



TITLE: GIFT ACCEPTANCE POLICY

POLICY NUMBER: IA-01

EFFECTIVE DATE: December 5, 2007

REVISION DATE: May 4, 2022

SUPERSEDES: N/A

RESPONSIBLE EXECUTIVE: Senior Vice President, Institutional Advancement

I. PURPOSE AND APPLICATION

The purpose of the Gift Acceptance policy is to provide a set of standards by which gifts are reviewed, accepted, processed, and received by Drexel University.

II. SCOPE

This Policy applies to all fund-raising and constituent engagement activities conducted and coordinated by the Office of Institutional Advancement on behalf of the University. Notwithstanding anything to the contrary in this policy, all contracts and agreements described in this policy shall be reviewed and approved in accordance with the University's Contract Protocol Policy (Policy # OGC-2).

III. IMPLEMENTATION

Implementation of this policy is the responsibility of the Office of Institutional Advancement, and 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. For inquiries regarding this Policy, please contact the Senior Vice President, Office of Institutional Advancement.

IV. STATEMENT OF POLICY AND PROCEDURE

A. Gift Acceptance Committee

The Drexel University Gift Acceptance Committee (GAC) is chaired by the Senior Vice President for Institutional Advancement, and comprised of members including a representative from the Treasurer's Office and the Senior Associate Vice President of Gift Planning. A member of the Office of the General Counsel shall serve as an ex-officio non-voting member and counsel to the GAC.

It is recognized that certain *Gifts* including, but not limited to, those involving unusual funding arrangements, should not be routinely processed but should be first reviewed by the GAC. All final decisions on the restrictive nature of a Gift, and its acceptance or refusal, shall be made by the GAC.

The types of Gifts which will be referred to the GAC include, but are not limited to, the following:

- Gifts requiring unusual funding arrangements or other commitments
- Gifts of intangible or unusual personal property
- Gifts of non-publicly traded securities
- Gifts of partnership interests and other non-traditional investments
- Gifts of real estate
- Gifts that are exceptions to existing guidelines or which fall outside the definition of acceptable Gifts, as defined by this policy statement

B. 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.

1) 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, travelers' 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 or other non-governmental delivery service, such as Fed-X or UPS
- The date of the US 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 card is charged or debit card transaction is authorized by the donor (if such authorization is obtained through the mail, the above criteria apply).

2) 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 Treasurer's Office.

Gifts of publicly traded Securities will be valued for 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 fair market value of mutual fund shares can be determined by the shares' public redemption price on the date of a Gift of

this nature. The date of the 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, the actual number of shares given and the high, low and mean value per share. The exception to this will be when the donor gives Securities in exchange for a life income Gift and the Securities must be valued to calculate the remainder value.

3) 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 GAC. 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.

4) Virtual Currency

The University may accept Gifts of virtual currencies, including *Cryptocurrency*, subject to the conditions outlined below:

- a. Gifts of Cryptocurrency must be a minimum of \$10,000 and in all cases are accepted at the University's discretion based on factors such as economic considerations, market conditions and cost to liquidate.
- b. The donor must confirm to the University the original source of the money used to purchase the virtual currency, and that it is owned by the donor (and not a third party).
- c. Transfers of Cryptocurrency to the University require the involvement

of a third-party facilitating organization to act as agent. Drexel University will only consider acceptance of Gifts of Cryptocurrency that are successfully paid to and accepted by its third-party agent.

- d. All Cryptocurrency donations are promptly sold by the University's third-party agent and the net proceeds transferred to the University in U.S. dollars. The University does not maintain a reserve of Cryptocurrency; therefore, in the event a donor transfers more Cryptocurrency to the University than intended, the University will return any excess net proceeds to the donor in US dollars and follow IRS guidelines for reporting returned funds.
- e. Upon payment/acceptance, Gifts of Cryptocurrency will be treated as noncash contributions and valued for booking purposes at the time the Gift is made. The University will provide the donor with a Gift acknowledgement that confirms receipt of the virtual currency as a charitable Gift. Per IRS guidelines for non-marketable Securities, the acknowledgement will not contain the value of the Gift.

5) Real Estate

The University will consider Gifts of real estate, 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 GAC with input from University Facilities and Real Estate.

All Gifts of real estate received by the University will be recorded and acknowledged by the Office of Gift Planning in accordance with IRS regulations, and will be handled in accordance with the University's procedure on receiving Gifts of real estate. (See Appendix A: Real Estate Gift Acceptance Procedures.)

6) Tangible Personal Property

The University will consider Gifts of Tangible Personal Property in a case-by-case basis and in accordance with IRS guidelines.

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 program director. The University will accept Gifts of tangible personal property as long as the property donated has immediate tangible value to the University or can be liquidated to produce cash. For Gifts valued at more than \$25,000, the GAC will review the valuation as proposed by the Senior Vice President for Institutional Advancement. (See Appendix B: Tangible Personal Property Gift Acceptance Procedures.)

Gifts of Tangible Personal Property may include, but are not limited to:

- a. **Equipment:** Gifts of equipment with a fair market value in excess of \$25,000 will be accepted only with the approval of the GAC in conjunction with approval from the dean of the accepting school/college. Equipment Gifts with a fair market value less than \$25,000 will be accepted with the approval of the appropriate dean or program director.

The Office of Gift Planning must receive all information about the donor and the Gift, including all information about the value of the equipment, and including any appraisals if the expected fair market value of the equipment exceeds \$5,000. The accepting school/college will be responsible for the cost of maintaining the equipment.

- b. **Artwork, Manuscripts and Special Collections:** Gifts of artwork, manuscripts and items for special collections with a value in excess of \$25,000 will be accepted only with the approval of the GAC, along with approval of a representative from the applicable University Collection and the University Curator. Gifts with a value less than \$25,000 will be accepted with the approval of a representative from the applicable University Collection and the University Curator.

