TEMPLE UNIVERSITY
POLICIES AND PROCEDURES MANUAL

Title: Gift Acceptance
Policy Number: 05.60.01
Issuing Authority: Board of Trustees
Responsible Officer: Executive Vice President, CFO & Treasurer

Date Created: February 7, 2012
Date Last Amended/Reviewed: May 8, 2012
Date Scheduled for Review: June 30, 2013
Reviewing Office: Office of the Treasurer

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1. **Policy Statement**

The purpose of the Gift Acceptance policy is to provide a set of standards by which gifts are reviewed, accepted, processed and receipted by Temple University. All fund-raising and constituent engagement activities on behalf of the university will be conducted and coordinated by the Office of Institutional Advancement. All fund-raising efforts must have the approval of the senior vice president for Institutional Advancement. All philanthropic commitments to the university must be processed by and credited to the donor through the Institutional Advancement gift processing and data management system.

2. **The Gift Acceptance Committee**

The university will have a Gift Acceptance Committee (GAC) chaired by the senior vice president for Institutional Advancement, and members including the chief financial officer, a representative from the Controller’s Office, a representative from the Office of University Counsel, the director of Gift Planning, and a dean of a school or college who will serve a one-year term.

The role of the GAC is to review proposed gifts of $25,000 or more in which present and/or future encumbrances may be incurred. The committee will represent the university’s interest in evaluating the use and purpose of the gift related to the university’s mission. The GAC will forward with a recommendation to accept or reject all gift items of $25,000 or more to the Alumni Relations & Development Committee for final consideration.

3. **Acceptable Assets**

The following types of assets may be accepted as funding for an outright or planned gift, subject to the terms and conditions outlined below. In determining whether to accept a gift, the university will take into consideration various factors including restrictions requested by the donor.

A. **Cash and Cash Equivalents**

All charitable gifts contributed in the form of U.S. or convertible foreign currency, checks drawn on U.S. or foreign banks, money orders, traveler’s checks, electronic fund transfers, and credit and debit card transactions shall be received at face value and will be recorded, receipted and acknowledged, net of foreign exchange gains or losses and fees. The date of gift for cash gifts will be determined by one of the following criteria:

- the date legal tender is received by the university by hand delivery
- the date of the U.S. postal marking indicated on the mailing envelope containing the gift
- the date electronically transferred funds are received into a university account
- the date a credit or debit card transaction is authorized by the donor (if such authorization is obtained through the mail, the above criteria apply)
B. **Publicly Traded Securities**

The university will accept all publicly traded securities; including stocks, bonds, options or corporate warrants and mutual funds, based on the full fair market value of the securities, which shall be valued, recorded, receipted and acknowledged in accordance with current IRS regulations. The securities received will be sold as soon as practical by the university’s broker unless otherwise directed by the chief financial officer.

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 university. The date of gift will be determined based on one of the following criteria:

- the date an electronic transfer of securities from a donor’s account is received into a brokerage account owned by the university
- the date of hand delivery of certificates that are signed over to the university
- the date of U.S. postal cancellation on envelopes containing a certificate(s) accompanied by a qualified stock power. (Note: Both the stock power and the certificates must be received by the university before valuation can be determined)

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.

C. **Non-liquid Business Interests**

Closely held or restricted securities, corporate officers’ stock options, 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 Gift Acceptance Committee. Receipt of such gifts shall be recorded, receipted and acknowledged in accordance with all applicable IRS regulations.

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 independent 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 in the receipt.
D. Real Estate

The university will consider gifts of real estate, both improved and unimproved, on a case-by-case basis. 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 must be reviewed by the Gift Acceptance Committee with input from the Office of Business Services.

All gifts of real estate will be handled in accordance with the university’s procedure on receiving gifts of real estate. See Addendum 1: University Policy of Gifts of Real Estate

E. Tangible Personal Property

Gifts of tangible personal property with a value in excess of $25,000 will be accepted only with the approval of the Gift Acceptance Committee. Tangible personal property with a value less than $25,000 will be accepted with the approval of the appropriate dean or officer of the university. The university will accept gifts of tangible personal property as long as the property donated has tangible value to the university or can be liquidated to produce cash. The Gift Acceptance Committee will review the valuation as proposed by the senior vice president for Institutional Advancement. All gifts of tangible property received by the university must be recorded and acknowledged by the Office of Institutional Advancement in accordance with IRS regulations.

