



## *Foundation*

# Winthrop University Foundation Gift Acceptance Policy

---

May 2024

## Table of Contents

Purpose and Philosophy.....	3
Definitions .....	3
General Guidelines for Management and Reporting .....	3
Conformity to National Reporting Standards .....	3
Types of Funds .....	4
Endowed Funds .....	4
Endowment Minimums .....	5
Corpus.....	5
Non-endowed Program Funds .....	5
Methods of Giving.....	6
Current/Outright Gifts.....	6
Cash Transactions.....	6
Publicly Traded Securities.....	6
Non-liquid Business Interests .....	6
Real Estate .....	7
Tangible Personal Property.....	7
Pledges.....	7
Planned Gifts .....	7
Undesignated Planned Gifts.....	8
Bequests and Retirement Plan Designations.....	8
Life Insurance .....	8
Charitable Gift Annuity .....	9
Charitable Lead Trusts.....	11
Trusts Held by a Third Party .....	11
Naming Opportunities .....	12
Criteria for Acceptance.....	12
Costs of Implementation.....	13
Gift Agreements.....	13
Gift Revocation and Refunds.....	13
Effective Date of Policy.....	13

## **Purpose and Philosophy**

The purpose of this Gift Acceptance Policy (GAP) is to establish the types of gifts accepted by the Winthrop University Foundation, Inc. which benefit Winthrop University.

Donors are ultimately responsible for ensuring that a proposed gift furthers their charitable and financial goals and are encouraged to seek the advice of independent legal and financial counsel in the gift planning process. It is not within the province of the Foundation or the University to give legal, accounting, tax or other advice to donors or prospective donors.

All solicitations on behalf of the University or any unit or program will be in accordance with the standards in the Donor Bill of Rights, as developed by the Council for Advancement and Support of Education (CASE) and other national organizations. The Donor Bill of Rights appears as Appendix A of this document.

## **Definitions**

The Winthrop University Foundation, Inc. (hereinafter referred to as the Foundation) is an independent, tax exempt, nonprofit 501(c)(3) entity. Its sole purpose is to accept, manage, and disburse private resources for the benefit of Winthrop University (hereinafter referred to as the University) in the accomplishment of the University's stated goals and objectives and in accordance with donor directives.

A gift, or donation, is a voluntary and irrevocable transfer of money, securities, tangible personal property or real property to the Foundation made by a donor without any expectation or receipt of direct economic benefit or provision of goods or services from the recipient. Donors may be individuals, sole proprietors, partnerships, corporations, foundations, or organizations.

## **General Guidelines for Management and Reporting**

The Foundation receives gifts to the University and for its benefit. Upon receiving a gift, the terms, restrictions, and conditions of the gift will be recorded. The Foundation will deposit gifts toward designations specified by donors and send, in a timely manner, an official receipt together with an acknowledgment of the gift, which shall comply with the substantiation regulations of the IRS and message of gratitude to all donors.

## **Conformity to National Reporting Standards**

The standards of accounting and reporting established by the Council for Advancement and Support of Education (CASE) and the National Association of College and University Business Officers (NACUBO) as printed in *CASE Reporting Standards & Management Guidelines for Educational Fundraising*, shall govern the management and reporting of gifts to the University.

The Foundation is required to follow Financial Accounting Standards Board (FASB) requirements for financial reporting.

## **Types of Funds**

### **Endowed Funds**

The Foundation shall define and manage its true and quasi-endowments in accordance with FASB definitions and rules. The Foundation may also apply the Uniform Prudent Management of Institutional Funds Act (UPMIFA), or its successor action, as enacted by the State of South Carolina and as directed by the Foundation Board of Directors.

Endowments may be designated by the donor for specific use in any college, division, department or program within the University and may be named in honor of individuals. Endowments shall be governed by a written gift agreement executed by the donor and the Foundation.

Endowments may be funded with outright contributions including contributions pledged over a maximum period of five years and must meet the required minimums established by prevailing Foundation policy. A named fund associated with an endowment (annual awarding fund) may be established for less than the required minimum.

Any exceptions to the policy must be approved by the Foundation's Executive Committee. If gifts for an endowment fail to meet the required minimum after the maximum pledge period, the Foundation shall determine a use for the funds that most closely resembles the purpose(s) set out in the original gift agreement; if a close substitute is not available, the funds will be directed to the Winthrop Endowment. Endowments funded by designated contributions from a Charitable Lead Trust may exceed the five year maximum payment period on a case-by-case basis upon the recommendation of the Vice President for University Advancement and the approval of the Executive Director of the Foundation.