- c. **Vehicles:** If the vehicle being donated has been purchased specifically by a person or a corporation for the purpose of being donated to the University for use by a designated college/school or program, then the purchase price is tax deductible. If the vehicle being donated has been used by a person or corporation for a time before donation, the tax deductibility of the Gift is limited to the fair market value of the vehicle at the time of the Gift, because depreciation does figure into the calculation.

If the vehicle is donated by a dealership, the tax deductibility is limited to the amount that the dealership paid for the vehicle. If it is a used vehicle, they may also include any documented purchases related to it (such as parts that had been replaced, etc.), but not labor costs. Donated vehicles must be inspected by a mechanic to ensure that it is safe to operate prior to University acceptance. The title must be transferred to the University, and conversations about who will pay the state transfer fees must be held with the donor.

- d. **Alternative Assets:** Gifts involving patents, copyrights, trademarks and royalties must be approved by the GAC.

7) Unacceptable Gifts of Tangible Personal Property:

Per IRS regulations, the value of these items is not tax deductible and cannot be counted toward the University's fundraising totals. Only out-of-pocket costs related to providing these Gifts may be deducted by the donor.

- a. **Service:** includes such items as personal time (i.e. volunteer time), professional time (i.e. consulting, professional design or speaking/giving a presentation).
- b. **Use of Facilities:** includes donations of use of office space residential space, vacation homes or timeshares.

C. Ways of Giving

1) Current/Outright Gifts

The University will accept current/outright Gifts of cash, Securities and real and personal property.

2) Pledges

The University will accept and record written *Pledges* in accordance with generally accepted accounting principles (GAAP) and Financial Accounting Standards Board (FASB) rules. No multi-year Pledge will be recorded on advancement or general accounting records unless it is substantiated in writing and signed by both the University and the donor. The documentation must include the Gift amount and schedule of Pledge payments. The documentation 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.

An individual cannot enter into a Pledge with the expectation that another individual (spouse, parent, friend) or entity (privately held company, private or corporate foundation, corporate match, donor advised fund) will fulfill the Pledge. However, as an example, a privately held company (perhaps one owned in whole or part by an alumnus/a) can itself make a Pledge. If multiple donors are contributing to a Gift and would like to make a Pledge together, those donors can sign a single agreement. Matching Gifts and Gifts from donor advised funds cannot be pledged.

Conditional Pledges will be accepted after approval from the GAC. Such Pledges will be recorded in Institutional Advancement fundraising totals. Pledges of more than five years must be approved by the GAC.

Procedures related to drafting Gift Agreements are outlined in Appendix C, attached to this document.

3) 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. Remainder Gifts that will be used to establish named *Endowments*, or for other naming opportunities, must meet the minimum amount required for the designated fund at the time the Gift agreement is executed. If no Gift agreement is in place, the required minimums at the

time the funds are received by the University will apply. If Gifts for an Endowment fail to meet the required minimum amount, unless otherwise specified in an agreement with the donor, the funds may be transferred to another University fund that closely reflects the donor's original intent, as determined by the GAC.

The Office of Gift Planning will process all legal documents associated with Deferred Gifts, working in conjunction with the Office of General Counsel and the Treasurer's Office, as applicable.

a. **Bequests and Retirement Plan Designations.** The University will accept charitable Bequests from a donor's will or living trust and retirement plan designations, for both *Restricted* and *Unrestricted* purposes, and will abide by any restrictions or designations indicated in applicable documents, assuming such restrictions and designations are applicable to current programs within the University and do not violate University policy.

i. **Unrestricted Bequest Distributions.** At times, Drexel University is the beneficiary of Unrestricted distributions of estates, trusts, and split-interest agreements where the donor's governing documents either are silent about the specific use of the distribution or communicated the distribution to be Unrestricted and undesignated.

Direction on the use of these resources shall be overseen by the Resource Allocation Council ("Council"), which shall consist of the University's President, the Executive Vice President, Treasurer and Chief Operating Officer, the Nina Henderson Provost and Executive Vice President for Academic Affairs, and the Senior Vice President of Institutional Advancement. The Council's actions will be directed by the Distribution Guidelines, below:

Distribution Guidelines Per Donor Gift:

Category 1: Unspecified Unrestricted total Gift under \$100,000 shall be considered current **Operating Funds** and are credited toward the annual Unrestricted fundraising target.

Category 2: Unspecified Unrestricted total Gift of \$100,000 or greater but less than \$250,000 shall be recorded as additions to the General Unrestricted Pooled Endowment.

Category 3: Unspecified Unrestricted total Gift of \$250,000 or greater shall be reviewed by the Council and can be directed to the General Unrestricted Pooled Endowment or designated to a **Quasi-Endowment** for a specific purpose. The designation by the Council can be to a Pooled Endowment, a Non-Pooled

Endowment, or a combination of both. The Council shall determine the designation between the Pooled and Non-Pooled Endowment and the specific use of the spend resources.

To accept and record Bequest or retirement plan designation provisions, the commitment must specify an amount to be distributed to the University or, if a percentage of the estate or a trust, specify a credible estimate of the value of the estate at the time the commitment is made. Verification of the commitment should be provided through one of the following:

- A Bequest Gift Agreement or Memorandum of Understanding affirming the commitment signed by the donor and the University; or a copy of will or trust document; or
- A letter affirming the commitment from the Donor to the University; or
- A letter from the University to the Donor, confirming the University's understanding of the commitment

- b. **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:
- i. 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.
 - ii. 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.
 - iii. The University may surrender an existing life insurance policy for its surrender value or sell the policy via viatical settlement based on prior review and approval of the GAC.
 - iv. Acquiring a naming opportunity within the University with a life insurance policy while the donor is living will only be done with a fully paid-up policy for the equivalent cash value of the naming opportunity.
 - v. The University will record a Gift of a life insurance policy only on the basis of its fair market value for general accounting purposes.
 - vi. 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.

