

## WESTERN KENTUCKY UNIVERSITY FOUNDATION

### POLICY AND PROCEDURES MANUAL

**SECTION:** Development

**SUBJECT:** Solicitation and Acceptance Policy

**PURPOSE:** To establish general policy for solicitation and acceptance of gifts.

**GENERAL:** It is the responsibility of the Western Kentucky University Foundation to work with Western Kentucky University to implement programs to meet private funding needs identified by the University.

- PROCEDURE:**
1. The Executive Director will ensure projects have approval prior to initiating fund-raising efforts.
  2. Coordination of solicitations will be accomplished in accordance with established University, Institutional Advancement and Foundation procedures.
  3. Development Officers are expected to be familiar with the tax consequences of various forms of gifts. They should exercise care when discussing tax implications of gifts and include in discussions and correspondence the suggestion that donors contact their tax advisors for information pertaining to a specific tax situation.
  4. All gifts must meet the basic requirement of charitable intent to be accepted by the Foundation.
  5. Gifts from fund-raising activities - A common fund-raising technique is to raise money by selling property or services at a price exceeding their value. Such projects must be reviewed and approved by Foundation management prior to initiation. The Internal Revenue Service presumes that the charitable organization's price is the fair market value for the item or service, and a charitable deduction will normally not be allowed unless appropriate documented situations dictate otherwise. Consult IRS regulations for further details.

6. Scholarship guidelines established by the university will apply. These are amplified to include the following:
  - A. No scholarship will be accepted if the conditions established by the donor are designed to direct the scholarship to a relative.
  - B. Corporations, foundation, and other organizations having scholarship programs can designate a specific recipient.
  - C. Individual donors are discouraged from designating a specific recipient of a gift. Should this occur, the following statement will be included on the receipt: "Grant for specific recipient." In the "thank-you" letters to these donors, the following language will be included: "Gifts which are restricted for a specific individual selected by the donor may not qualify as a charitable contribution. Please consult with your tax advisor to determine the deductibility of this gift."
7. Gifts-in-kind (e.g. art objects, equipment, securities, real estate, etc.) should be reviewed to ensure acceptance will not involve financial commitments in excess of budget or other obligations disproportionate to the usefulness of the gift. Published procedures for the acceptance of real estate, securities, and tangible gifts (Policies #200.2 and 200.3) should be followed.
8. Deferred Gifts - Retained interest gifts (charitable remainder trusts, lead trusts, and retained life estate gifts), bequests, and life insurance are solicited. Specific procedures for each gift type are published separately. The Executive Director must be consulted for assistance in completing the proposal and finalizing any Agreement.
9. Acceptance of a gift imposes a legal obligation upon the Foundation/or University to comply with the terms established by the donor. Therefore, it is necessary that the nature and extent of any restriction be clearly understood and defined in writing. Development Officers are expected to discuss any unusual requirements with the Foundation prior to making a verbal or written commitment. All agreements are subject to the approval of the Executive Director.
10. The Foundation will accommodate any donor that requests their gift to remain confidential. While the Foundation will use the term anonymous and not release any details of this type of gift, the donor will always be known to the Foundation management.