Title to the gift property should be unencumbered and properly documented. Careful consideration will be given to the marketability, storage, transportation, insurance and disposal costs of all gifts of property. Any incurred costs associated with the conveyance, delivery or maintenance of the gift will be charged to the donor or to the university department that will benefit from the gift.

If the university is requested to sign IRS Form 8283 regarding the receipt of tangible personal property, the Office of Institutional Advancement is authorized to execute the document in accordance with IRS regulations. If the university is required to file Form 8282 regarding the sale of donated property, the Office of Institutional Advancement is responsible for preparing the form and the chief financial officer will execute the form on behalf of the university.

F. Gifts in Kind

Gifts in kind are gifts of tangible personal property that will be retained and used by the university, faculty, staff or students. Gifts in kind with a value in excess of $25,000 will be accepted only with the approval of the Gift Acceptance Committee. Gifts in kind with a value less than $25,000 will be accepted with the approval of the appropriate dean or officer of the university.

If the university sells or otherwise disposes of a gift in kind within three years of the date of the gift, the university is required to sign IRS Form 8282 regarding the receipt
of tangible personal property. The Office of Institutional Advancement is authorized to execute the document in accordance with IRS regulations. If the university is required to file Form 8282 regarding the sale of donated property, the Office of Institutional Advancement is responsible for preparing the form and the chief financial officer will execute the form on behalf of the university.

G. Artwork, Manuscripts and Special Collections
Gifts of artwork, manuscripts and special collections with a value in excess of $25,000 will be accepted only with the approval of the Gift Acceptance Committee. Gifts with a value less than $25,000 will be accepted with the approval of the appropriate dean or officer of the university.

H. Gifts of Service
Consistent with IRS rules, the university will not consider a person’s or organization’s time or service as a charitable contribution.

I. Alternative Assets
Gifts involving patents, copyrights, trademarks and royalties must be approved by the Gift Acceptance Committee.

4. Ways of Giving

A. Current/Outright Gifts
The university will accept current/outright gifts of cash, securities and real and personal property.

B. Pledges
The university will accept and record written pledges in accordance with generally accepted accounting standards (GAAP) and Financial Accounting Standards Board (FASB) rules. No multi-year pledge of more than $10,000 will be recorded on advancement or general accounting records unless it is substantiated in writing via a university-approved gift agreement signed by both the university and the donor. The agreement must include the gift amount and schedule of pledge payments. The agreement will also state the designation of the gift within the university, indicating preferences and restrictions on the use of the funds. Single year pledges will be recorded in accordance with Office of Institutional Advancement practices.

Conditional pledges will be accepted after approval from the senior vice president of Institutional Advancement. Such pledges will be recorded in Institutional Advancement fundraising totals.
Pledges of more than five years must be approved by the president, after consultation with the Gift Acceptance Committee. The senior vice president for Institutional Advancement has the discretion to accept extended pledge terms (beyond five years) for non-capital pledges up to $250,000.

C. Deferred Gifts

The Office of Gift Planning will coordinate the receipt of all deferred gifts. Deferred gifts include bequests made through wills or living trusts, retirement plan designations, life income plans, charitable lead trusts, 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, provided it is not too restrictive in purpose or inconsistent with its stated academic purposes and priorities. Remainder gifts that will be used to establish named endowments or for naming opportunities must meet the prevailing minima.

The Office of University Counsel will process all legal documents associated with deferred gifts, and prior approval by university counsel is required before any legal document may be executed by an authorized university officer.

1. Bequests and Retirement Plan Designations. The university will receive charitable bequests and retirement plan designations, and will generally 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 university policy.

   If a bequest or retirement plan designation of $25,000 or more is given for the general purposes of the university, such funds shall be deposited into an unrestricted segregated account and the president shall have discretionary authority to determine how to spend these contributions.