Endowments may also be funded with planned gifts from bequests, life insurance policies, retirement plan designations, charitable remainder trusts, charitable gift annuities, and similar instruments and arrangements. However, only the remainder value of these giving agreements may be used for credit toward the required endowment minimums. Should such a planned contribution not meet the prevailing minimums for an endowed fund at the time it becomes available to the Foundation, the Foundation shall determine a use for the funds that most closely resembles the purpose(s) set out in the original gift agreement; if a close substitute is not available, the funds will be directed to the Winthrop Endowment.

Endowments created by testamentary transfer shall be administered in accordance with the donor's wishes as set forth in the relevant testamentary document; provided that the donor clearly intends to establish an endowment and the intended use is not prohibited by law or Foundation policy. If the intended use does fall outside of the law and/or Foundation policy, or if the gift fails to meet the prevailing required minimum for an endowed fund at the time it becomes available to the Foundation, the Foundation will adhere to the laws and regulations of the State of South Carolina regarding such matters.

Endowment principals will be pooled and invested, and income expended, in accordance with the prevailing *Investment Policy Statement* and *Endowment Management Policy* of the

Foundation.

If a donor wishes to establish a fund, either endowed or non-endowed, that includes provisions outside of Foundation policy or approved procedure, the Foundation's Operations Committee must first review and recommend approval to the Foundation Board of Directors.

Endowments that establish chairs and professorships must adhere to all University policies on chairs and professorships and must be approved by the President of the University in collaboration with the Executive Director of the Foundation.

### **Endowment Minimums**

The Foundation Board of Directors shall establish the minimum value of gifts required to establish an endowed fund. The Board of Directors reserves the right to adjust the required minimums from time to time. Endowed funds which are building to the minimum are invested with the pooled assets; however, the individual endowed fund is not subject to gains, losses or fees until the corpus stated in the gift agreement is reached.

### **Corpus**

Corpus for endowed funds is defined as the donor's gift or investment, at or above the stated minimum of \$25,000 required to establish an endowment. Currently, corpus is set at \$25,000 unless it is otherwise expressly stated in the initial gift agreement or an official addendum. The corpus of an endowment will never be invaded and will not be used to finance any portion of a fund's stated purpose unless otherwise specified. Corpus may be "reset" or changed with approval from the Executive Director of the Foundation. Changes to the stated corpus should be documented in an addendum to the gift agreement.

### **Non-endowed Program Funds**

Two types of program funds are available to serve the priorities of the University, colleges, departments, and programs.

A non-endowed program fund that benefits the general mission of a college, department or program may be established, with no minimum funding threshold.

A non-endowed program fund may be established to support a specific objective or purpose beyond the general mission of a college, department or program, with a minimum gift or pledge of \$5,000. No naming opportunity is available to non-endowed program funds. A couple of examples of non-endowed program funds may include Phi Alpha Theta Honor Society and Emergency Book Fund.

## **Methods of Giving**

### **Current/Outright Gifts**

The Foundation will accept current/outright gifts of cash, securities, non-liquid business interests, real estate, and tangible personal property. All gifts shall be recorded, receipted, and acknowledged in accordance with applicable IRS regulations.

### **Cash Transactions**

All charitable gifts contributed in the form of cash, checks, money orders, traveler's checks, electronic fund transfers, and credit or debit card transactions shall be received at face value and will be recorded, receipted, and acknowledged in accordance with Foundation cash handling internal control policies, and current IRS and FASB regulations. The Foundation will provide a high level of security to donors who make online gifts.

### **Publicly Traded Securities**

The Foundation will accept all publicly traded securities based on the full fair market value of the securities. Gifts of publicly traded securities will be valued for gift recording purposes as the mean of the highest and lowest selling prices quoted for the stock (as reported by recognized public securities exchanges) on the date of their gift to the Foundation.

Gifts of publicly traded securities will be acknowledged to the donor in writing by identifying the names(s) of the securities and the actual number of shares given. No dollar amount will be included in the receipt. The exception to this will be when the donor gives securities in exchange for a life income gift and the securities must be valued in order to calculate the remainder value.

Upon receipt of a gift of securities, Foundation staff shall fulfill brokerage requirements for immediate sale of the securities as soon as practicable by the Foundation investment managers unless otherwise directed by the donor or the Foundation. Should the latter be the case, a discussion of a liquidation strategy should be held with the donor.