- c. **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. gift annuity agreements shall be limited to one life or two lives in being at the time of the Gift. The minimum age for the annuitants shall be 60 for immediate annuities and 50 for deferred annuities. Additionally, the University's gift annuity program will adhere to the following:
- i. The minimum size contribution to fund either an immediate gift annuity contract or a deferred payment gift annuity contract is \$10,000.
 - ii. 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 GAC.
 - iii. The University may engage one or more third party entities to provide gift administration, custodial and investment services for its gift annuity contracts.
 - iv. Gift annuity contracts will be booked at face value for advancement and recognition purposes, but only at remainder value for accounting purposes.
- d. **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:
- i. 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 (Drexel CRT).
 - ii. The University may hire one or more third party entities to provide trust administration and custodial and/or investment services for Drexel CRT agreements.
 - iii. If Drexel University is named as trustee and 100% irrevocable remainder beneficiary of a Drexel 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 Drexel 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.

- iv. The University will serve as trustee of a Drexel 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 Drexel CRT must follow the University's policy on real estate contributions and any costs associated with the sale of real estate within a Drexel CRT will be charged to trust principal.
- v. The Office of Gift Planning is authorized to establish Drexel CRT payout rates at the minimum required by law and up to a maximum of 5%. If a donor wants a payout rate higher than 5%, 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.
- vi. Drexel CRT agreements will be booked at face value for Institutional Advancement and recognition purposes, but only at the remainder value for general accounting purposes.
- vii. Donors may contribute additional Gifts to their charitable unitrusts for which Drexel University serves as trustee.
- viii. When a donor establishes a Deferred Gift, such as a qualified CRAT or CRUT, which is administered by others outside of the University and which names the university as an irrevocable income beneficiary of the trust, the University may book the fair market value of the trust's assets attributable to the University's percentage interest in said Gift at such time as the terms of the trust become known to the Office of Institutional Advancement.
- e. **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.
- f. **Remainder Interest in Real Property.** Subject to the provisions of this policy, 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. Properties used in a life estate gift must have a minimum appraised value of \$100,000.

D. Endowed Funds

Endowed funds provide donors the opportunity to support the mission of the University 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 dean of the college/school or the appropriate program director, the Office of General Counsel and the Treasurer's Office before it is presented to the donor.

- 1) Endowments may be funded with outright contributions including Pledges and must meet the minimum required Gift amounts. If Gifts for an Endowment fail to meet the required minimum after the maximum Pledge period, unless otherwise specified in an agreement with the donor, the funds may be transferred to another University fund that closely reflects the donor's original intent, as determined by the GAC.
- 2) Endowments created by testamentary transfer shall be administered in accordance with the donor's wishes as set forth in the relevant testamentary document(s), 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 minimum Gift amount 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.
- 3) Endowment contributions will be utilized for their intended purpose only when they are funded with cash (or cash equivalents) equaling at least 50% of anticipated Gift value or the required minimum for the endowed fund as determined by the Treasurer's Office (outlined, below).
- 4) A donor (and the donor's family or designee) who establishes a scholarship or award may participate in the selection of recipients only upon approval by the GAC, 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.

- 5) Endowment principals will be pooled and invested, and income expended, in accordance with the prevailing investment and spending policies of the University.
- 6) The GAC shall annually review and make recommendations for the minimums set to establish endowed funds. Listed below are the University's current funding guidelines for Endowment minimums, as of the most recent approval date of the Gift Acceptance Policy:

Endowed Fund Type	Endowed Minimum
Prizes/Awards	\$ 50,000
General (Non- Scholarship) <i>(for donor's designated purpose that is approved by the University)</i>	<i>minimum dependent on project, with GAC approval</i>
Named Undergraduate Scholarships: University-wide One or more specific designations	\$50,000 \$100,000
Full Tuition Scholarship	\$1,250,000
Non-Profit Co-op International Co-op	\$100,000 \$250,000
Named Graduate Scholarships	\$100,000
Graduate Travel Fellowship	\$100,000
Law School Stipend <i>(supports co-op in non-profit or government sector)</i> Law School Scholarship	\$250,000 \$150,000
Medical Student Fellowship	\$250,000
Doctoral Fellowship	\$500,000
Faculty Fellows Program	\$1,000,000
Lectureship <i>(Could include travel, honoraria, publication & reception costs)</i>	\$100,000
Multi-Disciplinary Research Fund <i>(Includes Research and related support for specified faculty)</i>	\$5,000,000
Professorships	\$2,000,000 <i>and up</i>
Multi-Disciplinary/Translational Research Professorship	\$2,500,000 <i>and up</i>

Department Chair	\$3,000,000 <i>and up</i>
Deanship	\$5,000,000 <i>and up</i>
Athletics:	
Athletic Director	\$5,000,000
Head Coach Positions	\$500,000 <i>and up</i>

E. Naming Opportunities

A naming opportunity is an invitation to a donor (or donors) to name a school/college, facility, center, institute, classroom or outdoor space, or fund a professorship, fellowship, 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 meet with the approval of the President of the University in consultation with the GAC and, when required, the Institutional Advancement Committee of the Board of Trustees and a relevant member of the President's Cabinet. 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. Named spaces are governed by the University's Property Name Selection and Signage Policy (Policy # UComm-5). The Institutional Advancement guidelines for major donor recognition (signage) and calculating the minimum required Gift amount for naming opportunities are outlined in Appendices 4 and 5,

respectively. Contributions qualifying for naming opportunities can be utilized for facilities, operations, academic programs or research institutes. Contributions may or may not be endowed. Deferred Gifts may not be used to directly fund capital projects without prior approval of the GAC. Specifics regarding how the Gift will be utilized must be articulated in a legally binding written agreement between the donor and the University.