2. Life Insurance. The university will accept gifts of life insurance policies (where the university is named as both owner and beneficiary of the policy) based on the following:

   a) The policy must have a death benefit of $100,000 or more unless the policy is fully paid up. Any future policy premiums due will be paid by regular contributions from the donor to the university. The Office of Gift Planning will coordinate all premium payments with the donor.

   b) Term policies of any amount will be declined unless the donor irrevocably pledges to make regular contributions to the university equal to the regular premium amount. If the donor refuses to make regular contributions equal to the premium amount, the university will allow the policy to lapse.
c) The university may surrender an existing life insurance policy for its surrender value or sell the policy via a viatical settlement based on prior review and approval of the Gift Acceptance Committee.

d) Acquiring a naming opportunity within the university with a life insurance policy while the donor is living can only be done with a fully paid up policy for the equivalent cash value of the naming opportunity.

e) The university will record a gift of a life insurance policy only on the basis of its fair market value for general accounting purposes.

f) All donations of life insurance policies and contributions made to pay life insurance policy premiums will be receipted and acknowledged to the donor in accordance with prevailing IRS regulations.

3. **Charitable Gift Annuity.** The university will establish and promote gift annuity contracts with donors in accordance with applicable federal law, IRS regulations and the laws and regulations of the Commonwealth of Pennsylvania. Additionally, the university’s gift annuity program will adhere to the following:

a) The minimum size contributions to fund either an immediate gift annuity contract or a deferred payment gift annuity contract is $10,000.

b) All gift annuity contracts must first be approved by university counsel.

c) The payout rates will conform to the applicable published rates of the American Council of Gift Annuities (ACGA). Any deviation from the ACGA rates must first be approved by the Gift Acceptance Committee.

d) The university may engage one or more third party entities to provide gift administration, custodial and investment services for its gift annuity contracts.

e) Gift annuity contracts will be booked at face value for advancement and recognition purposes, but only at remainder value for accounting purposes.

4. **Charitable Remainder Trust (CRT).** The university 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 Commonwealth of Pennsylvania. Additionally, the university will administer its charitable remainder trusts based on the following:
a) The university may serve as a trustee for charitable remainder annuity trusts (CRAT) or charitable remainder unitrusts (CRUT) only if it is named as an irrevocable remainder beneficiary of at least 51% of the remainder value of the trust (Temple CRT).

b) The university may hire one or more third party entities to provide trust administration and custodial and/or investment services for Temple CRT agreements.

c) The Office of University Counsel must approve all Temple CRT agreements prior to their execution.

d) If Temple is named as trustee and 100% irrevocable remainder beneficiary of a Temple CRT, the university will not charge the trust or the income beneficiary(ies) of the trust any administrative, management or brokerage fees that are expended to operate the trust. If Temple University is named as less than 100% irrevocable remainder beneficiary, any costs incurred by the university to operate the trust must be proportionately shared by any other named remainder beneficiary.

e) Temple will serve as trustee of a Temple CRT when a donor wishes to donate real estate to the trust only if the donor will accept the trust in the form of a charitable remainder net-income unitrust, with a flip provision. Contributions of real estate to a Temple CRT must follow the university’s policy on real estate contributions and any costs associated with the sale of real estate within a Temple CRT will be charged to trust principal.

f) The Office of Gift Planning is authorized to establish Temple CRT payout rates at the minimum required by law and up to a maximum of 7%. If a donor wants a payout rate higher than 7%, it must first be approved by the President, after consultation with the Gift Acceptance Committee. All CRT payout rates established by the university must also conform to applicable federal law, IRS regulations and the laws and regulations of the Commonwealth of Pennsylvania.

g) Temple CRT agreements will be booked at face value for Institutional Advancement and recognition purposes, but only at the remainder value for general accounting purposes.
h) When a donor establishes a qualified CRAT or CRUT outside of the university and names Temple University as an irrevocable remainder beneficiary, the university may book this contribution in the same manner as a Temple CRT upon receipt of a copy of the signed trust agreement.

i) Donors may contribute additional gifts of a minimum value of $5,000 to their charitable unitrust for which Temple University serves as trustee.

5. **Charitable Lead Trust.** The university will promote the use of charitable lead trusts (CLT) to donors as a means of reducing income or estate taxes and helping the university at the same time. Income produced by a CLT for the university may be restricted and designated in accordance with policies established for any other cash contributions. The university will not serve as a trustee of a CLT.