### **Non-liquid Business Interests**

Closely held or restricted securities, sole proprietorships, general or limited partnership interests, S corporation stock, and/or REITS may be accepted as contributions only after review and approval by the Executive Director together with the Chair of the Investment Committee and the President of the Foundation Board.

Gifts of non-liquid business interests will be valued for recording purposes based on either a qualified independent appraisal when required by the IRS or by an objective third party who is knowledgeable about the interest. Gifts of non-liquid business interests will be acknowledged to

the donor in writing by identifying the gift with particularity, including the names(s) of the shares and the actual number of shares given. No dollar amount will be included on the receipt.

## **Real Estate**

Gifts of real estate will be evaluated on a case-by-case basis and handled through the Winthrop University Foundation Land and Real Estate Subsidiary, LLC (WUFLRES, LLC) in collaboration with the Executive Committee of the Winthrop University Foundation. Real estate can be given outright, through a bargain sale arrangement, or for the purpose of funding a life income charitable giving arrangement. All gifts of real estate will be handled in accordance with (WUFLRES, LLC) policy.

## **Tangible Personal Property**

Gifts of tangible personal property (gift in-kind) that require receipting by the Foundation will be accepted only with the approval of the Winthrop University Foundation Land and Real Estate Subsidiary, LLC. All gifts in-kind will be handled in accordance with (WUFLRES, LLC) policy. No dollar amount will be included on the receipt.

## **Pledges**

The Foundation will accept and record written pledges in accordance with GAAP (Generally Accepted Accounting Principles) and FASB rules. No pledge will be recorded on Foundation accounting records unless it is substantiated in writing via a Foundation-approved pledge document signed by the donor. The document must include the gift amount and schedule of pledge payments. The document will also specifically state the designation by the donor regarding specific preferences and restrictions on the use of the funds.

## **Pledge Timeframe**

The maximum amount of time to fulfill a pledge will be five years from the date of execution of the agreement. Pledges of more than five years must be approved by the Executive Director of the Foundation in advance of acceptance or acknowledgment by gift solicitors or development staff.

Unfulfilled pledges will be written off by following the established Standard Operating Procedure for cancelling a pledge.

## **Planned Gifts**

Planned gifts include bequests made through wills or living trusts, retirement plan designations, life insurance, life income plans in the form of charitable trusts, charitable gift annuities, or trusts held by third party, and retained life estates.

Donors of life income giving arrangements may designate the remainder value of their gift to

any approved program within the University.

Remainder gifts that will be used to establish named endowments must meet the prevailing minimum dollar amount for endowed funds, and other stipulations as described under Naming Opportunities.

### **Undesignated Planned Gifts**

Gifts that are undesignated to a specific fund or for a particular purpose will be deposited into the Winthrop Endowment, which provides unrestricted support to the Winthrop University Foundation for Foundation and University activities and programs. Gifts which do not meet required minimums will be used for the purposes for which they are designated whenever possible (i.e. allowing a scholarship to be used as an annual restricted scholarship even if it does not meet the endowment minimum), or will become part of the Winthrop Endowment, at the discretion of the Executive Director for the Foundation.

### **Bequests and Retirement Plan Designations**

The Foundation will receive charitable bequests and retirement plan designations and will abide by any restrictions or designations indicated in appropriate documents assuming such restrictions and designations are applicable to current programs within the University and do not violate Foundation or University policy.

The Foundation will not abide by any restrictions that are considered to be in violation of federal, state or local laws. If the intended use does fall outside of the law and/or Foundation policy, the Foundation will adhere to the laws and regulations of the State of South Carolina regarding such matters.

Undesignated planned gifts of less than \$25,000 shall be designated to the Winthrop Fund.

Undesignated planned gifts of \$25,000-249,999 shall be designated to the Winthrop Endowment with consideration being given for current and immediate University use. The University President has the sole discretion to designate no more than ten (10) percent of the gift value to current Winthrop University priorities.

Undesignated planned gifts of \$250,000 or more shall be designated to the Winthrop Endowment with consideration being given for current and immediate University use. The University President may request that no more than ten (10) percent of the gift value be designated to current Winthrop University priorities, and such request shall also require approval by the Foundation Executive Committee.