1) Types of Funds with Potential Naming Opportunities

- a. *Endowed*: Endowed funds are designed to provide perpetual support to a designated area. To establish a named endowed fund, a Gift must meet the funding minimum set by the Board of Trustees. (For current University named endowed fund minimums, please refer to the University's Gift Acceptance Policy, Section D.)

- b. *Non-endowed*: In certain circumstances, current-use commitments can qualify for a naming opportunity. Many Gifts to name physical entities are in this category.

2) Types of Gifts with Potential Naming Opportunities

- a. Outright Gifts and signed Pledges for up to five years may be used to fully or partially fund a naming opportunity at face value. The GAC 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 GAC for approval.
- b. 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 naming 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 net present value of the Gift will meet the agreed upon Gift level.
- c. Irrevocable Deferred Gifts (including gift annuities, pooled income funds, and charitable remainder trusts) may be used to fully or partially fund a non-capital naming opportunity as long as the present value of the Gift meets the approved minimum Gift requirement.

3) Standard Designations for Naming Gifts

- a. Physical Entity:
 - i. Buildings and other major facilities, separate or distinct components of buildings (wings, lecture halls, auditoriums, foyers, classrooms, laboratories, studios, offices, conference rooms, etc.), athletic facilities, and residence halls.
 - ii. Outdoor spaces, including but not limited to campus grounds, outdoor renovations, gardens, trees, fountains, benches, walkways and parking lot facilities.
 - iii. Collections, including but not limited to libraries (or parts of libraries) and other collections of significant size and continuing educational, scientific, historic, artistic, or cultural value.
- b. Non-Physical Entity:
 - i. Colleges, schools, departments, institutes, centers, programs, teaching awards, and prizes.
 - ii. Academic or non-academic positions, including but not limited to deanships, professorships, directorships, and lectureships.

- iii. Student support, including but not limited to scholarships, fellowships, and other student awards.

4) General Terms

Naming of a University asset or entity must be made in accordance with this Policy and related procedures. Specifics regarding how the Gift will be utilized must be articulated in a legally binding written agreement between the donor and the University. The donor may select the name of the entity being funded, so long as the criteria set forth in this Policy and the Gift Acceptance Policy are met, and University approval is granted. Factors that may be considered by the University in determining the appropriateness of a name include:

- a. Consistency with the mission, vision, reputation, and values of the University.
- b. Whether a name may imply the University's endorsement of a political or ideological position or the use of a particular product.
- c. Potential conflict of interest (primarily in cases of corporate or organizational naming Gifts).
- d. Whether the name reinforces the University's branding standards.
- e. Potential conflict with existing named entities or spaces.
- f. Named Gifts do not confer the right to the donor to determine the use of the fund (e.g., the purpose or use of the named space, specific beneficiary of a student or faculty support fund, program curricula, and/or research outcomes).
- g. A named entity may not be announced by any University college, school, department or unit prior to receipt of final approval as required by this Policy.

5) Naming Approval and Timing of Naming Activation

- a. The Senior Vice President for Institutional Advancement manages the naming approval process, in consultation with the President and Board of Trustees, as appropriate.
- b. Approval for naming rights may not be granted until the proposed name is known to the University. If the donor does not wish to select the name to be applied at the time the Gift is made, the University may accept the Gift conditionally, with the name to be determined later subject to the terms of approval outlined in this Policy.

- c. For binding, irrevocable Gifts, a name may go into effect before the Gift is paid in full, at the discretion of the Senior Vice President for Office of Institutional Advancement in consultation with necessary University parties.
- d. For non-binding, revocable Gifts, a name will not be activated until the Gift is received.

6) Donor Recognition

The University prioritizes recognizing and showing appreciation to donors for their generosity. Therefore, in addition to providing naming rights for eligible Gifts, other methods of recognition may also be applied, (such as those outlined below). It is highly important that recognition be equitable and consistent based on Gift type, amount, and designation, and that it adheres to established University standards.

- a. Physical Recognition:
 - i. Gifts to name a physical entity or college, school, department, center, or institute will typically be recognized via signage, plaques, displays, or other physical installations.
 - ii. The nature and attributes of the physical recognition will be commensurate to the level and type of Gift, designed in accordance with University standards; and aesthetically aligned with the features of the intended placement location.
 - iii. Outside corporate or organization logos may not be incorporated into recognition signage without approval of the Senior Vice President for the Office of Institutional Advancement in consultation with the University President.
 - iv. Physical donor recognition items must be approved by both the donor and appropriate University representatives prior to production and installation and may not be installed until the terms outlined in this Policy have been met.
 - v. 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. Names spaces are governed by University Policy # UComm-5. The Institutional Advancement guidelines for major donor recognition (signage) and calculating the minimum required Gift amount for naming opportunities are outlined in Appendices E and F, respectively.

- b. Other Recognition:
 - i. Naming Gift donors may also be recognized via other means (e.g., events and media announcements), that appropriately correspond with the type, amount, and purpose of the Gift.
 - ii. If works of art are associated with the Gift and warrant donor recognition, the Public Art Policy must be followed.

7) Duration of Naming

- a. Naming is generally granted for the useful life of the entity unless otherwise specified in the Gift agreement (and subject to the terms of revocation as set forth in this Policy).
- b. For current-use Gifts, naming terms, including duration, shall be set forth in writing by the University and donor.
- c. In the event that the purpose for which the named entity was established has been or will be significantly altered, or ceases to exist, or if a physical entity is replaced, significantly renovated or no longer habitable, the University will consult with the donor if possible (or the donor's estate, if practicable) to determine an appropriate recognition alternative for the original naming Gift.