6. **Remainder Interest in Real Property.** The university will promote and accept gifts of retained life estates in real property if the donor and the university agree in writing to the terms of the retained life estate. Such agreements shall include the allocation of expenses among and between the donor and the university. Gifts of a remainder interest will be credited to the donor in the year the transfer of ownership is completed from the donor to the university at the charitable remainder value of the contributed real estate.

7. **Trusts Held by a Third Party**

   The university will record such trusts, and gifts from such trusts, in accordance with GAAP.

5. **Endowed Funds**

   Endowed funds provide donors the opportunity to support scholarship and teaching on a variety of levels in perpetuity. Endowments may be designated for restricted use in any school/college, department or program within the university and may be named in honor of individuals. Endowments must be governed by a written agreement executed by the donor and the university and the agreement must be approved by the senior vice president for Institutional Advancement, the Office of University Counsel and the chief financial officer before it is presented to the donor.

   Endowments may be funded with outright contributions including pledges and must meet the required minima. If gifts for an endowment fail to meet the required minimum after the maximum pledge period, the funds may be transferred to the university’s general endowment or to another university fund, as determined by the president upon recommendation by the Gift Acceptance Committee.
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 university policy. If the intended use does fall outside of the law and/or university policy, or if the gift fails to meet the prevailing required minima for an endowed fund at the time it becomes available to the university, the university will adhere to the laws and regulations of the Commonwealth of Pennsylvania regarding such matters.

Endowment contributions will be utilized for their intended purpose only when they are funded with cash (or cash equivalents) equaling 50% of the actual anticipated total gift commitment, or total contributions otherwise reach the applicable required minimum for the endowed fund.

A donor (and the donor’s family or designee) who establishes a scholarship or award may participate in the selection of recipients upon approval by the university and subject to applicable law. The nature of the donor’s and/or his/her family’s or designee’s involvement must be clearly defined in the endowment agreement between the donor and the university. In all cases, participation is solely advisory in nature. Final decision on the selection of scholarship and award recipients is the sole right of the university.

Endowment principals will be pooled and invested, and income expended, in accordance with the prevailing investment and spending policies of the university.

Listed below are the university’s funding guidelines for endowment minima.