### **Life Insurance**

The Foundation will accept irrevocable gifts of life insurance policies (where the Foundation is named as both owner and beneficiary of the policy). The following types of policies will be considered:



- Irrevocable gifts of fully paid up existing life insurance policies.
- Irrevocable gifts of existing life insurance policies whereby the donor deposits with the Foundation, funds to prepay the policy for a defined number of years. If, at the end of the prepayment period, the death benefit has not been realized, the Foundation has the authority to surrender the policy for its cash value.
- Irrevocable gifts of existing life insurance policies that are not paid up, whereby the Foundation's Board of Directors may, at its discretion choose to pay the premiums on said policy or surrender the policy for its cash value.
- Types of policies to be considered to include permanent, term or cash-building-universal, whole, or variable.

In most circumstances, the donor should be consulted prior to surrender, although the Foundation has the final decision-making authority. The Foundation will record a gift of a life insurance policy on the basis of its fair market value for general accounting purposes. All donations of life insurance policies will be receipted and acknowledged to the donor in accordance with prevailing IRS regulations.

### **Charitable Gift Annuity**

The Foundation will establish and promote gift annuity contracts with donors in accordance with applicable federal law, IRS regulations, the laws and regulations of the State of South Carolina and the laws of the donor's state of residence. Additionally, the Foundation's gift annuity program will adhere to the following principles:

- The minimum contribution to fund an immediate gift annuity contract is \$25,000.
- The minimum donor age is 65 years (single or two-life annuities).
  - Age and gift minimums for gift annuity contracts may be reviewed by the Investment Committee and may be periodically adjusted at its recommendation and the subsequent approval of the Foundation Board of Directors.
- All gift annuity contracts must be approved in advance of issue by the Executive Director of the Foundation.
  - Gift annuity contracts will be created internally up to a maximum of \$999,999.
  - Gift annuities of \$1,000,000 and more will be reviewed by Foundation counsel and accepted by the Gift Acceptance Committee convened by the Foundation.

The payout rates should conform to the recommended published rates of the American Council on Gift Annuities (ACGA). Deviation from the ACGA rates must first be approved by the Investment Committee.

All assets given to fund a gift annuity will be invested. Income and principal will be used to pay any annuity obligations of the contract until all income beneficiaries under the contract are deceased or are no longer entitled to receive income.

Gift annuity contracts will be booked at face value for University Advancement reporting and recognition purposes, but only at remainder value for general accounting purposes.

In the event that the Foundation is not authorized to issue gift annuities in the state of a potential annuitant, the Investment Committee shall review and recommend to the Executive Director of the Foundation whether or not to pursue registration in that state so that a gift annuity contract may be issued.

## **Charitable Remainder Trusts (CRATs, CRUTs)**

The Foundation will accept and administer contributions to a charitable remainder trust in accordance with applicable federal law, IRS regulations, and the laws and regulations of the State of South Carolina. Additionally, the Foundation will administer its charitable remainder trusts based on the following:

The Foundation may serve as a trustee for charitable remainder annuity trusts (CRAT) or charitable remainder unitrusts (CRUT) only if it is named as the sole, irrevocable remainder beneficiary.

The minimum initial gift to establish a charitable remainder annuity trust (CRAT) is currently recommended to be \$50,000 and the minimum initial gift to establish a charitable remainder unitrust (CRUT) is currently recommended to be \$100,000.

The minimum age for donors entering into a trust contract for which the Foundation is the trustee is 65 years.

The Executive Director must approve all Charitable Remainder Trust agreements prior to their execution.

If the Foundation is named as trustee of a Charitable Remainder Trust, the Foundation will charge the trust or the income beneficiary(ies) of the trust direct administrative, management or brokerage fees that are expended to operate the trust.

The Foundation may establish Charitable Remainder Trust payout rates at the minimum required by law and up to a maximum of 5.5%. All Charitable Remainder Trust payout rates agreed to by the Foundation must also conform to applicable federal law, IRS regulations, and the laws and regulations of the State of South Carolina.

Charitable Remainder Trust agreements will be booked at face value for development and recognition purposes, but only at the remainder value for general accounting purposes.

## **Charitable Lead Trusts**

The Foundation will promote the use of charitable lead trusts (CLT) to donor prospects as a means of simultaneously reducing income or estate taxes, facilitating generational wealth transfers and supporting the Foundation.

Income produced by a charitable lead trust (CLT) for the Foundation may be restricted and designated in accordance with policies established for any other cash contributions. The Foundation will not serve as a trustee of a charitable lead trust.

## **Trusts Held by a Third Party**

The Foundation will record such trusts, and gifts from such trusts, in accordance with generally accepted accounting principles (GAAP).