8) Revocation of Naming

The University may revoke naming rights if any of the following should occur:

- a. The Pledge obligation is unfulfilled and/or written off (if partial funding in an amount sufficient for an alternative naming opportunity has been received, the terms of this Policy shall govern any renegotiation for a suitable naming).
- b. The University determines that its association with the donor will materially damage the reputation of the University.
- c. A change in family or organizational circumstances causes the donor or other affected individual(s)/organization(s) to request a name change or revocation.
- d. Revocation decisions shall be made by the University President based on the recommendation of the Senior Vice President for the Office of Institutional Advancement. The President will determine whether the Board of Trustees should be consulted.

- e. The University shall make all reasonable efforts to inform the original donor or the donor's heirs/designees in advance of any revocation or change.

9) Special Circumstances and Exceptions

Any special circumstances or requests for exceptions must be referred to the Senior Vice President for the Office of Institutional Advancement who may consult with the University President to determine the course of action.

F. Administration and Stewardship

1) Gift Processing

- a. Funds received by deans, departments, or programs directly from the donor, must be deposited through the Office of Gift Accounting. In no instances should funds be deposited directly through the Cashier's Office, by-passing the Office of Gift Accounting.
- b. All deposits to the Office of Gift Accounting for Gift processing must be hand delivered in a sealed envelope within two (2) days of receipt.
- c. All deposits sent to the Office of Gift Accounting for Gift processing must be received with a completed Contribution Transmittal Form, the original mailing envelope and any other documentation sent by the donor.

2) Receipts

- a. Gift receipts will be issued by the Office of Gift Accounting for all cash or cash-equivalent Gifts within ten (10) business days from the date the Gift was received. Receipts will state the name/address of the donor, date of Gift, Gift allocation and Gift amount. If the donor received something of value in exchange for the Gift (quid pro quo), the receipt will state the value of the benefit received and the total tax-deductible value of the Gift; otherwise, the receipt shall state: "No goods or services were received in exchange for this Gift."
- b. Receipts for Gifts of Securities will be issued by the Office of Gift Planning and will include the name/address of the donor, the date that the Securities were transferred to the University, the name of the stock, the number of shares, the high/low/mean price per share on the transfer date and the total value of the Gift.
- c. Receipts for Gifts made directly from a donor's Individual Retirement Account (IRA) will be issued by the Office of Gift Planning and will state the name/address of the donor, the date of Gift, the date of the check, the name of the IRA administrator that issued the check and a statement confirming that the University recognizes that the Gift qualifies as an IRA Rollover Gift.

- d. Receipts for Gifts of tangible personal property will be issued by the Office of Gift Planning following the guidelines outlined in Appendix B of this document, and will not include a valuation of the asset, which is the responsibility of the donor.

3) Valuation /Gift Crediting

For fundraising reporting purposes, Gifts to the University will normally be credited according to the standards promulgated by the Council for Advancement and Support of Education's (CASE) "Gift Reporting Standards and Management Reports for Educational Institutions." In some instances, this may not apply to complex Gifts, i.e. Securities and trusts; therefore, a complete understanding of the impact of these Gifts requires an evaluation of both University financial statements and fundraising reports.

The following valuation/Gift crediting standards govern Gifts to the University:

- a. Publicly traded Securities - Average of the high and low value (or bid and ask) on the date received into the University's brokerage account.
- b. Closely-held stock - If \$10,000 or less, the value of the per-share purchase price of the most recent transaction will be used; if over \$10,000-the certified appraisal value will be used.
- c. Pledges - Pledge payments are reported and credited as Gifts on the date received.
- d. Real property – Gifts of real estate will be credited as outline in Addendum 1 to this document.
- e. Tangible personal property (other than Securities) - Values of \$5,000 or less will be credited to the donor's record using an estimate of value provided by the donor or other expertise; values of over \$5,000 will use the certified appraisal value.
- f. Deferred and Planned Gifts – Deferred and planned Gifts, including Bequests, life insurance, retirement assets, charitable gift annuities and charitable trusts will be credited as outlined in Sections 4C and 8A (1 and 2) of this document.

4) Record Keeping

Gift records reflecting the name of the donor and details of the Gift will be maintained in the Institutional Advancement database. An electronic copy of all Gift receipts will be retained in Institutional Advancement files in accordance with the University's record retention policies.

5) Recognition

Gifts to the University and accompanying correspondence will be considered confidential information, with the exception of the publication of donor honor rolls and instances where publicity guidelines have been

established with the donor. The names of donors will not be sold by the University for marketing or fundraising purposes and may be omitted upon specific request of the donor.

The responsibility for Gift acknowledgement correspondence is based on the Gift amount and is detailed in Appendix C: Recognition and Acknowledgement.

G. Reporting

1) Gifts

The Office of Institutional Advancement must receive all philanthropic commitments to Drexel University. All Gifts accepted by Drexel University will be recorded and receipted through GA and will adhere to the University's fiscal year (July 1 to June 30) as a basis for reporting.