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>Endowed Minima</th>
</tr>
</thead>
<tbody>
<tr>
<td>Endowed Prizes/Awards</td>
<td>$25,000</td>
</tr>
<tr>
<td>General Endowment (Non- Scholarship)</td>
<td>$25,000</td>
</tr>
<tr>
<td>(for donor’s designated purpose that is approved by the university)</td>
<td></td>
</tr>
<tr>
<td>Endowed Lectureship (Could include travel &amp; honoraria, publication &amp; reception costs)</td>
<td>$50,000</td>
</tr>
<tr>
<td>Fully Endowed Undergraduate Scholarships*</td>
<td></td>
</tr>
<tr>
<td>In State Students</td>
<td>$325,000</td>
</tr>
<tr>
<td>Out of State Students</td>
<td>$550,000</td>
</tr>
<tr>
<td>Minimum Scholarship Endowment</td>
<td>$50,000</td>
</tr>
<tr>
<td>One or more school/unit designations</td>
<td>$100,000</td>
</tr>
<tr>
<td>Fully Endowed Graduate Fellowships</td>
<td>$600,000</td>
</tr>
<tr>
<td>Endowed Faculty Research Fund (Includes Research and related support for specified faculty)</td>
<td>$250,000</td>
</tr>
<tr>
<td>Endowed Dean’s Fund for Excellence (Discretionary fund for a Dean to utilize to enhance his/her program)</td>
<td>$250,000</td>
</tr>
<tr>
<td>---</td>
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</tr>
<tr>
<td>Endowed Faculty Fellowship</td>
<td>$200,000</td>
</tr>
<tr>
<td><strong>Endowed Professorships</strong></td>
<td></td>
</tr>
<tr>
<td>Endowed Term Professorships</td>
<td>$500,000</td>
</tr>
<tr>
<td>Fully Endowed Professorships</td>
<td></td>
</tr>
<tr>
<td>Law School</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>Medical School</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>Business School</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>Dental School</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>All Other</td>
<td>$1,000,000</td>
</tr>
<tr>
<td><strong>Endowed Distinguished Professorships</strong></td>
<td></td>
</tr>
<tr>
<td>Law School</td>
<td>$2,000,000</td>
</tr>
<tr>
<td>Medical School</td>
<td>$2,000,000</td>
</tr>
<tr>
<td>Business School</td>
<td>$2,000,000</td>
</tr>
<tr>
<td>Dental School</td>
<td>$2,000,000</td>
</tr>
<tr>
<td>All Other</td>
<td>$1,500,000</td>
</tr>
<tr>
<td><strong>Endowed Clinical Chair – Medicine</strong></td>
<td>$2,500,000</td>
</tr>
<tr>
<td><strong>Library Endowments</strong></td>
<td></td>
</tr>
<tr>
<td>Endowed Archivist Position</td>
<td>$25,000</td>
</tr>
<tr>
<td>Endowed Acquisition Fund</td>
<td>$100,000</td>
</tr>
<tr>
<td>Endowed Research Fund</td>
<td>$25,000</td>
</tr>
<tr>
<td>Endowed Library Prize</td>
<td>$25,000</td>
</tr>
<tr>
<td>Endowed Special Collections Fund</td>
<td>$25,000</td>
</tr>
<tr>
<td>Unrestricted Endowment</td>
<td>$10,000</td>
</tr>
<tr>
<td>Endowed Technology Fund</td>
<td>$100,000</td>
</tr>
<tr>
<td>Endowed Facilities Fund</td>
<td>$25,000</td>
</tr>
<tr>
<td><strong>Athletics</strong></td>
<td></td>
</tr>
<tr>
<td>Athletic Director</td>
<td>$5,000,000</td>
</tr>
<tr>
<td>Endowed Athletic Team Position</td>
<td>$100,000</td>
</tr>
<tr>
<td>(For general support of specific athletic program)</td>
<td></td>
</tr>
<tr>
<td>Endowed Head Coach Position</td>
<td>$500,000 to $2,000,000</td>
</tr>
<tr>
<td>(For general support of coach’s program)</td>
<td></td>
</tr>
<tr>
<td><strong>Endowed University Executive Positions</strong></td>
<td></td>
</tr>
<tr>
<td>Presidency</td>
<td>$15,000,000</td>
</tr>
<tr>
<td>Provost</td>
<td>$10,000,000</td>
</tr>
<tr>
<td>Dean</td>
<td>$5,000,000</td>
</tr>
</tbody>
</table>

* = to be reviewed annually based on tuition rates
6. Naming Opportunities

A naming opportunity is an invitation to a donor (or donors) to name a school/college, facility, center, institute, or fund a scholarship or other program, in exchange for a gift in an amount established by the university for the benefit of the corresponding program or facility. Naming opportunities, including the appropriate gift size, the funding plan, and the manner in which the gift will be utilized, must always meet with the approval of the president of the university after consultation with the Gift Acceptance Committee and, when required, the Alumni Relations & Development Committee and/or the Board of Trustees. In order to have a consistent and justifiable means for determining recommended levels for naming gifts, the university will use a set of formulas as the basis for calculating naming gifts for its campuses, colleges, schools, buildings and the spaces within these areas. See addendum 2: Naming Gift Calculations

Contributions qualifying for naming opportunities can be utilized for facility construction or renovation, maintenance, program enhancements, operations, scholarships or research. Contributions may or may not be endowed. Planned gifts may not be used to directly fund capital projects without prior approval of the Gift Acceptance Committee and the chief financial officer. How the gift will be utilized must be articulated in a legally binding written agreement between the donor and the university.

While funding requirements will differ for naming a campus, college, center, institute, department or program, each requires the presentation of a proposal which must be approved by the provost and senior vice president for Institutional Advancement, with input from the Gift Acceptance Committee. Recommended naming standards should follow guidelines outlined in Addendum 2, “Naming Gift Calculations.” The final authority to name any such entities, either in recognition of a gift, service or other reason, resides with the Board of Trustees.

A. Funding Requirements

Outright gifts and signed pledges for up to five years may be used to fully or partially fund a named opportunity at face value. The president, after consultation with the Gift Acceptance Committee, must approve any pledge agreement that spans beyond five years, prior to the pledge being executed. The senior vice president for Institutional Advancement has the discretion to accept extended pledge terms (beyond five years) for non-capital pledges up to $250,000. Requests for pledge term extensions for non-capital commitments exceeding $250,000 must be brought to the Gift Acceptance Committee for review.

