) established by the Foundation Board of Directors and in effect at the time of the gift of the policy.

Those policies that do not meet the above criteria must be submitted to the Executive Committee for review and action.

9. **Charitable Remainder Trusts and Charitable Lead Trusts** do not require review by the Executive Committee provided the gift is to be used in a manner that is related to the mission of the University. Trust agreements will be signed by the Executive Director of the Foundation. Any questionable gifts should be brought before the Committee.
10. **Retirement Plans:** Retirement plans, including IRAs, tax-sheltered annuities, Keogh plans, etc., do not require review by the Executive Committee provided the gift is to be used in a manner that is related to the mission of the University. Any questionable gifts should be brought before the Committee.
11. **Charitable Gift Annuities** are **not** currently accepted by the Foundation.
12. **Pooled Income Fund** agreements are **not** currently accepted by the Foundation.

*Exceptions:* Exceptions to this policy must be approved in writing by the Executive Committee.

Date of Board Approval: 11/04  
Reviewees: Executive Committee  
Review Cycle: Every 3 years  
Date of Last Revision: May 2004