Annually, and/or per the terms of any applicable Gift Agreement between the donor and the University, the Institutional Advancement's Office of Donor Relations will provide the donors of endowed funds with a report of investment and Gift activity, gains, etc. Donors of endowed scholarships will receive appropriate information about the recipients of awarded scholarships. Donors of endowed professorships will receive appropriate information about the activities of the faculty member during the previous fiscal year

Outright Gifts to the University shall be reported when assets are actually and irrevocably transferred to Drexel. Deferred Gifts shall be reported and counted as follows:

- a. **Revocable planned Gifts** (e.g., will/trust Bequests, retirement plan or commercial annuity beneficiary designations, life insurance beneficiary designations, payment on death designations, etc.) shall be counted at face value for donors aged 70 and over. Revocable planned Gifts shall be counted at present value for donors aged 60 – 69.
- b. **Irrevocable planned Gifts** (e.g., contracts or promissory notes accompanying will/trust Bequests, immediate or deferred charitable Gift annuities, charitable remainder trusts, remainder interests in real estate, pooled income funds, life insurance policy ownership) shall be counted at face value for donors of any age except for the donation of the ownership of a life insurance policy that is not paid up by donors (insured) under the age of 60. Donated life insurance policies that are not paid up by donors (insured) under the age of 60 will be considered revocable planned Gifts. The donor will be required to sign a Pledge committing the donation of all future premium payments in order to count any Gift of life insurance where ownership is transferred but the policy is not paid up, regardless of the age of the donor. During Campaigns, Gift value will be recorded/counted at current face value if a donor will reach age 70 during the Campaign period.

Total fundraising progress will be the sum of all new Gifts (outright, documented deferred { such as a 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.

2) **Grants**

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.

There is no formal fiscal accountability to the donor beyond periodic progress reports and summary reports of expenditures. These reports are considered requirements of good stewardship, and, as such, may be required by the terms of a Gift.

Pledge and payment information for these agreements shall be provided to Institutional Advancement by the Office of Corporate and Foundation Relations.

H. 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).

V. KEYWORDS AND DEFINITIONS

Bequest means gift of personal property by will.

Cryptocurrency means any form of currency that only exists digitally, that usually has no central issuing or regulating authority but instead uses a decentralized system to record transactions and manage the issuance of new units, and that relies on cryptography to prevent counterfeiting and fraudulent transactions.

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

Endowment means term 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 endowments stipulate the principal cannot be spent.

Gifts means an unconditional donation for which no goods or services are expected,

implied or forthcoming for the donor.

Gifts-in-Kind means gifts of tangible personal property, including cryptocurrency (but excluding real estate), which will be retained and used by the University.

Grants means 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. 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. Similar to a Grant, a sponsored project agreement 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.

Operating Funds means monies used for current operations.

Pledge means a commitment to transfer specific assets over time to the University, usually over a period of one to five years.

Quasi Endowment means 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.

Restricted means contributions that have been designated for a particular purpose or project.

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

Unrestricted refers to outright and deferred contributions that are not restricted by the donor and can be used at the University's discretion.

IV. RELATED POLICIES, FORMS AND RESOURCES

A. Related Policies

Contract Protocol Policy: Policy #OGC-2

Property Name Selection and Signage Policy: Policy #UComm-5

B. Forms and Resources

Procedures detailed in the Appendices listed below may be amended as warranted by Drexel University's Office of Institutional Advancement.

Appendices:

- 1) Appendix A: Real Estate Gift Acceptance Procedures
- 2) Appendix B: Tangible Personal Property Gift Acceptance Procedures
- 3) Appendix C: Recognition and Acknowledgement Procedures
- 4) Appendix D: Gift Agreements Procedures
- 5) Appendix E: Major Donor Recognition: Signage
- 6) Appendix F: Naming Gift Calculation Procedures

V. POLICY HISTORY

Revision Date: June 1, 2022

Revision Date: December 7, 2017

Revision Date: December 31, 2008

Effective Date: December 5, 2007

APPENDIX A
REAL ESTATE GIFT ACCEPTANCE PROCEDURES

The GAC will consider all 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.

The GAC will analyze the following, among other things:

- 1) market conditions for resale or the ultimate disposability of the property;
- 2) the condition of any improvements located on the property;
- 3) current and potential zoning, land use, and concurrency issues;
- 4) any costs associated with holding the property for resale; and
- 5) other considerations specific to the acquisition of the property.

Information Needed Prior to Acceptance:

GAC must be informed of the following **prior** to its consideration of any gift of real property:

- 1) **Market Value and Marketability.** The Donor, at the Donor's expense, must provide the University with a current, qualified appraisal (no older than 90-days prior to the gift) by a certified appraiser of the Donor's choosing, of the fair market value of the property (and/or interest in the property the University will receive) if the proposed gift were to be accepted. Additionally, the University shall seek an estimated valuation of the property by obtaining a Letter of Opinion from an independent real estate broker who is familiar with area surrounding the property location.
- 2) **Limitations and Encumbrances.** A copy of any property or 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, and must have been completed within 90 days of the transfer. The existence of any and all mortgages, deeds of trust, restrictions, reservations, easements, mechanic liens and other encumbrances of record must be disclosed. No gift of real estate will be accepted until all mortgages, deeds of trust, liens and other monetary 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.

3) Costs. The existence and amount of any acceptance, carrying and resale costs, including but not limited to property owners' association dues, assessments, country club membership dues and transfer charges, brokerage fees, taxes and insurance, and any due diligence costs to be paid by the University must be disclosed.

4) Staff Site Visit and Analysis. For all real property interests to be received by Drexel University, the Vice President, University Facilities and Real Estate, and the Senior Vice President for Institutional Advancement, or their designees, will inspect the real property. Inspectors will be required to complete informational questionnaires which will be reviewed by the GAC.

University Acquisition of Gift Property:

Occasionally, Drexel University may consider accepting a potential gift of real estate for its own use and/or needs. In those cases, and so long as the property is needed by the University for use in a manner which is related to its mission, the Board of Trustees and/or its Committees will be charged with reviewing acceptance of the gift in accordance with the University's Capital Project Review and Approval Policy (and the market value of the property will be deemed the purchase price for purposes of determining what approvals, if any, are required).

If the property will not be retained by the University for its use, the anticipated net profit from sale of the property must equal or exceed \$100,000.00. If the property is to be sold, it will be listed for sale as soon as feasible after the transfer of the property to the University is complete. Acceptance and disposition of any property that will be immediately liquidated will not be subject to the requisites of the University's Capital Project Review and Approval Policy, and can be sold without further Board of Trustees' approval.