Testamentary deferred gifts (including gifts by will, trust, retirement plan or life insurance policy) may be used in combination with an outright pledge to fully or partially fund a named opportunity as long as the testamentary portion of the total commitment does not exceed 50% of the total gift, is secured by an irrevocable pledge agreement, and the present value of the gift will meet the agreed upon gift level.
Irrevocable deferred gifts (including gift annuities, pooled income funds, and charitable remainder trusts) may be used to fully or partially fund a non-capital named opportunity as long as the present value of the gift meets the approved minimum gift requirement.

7. Reporting

A. Gifts

The Office of Institutional Advancement must receive all philanthropic commitments to Temple University. Upon receipt, the terms, restrictions and conditions of the gift will be recorded.

Outright gifts to the university shall be reported when assets are actually and irrevocably transferred to Temple. Irrevocable deferred gifts shall be reported as a pledge at face value. Documented provisions in wills or other revocable instruments shall be reported as a pledge at face value in a separate column and will be treated as charitable gifts.

Total fundraising progress will be the sum of all new gifts (outright, documented deferred {such as bequest or insurance policy} and irrevocable deferred) and new pledges against a stated goal. Verbal pledges or commitments may not be counted in gift totals. Income from ticket-based operations, contract revenues and investment earnings is excluded from gift income. Net proceeds from special events benefitting university programs shall constitute gift income.

B. Grants

Grants supporting externally sponsored agreements which are also donative in nature will be reported as contributions by Institutional Advancement. Pledge information for these agreements shall be provided to Institutional Advancement by the Office of Sponsored Research. Payment information on these agreements shall be provided to Institutional Advancement by the Research Accounting Services Office.

Such grants will be considered donative under the following conditions:

- no quid pro quo exchange is required
- the outcome does not result in a product of marketable value intended for the exclusive use of the funder
- unexpended funds are not required to be returned to the funder (except when the funder is a private foundation)

8. 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 Management Reporting Standards - Standards for Annual Giving and Campaigns in Educational Fundraising, shall govern the management and
reporting of gifts to the university. The Annual Gift Report by the university shall also conform to the Council for Aid to Education’s (CAE) annual Survey of Voluntary Support of Education (VSE).

9. Terms and Definitions

Bequest
A gift of personal property by will.

Deferred Gift
Transfer of the gift is delayed for a predetermined period of time.

Gifts
An unconditional promise to pay for which no goods or services are expected, implied or forthcoming for the donor.

Gifts-in-Kind
Gifts of tangible personal property, excluding real estate, that will be retained and used by the university.

Grants and Contracts
A grant is an award received, generally as the result of a written proposal, with the understanding that an accounting and/or report will be done at the end of the project and a copy of the results will be provided to the funder. A grant that has been determined to be a gift is donative in nature; it is given voluntarily and without expectation of any tangible compensation and implies no responsibility to provide the donor with a product, service, technical or scientific report(s), or rights to any form of intellectual property.

Only grants that are awarded by private entities (individuals, corporations, and foundations) are considered charitable gifts. Grants awarded by governmental agencies are not considered gifts and are not counted in fundraising totals.

A contract is a legally enforceable document containing administrative terms and conditions for the use of the funds. It may include provisions for intellectual property, reporting, compliance, and publication rights. It involves performance requirements to carry out specific project(s) or services(s) on the part of the university. A contract is not donative in nature and is not a gift. Contract revenues will not be counted in fundraising totals.

Operating Funds
Monies used for current operations.

Pledge
A commitment to transfer specific assets over time to the university, usually over a period of one to five years.
Quasi Endowment
Gifts that have been designated by the Board of Trustees as endowment funds. Income on quasi-endowments is spent in accordance with donor restrictions. The board may lift the designation, and the principal may then be spent.

Securities
Instrument that signifies an ownership position in a corporation (stock), a creditor relationship with a corporation or governmental body (bond), or other ownership rights.

Term Endowment
Endowments with time restrictions required by the donor such as a restriction that the income from the endowment may not be utilized until a future period or a specific date for condition is met.