When a donor establishes a qualified CRAT or CRUT outside of the Foundation and names the Foundation as an irrevocable remainder beneficiary, the Foundation may book this contribution in the same manner as a Charitable Remainder Trust upon receipt of a copy of the signed trust agreement or signed statement from the Grantor.

## **Naming Opportunities**

By making a significant gift to the University, donors may be offered the opportunity to select the name of a program, facility, professorship, academic unit, scholarship or other purpose. Naming gifts may be offered in honor or memory of the donor or another individual or entity of the donor's choosing. The University's Board of Trustees shall retain authority for final approval for all naming opportunities.

### **Naming Opportunities and Recognition for Major Gifts Funding Requirements**

The funding plan for a naming opportunity must be in writing and must be approved in advance by the University as outlined in the Naming University Facilities, Units and Positions policy.

Outright gifts and written, enforceable pledges for periods of up to five years may be used to fully or partially fund a naming opportunity.

Testamentary planned gifts (including gifts by will, trust, retirement plan, or life insurance policy proceeds) may be used in combination with an outright pledge to fully or partially fund a naming opportunity. This is permissible as long as:

- it is secured by an irrevocable pledge agreement, and
- the present value of the planned gift meets the agreed-upon gift level.

Irrevocable planned gifts (including gift annuities and charitable remainder trusts) may be used to fully or partially fund a naming opportunity as long as the net present value of the estimated remainder value of the gift will meet the agreed gift level.

Naming rights associated with capital gifts will be conferred when 50% of the gift is received by the Foundation. The exception is endowment gifts, which can be named upon receipt of a pledged commitment.

### **Criteria for Acceptance**

The acceptability of potential naming opportunities is based upon one or more of the following criteria:

- the naming gift's usefulness and inspirational value to the student body;
- its physical or aesthetic enhancement of the campus;
- its contributions to the mission of the University;

- or its recognition of accomplishments by the University's students, alumni, parents, employees or other friends.

### **Costs of Implementation**

Costs associated with creating donor recognition systems or plaques may be paid from either a portion of the naming donor's gift or with internal budgeted resources, to be determined prior to acceptance and finalization of a gift agreement.

### **Gift Agreements**

Each capital or endowment gift that occasions a naming opportunity must be accompanied by a written gift agreement that has been approved and signed by the donor or the donor's designated representative. Such agreements must also be signed by the President of the University, the Vice President for University Advancement of the University, and the Executive Director of the Foundation, or their designated representative. Each gift agreement will specify the purpose of the gift and any restrictions as to distributions from the gifted funds. If the naming gift entails a multi-year pledge payment, the schedule for such payments must also be detailed.

### **Gift Revocation and Refunds**

In the event that a donor requests a refund of an outright gift, the Foundation will review the request. Requests for refunds of more than \$5,000, or for gifts made more than 365 days prior to the request will be evaluated on a case-by-case basis by the Foundation.

The Foundation may make refunds within one calendar year and for gifts less than \$5,000 at its discretion. Gifts-in-kind cannot be returned, nor can assessed value be refunded to donors for these gifts or gifts of real estate, stock, or any non-cash gifts or payments. Refunds of accounts which include gifts over multiple years and from multiple donors cannot be ceded to any individual or group.

### **Effective Date of Policy**

The effective date of this policy is April 2024.

**Appendix A**  
**Winthrop University Foundation**  
**Donor Bill of Rights**

Philanthropy is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To assure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the not-for-profit organizations and causes they are asked to support, we declare that all donors have these rights:

1. To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.
2. To be informed of the identity of those serving on the organization's governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities.
3. To have access to the organization's most recent financial statements.
4. To be assured their gifts will be used for the purposes for which they were given.
5. To receive appropriate acknowledgement and recognition.
6. To be assured that information about their donations is handled with respect and with confidentiality to the extent provided by law.
7. To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.
8. To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.
9. To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.
10. To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.

Source: Council for Advancement and Support of Education (CASE)

## Appendix B: Thresholds for Programs, Professorships, and Chairs

### Units and Programs

College, School, or Division	Consultation Required
Department	\$2,500,000
Center, Program, or Institute	\$1,000,000
Endowed Performance Series	\$500,000
Endowed Lecture/Seminar Series	\$250,000

### Faculty Positions

Endowed Dean	\$2,000,000
Endowed Chair	\$1,000,000
Endowed Professorship	\$500,000