All gifts of real estate, whether or not they are to be retained by Drexel University, once accepted, will be managed and maintained by University Facilities and Real Estate, in conjunction with the Office of Institutional Advancement.

The University will accept gifts of real property by special warranty or equivalent deed, and closing costs (e.g., title fees, transfer taxes, recording fees, etc.) shall be allocated to the Donor and University per local custom. The property will be conveyed with good and marketable title as is insurable by a reputable title insurance company at the regular rates, free and clear of all liens, encumbrances and easement, except for the following: existing deed restrictions, historic preservation restrictions and ordinances, building restrictions, ordinances, easements of roads, easements visible upon the ground, easement of record, and privileges or rights of public service companies. The University shall obtain title insurance for the real property based on the fair market value as determined by the appraisal.

Environmental Requirements:

No interest in real property, whether outright, in trust, by Bequest, as a secured interest, or otherwise, will be accepted by or on behalf of Drexel University without first complying with the following:

- 1) An environmental Phase I audit shall be performed on every potential real property asset prior to acceptance by the University. The environmental review will be performed by a person or firm approved by the GAC or its agent. Each environmental audit will be reviewed and approved by the Vice President of University Facilities and Real Estate, and the Senior Vice President for Institutional Advancement, or their designees.
- 2) If the environmental Phase I audit indicates areas of significant concern, an additional investigation, including a Phase II, or Phase III audit, as recommended, will be performed by an approved consultant prior to acceptance of the real property. Even in cases where a Phase I audit is submitted, the University may require that the donor sign an environmental indemnity agreement.
- 3) If the above assessments disclose risk of liability, the real property will only be accepted with the approval of the GAC and the President, with input from the University's Department of Environmental Health and Safety.
- 4) All Drexel University-paid contracts for environmental audits will be prepared and reviewed by the University's Office of General Counsel.
- 5) In most instances, the donor will be required to pay for any assessments and audits. Exceptions will be considered on a case-by-case basis.

Special Gift Types:

In addition to the above requirements, the following types of real property require additional consideration prior to acquisition:

Real Property Given to Fund Charitable Remainder Unitrusts. Real property will only be accepted to establish net income unitrusts or "flip trusts" for which the University will serve as trustee or for which Drexel University is a 50% or greater beneficiary. IRS rules prohibit the acceptance of mortgaged property to fund charitable remainder unitrusts.

APPENDIX B

TANGIBLE PERSONAL PROPERTY GIFT ACCEPTANCE PROCEDURES

In accordance with IRS regulations, the donor is responsible for determining the value of an accepted gift of tangible personal property. If the value of a gift is \$500 or more, the IRS requires donors to file IRS Form 8283 and comply with its regulations pertaining to non-cash charitable contributions. All gifts of tangible property received by the University will be recorded and acknowledged by the Office of Gift Planning in accordance with IRS regulations.

Development Officers/University representatives receiving donations of items estimated to be worth \$5,000 or more must advise donors of their requirement to obtain the signature of a qualified appraiser on their IRS Form 8283 prior to delivery of the 8283 to Drexel University for signature. 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 Treasurer's Office will execute the form on behalf of the University.

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, with approval, to the University department that will benefit from the gift.

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 Treasurer's Office will execute the form on behalf of the University.

APPENDIX C
RECOGNITION AND ACKNOWLEDGEMENT

a. The University President will acknowledge:

- Letters that receive a hand-signed Presidential acknowledgement are as follows:
- All contributions (gifts, pledges, pledge payments) of \$100,000 and above.
- All contributions from trustees and council members.
- All first-time major contributions (\$10,000 or more) from new donors.
- All major contributions (\$10,000 or more) from lapsed donors who have not made a significant gift within the last five (5) years.

b. The Senior Vice President for Institutional Advancement will acknowledge:

- Gifts, pledges, and associated pledge payments for pledges from \$1,000-\$99,999 that are Unrestricted or have University-wide impact

c. The Executive Director – Drexel Fund will acknowledge:

- Gifts, pledges, and associated pledge payments for pledges under \$1,000 that are Unrestricted and gifts that are NOT designated for a specific school/college/center/unit

d. Directors of Development or Unit Dean/Director will acknowledge:

- Any gifts, pledges, or associated pledge payments from donors assigned to them Colleges/Schools/Centers/Units
- All gifts, regardless of level or type, to their school/college/center/unit – even if the gifts are also being acknowledged by someone else
- Gifts under \$1,000 should be acknowledged by someone other than the dean/director/unit head in most cases (typically, the prospect manager assigned to the donor if said manager is within your unit; otherwise, the IA unit head)
- At the \$1,000 level and higher, the appropriate signer depends on the gift profile of the college/school/center/unit, and should be decided in conjunction with Donor Relations. Typically, it will be the dean/director.

APPENDIX D
GIFT AGREEMENT PROCEDURE

Pursuant to the approval of Institutional Gift Agreement Policy and Procedures, the Drexel University Gift Agreement Procedure sets forth the requirements and procedures for gift agreement drafting, approval and execution. The procedure is designed to pass audits and multiple levels of legal and accounting scrutiny.

Pre-Gift Agreement

The prospect manager must address the following with the donor prior to initiating the gift agreement process:

1) *Who is the donor?*

An individual cannot enter into a pledge agreement with the expectation that another individual (spouse, parent, friend) or entity (privately held company, private or corporate foundation, corporate match, donor advised fund) will fulfill the pledge. However, as an example, a privately held company (perhaps one owned in whole or part by an alumnus/a) can itself make a pledge. If multiple donors are contributing to a gift and would like to make a pledge together, those donors can sign a single agreement. **Matching gifts and gifts from donor advised funds cannot be pledged. A gift agreement can only reference that these gift types will be applied for.**

2) *When will the pledge payments be made?*

Variances and contingencies can prevent booking of a gift. A specific payment schedule is the best way to document how a pledge will be satisfied.