True Endowment
Endowments that stipulate the principal cannot be spent.

Unrestricted Gifts
Contributions that are not restricted by the donor and can be used at the university's discretion.

Restricted Gifts
Contributions that have been designated for a particular purpose or project

10. Effective Date, Amendments and Addendum

A. Effective Date of Policy

The effective date of this policy is May 8, 2012, and it applies to all new gifts and new pledges received after that date.

B. Supersedes

Gift Acceptance Policy, 05.60.01, effective September 24, 2003.

C. Presidential Authority to Make Technical Amendments

The president of the university is authorized to make amendments to this policy.

D. Addendums

1.) University Policy of Gifts of Real Estate
2.) Naming Gift Calculations
Addendum 1:

DEVELOPMENT PROCEDURES FOR ACCEPTANCE
OF REAL PROPERTY

A. Prior To Acceptance

1. Property must be visited by a representative of both Development and Business Services
2. Business Services will order a title information search
   a. Donor must have fee simple ownership
   b. Total 100% interest in property must be donated
   c. No partnership interest nor corporate stock will be accepted
   d. Title must be free of any clouds and/or encumbrances
3. Environmental inspection will be performed
4. Depending on the type of real property, an engineering evaluation will be performed
5. Business Services will obtain bids from a minimum of three local realtors for the listing for sale of the property
6. Property must be deemed saleable within a reasonable period of time. Reasonable will be defined in accordance with type and location of property
7. Appraisal to be performed by a certified appraiser of Donor's choosing and at Donor's expense
8. A determination of costs and liabilities to ascertain what funds will be required to maintain the property until it is sold

B. After Acceptance

1. Property to be listed for sale as soon as reasonably possible
2. Business Services will manage the property until sold
3. If the property is to be placed in a charitable trust, the trust vehicle must be a net-income unitrust with a make-up provision. All costs (and taxes) associated with the maintenance and/or sale of the property will be paid for by the trust.
4. As trustee of a charitable trust which holds gifted real estate, the University will seek the best sale price possible in order to protect the income interests of the donor.
Addendum 2:

CAPITAL PROJECT NAMING GIFT CALCULATION

Introduction

In order to have a consistent and justifiable means for determining recommended levels for naming gifts, Temple University will use a set of formulas as the basis for calculating the naming gifts for its campuses, colleges, schools, buildings and the spaces within these buildings. The formulas are primarily cost-driven, but allow flexibility for other considerations such as the marketplace for similar gifts, numerical rounding or aesthetics.

Further, these cost-driven models can be extended to the smaller multiple naming opportunities within a facility by dividing the privately-raised balance by the gross square footage, then using utility and location factors to adjust the potential gift amounts.

School/College or Campus Naming Gift Calculation

A gift that would name a school, college or campus should be approximately three (3) times the operating budget of the to-be-named unit. Further, it is recommended that two-thirds (2/3) of the gift be placed in an endowment to support on-going operations. For example, a school with an operating budget of $30 million per year should expect that a naming gift be on the order of $90 - $100 million, with $60 - $70 million in endowment.

Overall Facility Naming Gift Calculation

For a facility naming gift, the recommended baseline is no less than 20% of the Privately Funded Cost (i.e., non-government or third party) of the overall project. The baseline may be as high as 30% of the Privately Funded Cost for projects of greater significance. As an example, a facility with a total cost of $150,000,000 receiving $50,000,000 in state assistance must raise $100,000,000 through private sources such as philanthropy and debt. The recommended minimum naming gift would be $20,000,000.

Individual Space Naming Gift Calculation

Using the Privately Funded Cost used in overall facility naming, in combination with the Total Gross Square Footage, will extend the same logic from the facility as a whole to the individual spaces within the structure. Doing so also allows valuation of spaces relative to other spaces within the same facility. For example, an exhibition room directly off of the main lobby will have greater value than an equally sized exhibition room located in the basement. The elements necessary for calculating the naming gift for an individual space are:
Privately Funded Cost: Construction cost of the facility after any government or third-party assistance is removed, i.e., the cost that Temple University must fund by itself through debt, cash reserves and philanthropy.

Total Gross Square Footage: The size of the facility by total square footage (GSF).

Cost/Square Foot: The privately funded cost of the facility divided by the gross square footage. \( \frac{1}{2} \) This figure forms the basis for calculating the asked-for amount of a naming gift. This is the value of the facility to Temple University, per square foot, based on the construction cost to Temple.

Utility Factor: A factor that indicates the usage of the space. It can be public space (i.e., lobby, atrium, or corridor), classroom, office, meeting room or social space, or special purpose space such as an exhibition room or laboratory. Each space is assigned a utility factor (or score) of 0.00 through 2.00, where 1.00 equals moderate or neutral utility. 2.00 represents high utility spaces such as lobbies, atriums, or other spaces where students, staff (and even the public) will find more useful to their needs relative to other space. Staff offices, on the other hand, are generally rated at a low utility of 0.50.

<table>
<thead>
<tr>
<th>Utility Type</th>
<th>Weighting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Space</td>
<td>2.00</td>
</tr>
<tr>
<td>Classroom</td>
<td>1.50</td>
</tr>
<tr>
<td>Special Purpose</td>
<td>1.25</td>
</tr>
<tr>
<td>Study Room</td>
<td>1.00</td>
</tr>
<tr>
<td>Social Space</td>
<td>1.00</td>
</tr>
<tr>
<td>Other</td>
<td>1.00</td>
</tr>
<tr>
<td>Meeting Room</td>
<td>1.00</td>
</tr>
<tr>
<td>Staff Office</td>
<td>0.50</td>
</tr>
<tr>
<td>Furniture</td>
<td>0.25</td>
</tr>
</tbody>
</table>

Location Factor: Similar to the utility factor, the location factor indicates the prominence of the space. It can be highly visible, such as a grand atrium faces Broad Street, adjacent to a highly public and visible location, such as a conference suite off the Lobby, or it can be tucked away in a location that is only visited by a handful of faculty, staff or students. Each space is assigned a location factor (or score) of 0.50 through 1.50, where 1.00 equals moderate or neutral visibility. 1.50 represents high visibility spaces such as lobbies, atriums, or other spaces where students, staff (and
even the public) will congregate more often relative to other spaces. Very low visibility spaces, such as a basement office, are generally rated at 0.50.

<table>
<thead>
<tr>
<th>Visibility Type</th>
<th>Weighting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very High</td>
<td>1.50</td>
</tr>
<tr>
<td>High</td>
<td>1.25</td>
</tr>
<tr>
<td>Moderate</td>
<td>1.00</td>
</tr>
<tr>
<td>Low</td>
<td>0.75</td>
</tr>
<tr>
<td>Very Low</td>
<td>0.50</td>
</tr>
</tbody>
</table>

6. **Gross Square Footage:** The size of the space in square feet.

7. **Gross Space Naming:** The formula-driven recommended gift size in order to name the space. It calculated by multiplying the Cost/Square Foot by the Gross Square Footage then multiplying by the Utility Factor and then multiplying by the Location Factor. ((\(\text{\(6\)} \times \(\text{\(6\)}\)) \times \(\text{\(6\)} \times \(\text{\(6\)}\)) This figure is a recommended target gift amount for that space and is a raw, unrounded number. It also indicates that value of a space relative to other spaces within the facility.

8. **Adjusted Space Naming:** The final recommended gift size in order to name the space. It is a non-calculated figure that allows a gift officer to adjust the Gross Space Naming higher or lower in order to:
   - Round the Gross Space Naming amount. For instance, the Gross Space Naming amount is $87,768 but an Adjusted Space Naming amount could be $100,000 or $75,000.
   - Allow for other more intuitive factors such as the architectural attractiveness of the space, or how widely publicized the name of the space will be.
   - Allow for what the market will bear in comparison to similar projects at other institutions.

This final element gives a gift officer flexibility to make an informed decision to deviate from the formula-driven amounts.

**Formula Summary**

Begin with the overall size of the project and the cost to construct it.

*Then*

Privately Funded Cost \(\times\) 20% (or greater) = Overall Facility Naming

*Then*

Total Programmable Square Footage \(\div\) Privately Funded Cost = Cost/Square Foot
Then

(Cost/Square Foot x Gross Square Footage) x Utility Factor x Location Factor = Gross Space Naming

Then

Make any other sensible adjustments for rounding, architecture or marketplace.