3) *What will the designation be (including title of establishing fund)?*

The donor must also be apprised of the following gift conditions prior to entering the gift agreement process (when applicable):

4) *Scholarship Funds Awarded on Race, Gender, National Origin or Sexual Preference*

As a federally funded institution of higher education, the University must comply with federal law that governs the permissibility of donor-named restrictions in a gift agreement. These laws include but are not limited to Title VI of the Civil Rights Act of 1964 and Title IX of the Education Amendments of 1972. In simple form, it is unlawful to restrict scholarships to categories of persons based on the following civil rights categories:

- Race/Ethnicity
- Marital and Parental Status
- Religion

- Citizenship
- National Origin
- Gender
- Other Categories protected by law

Gift Agreement Drafting and Approval Process

Step 1: Drafting Gift Agreements

All planned gift/Bequest gift agreements must be drafted by the Office of Gift Planning, with review/approval by the Gift Compliance Officer.

The following gift agreements must be drafted by the Gift Compliance Officer:

- All multi-year, non-planned gift pledges of \$25,000 or more
- All non-planned gifts establishing endowed or non-endowed funds (including scholarships, fellowships, professorships, lectureships and book funds)

The following information must be provided by the prospect manager in order for the Gift Compliance Officer to draft a gift agreement:

- Date gift agreement is needed
- Donor(s) legal name(s)
- Where the gift is coming from (e.g., individual, company, etc.)
- Description of desired allocation
- Gift type (e.g., one-time cash payment, multi-payment pledge, planned gift, etc.)
- Total gift amount
- Payment installments frequency (when applicable)
- Donated asset(s) (when applicable)
- Name of fund (if establishing a fund)
- Criteria for awarding financial awards (when applicable)
- Any special instructions (e.g., delivery of agreement, naming opportunities)

Step 2: Treasurer's Office and Office of Financial Aid Approvals

The Gift Compliance Officer will make certain that the agreements are reviewed and approved by the Office of Financial Aid, Treasurer's Office, Gift Planning and other offices when appropriate. The Office of Financial Aid reviews the awarding terms and conditions

of agreements that provide financial rewards to students and the Treasurer's Office reviews the fiduciary stewardship capability of the agreement into perpetuity. When applicable, the Gift Compliance Officer will incorporate the suggestions of the Treasurer's Office and Office of Financial Aid into a revised draft of the gift agreement.

Step 3: Donor Approval

Once the gift agreement has been approved by Treasurer's Office and the Office of Financial

Aid, the Gift Compliance Officer will send the gift agreement to the donor's prospect manager and the appropriate dean/director for review and approval. Once the prospect manager and the dean/director approve the agreement, the prospect manager will send it to the donor for his/her approval. If the donor requests changes, the Gift Compliance Officer will advise the prospect manager of the acceptability of edits and counsel the prospect manager as to the appropriate response, if necessary. When applicable, requested changes will also be submitted to other departments as needed.

Step 4: Signatures

Once the gift agreement has been approved by the Treasurer's Office, Financial Aid and the donor, the prospect manager notifies the Gift Compliance Officer or the Executive Director of Gift Planning if the Donor wishes to execute the Agreement with an electronic signature via DocuSign or with a "wet" signature.

Step 5: Executing the Gift Agreement

Once the gift agreement is fully executed, The Gift Compliance Officer will scan the fully executed document for IA's records and provide a copy of the agreement to Gift Accounting to book the pledge. Agreements that establish an endowed fund are given to the Treasurer's Office along with any gift documentation (copy of the check, receipt, etc.) when a payment of \$5,000 or more has been made to establish the endowed fund. If a payment of \$5,000 has not been made, the Gift Compliance Officer will retain the agreement until such time gifts received by the university equal \$5,000 or more. The Treasurer's Office will inform all interested parties (including Gift Accounting, Gift Compliance, Donor Relations and the Senior Vice President for Institutional Advancement's Office) via email once the endowed fund has been established. If a gift establishes a non-endowed fund, the Gift Compliance Officer will make certain that a non-endowed cost center is created.

APPENDIX E
MAJOR DONOR RECOGNITION: SIGNAGE

- 1) **For all donor signage overseen by any department within Institutional Advancement, or on which Institutional Advancement is consulted, Institutional Advancement shall follow the University Property Name Selection and Signage Policy (UComm-5). In addition, the following guidelines shall apply:**
 - a. The Office of Donor Relations must be involved in all donor signage discussions as early as possible to ensure that signage meets the needs of Drexel University and the donors.
 - b. If a donor's name, or if information on a specific contribution or commitment (as may occur with an anonymous donor), will appear on signage, the Office of Donor Relations, in conjunction with the appropriate major gifts officer/s will ensure that approval of all appropriate parties (donors, representatives, heirs or assigns) is secured. **Nothing containing the name of a donor or information about a specific donor's contribution or commitment will be published on donor signage without written confirmation that such approval has been secured.**
 - c. The Executive Director of Donor Relations and/or the appropriate major gifts officer/s will submit notice of approvals in writing, either forwarding documentation written by the donor(s) (as in an email or letter), or via a written Report of Contact in Advance, to all relevant parties (for example, Donor Relations team members, prospect managers, members of the University Naming Rights Committee).
 - d. The Office of Donor Relations cannot guarantee a specific time frame for obtaining donor approvals. Approval is wholly dependent on the donor's own priorities and schedule.
 - e. The Office of Donor Relations will track all signage requirements articulated in gift agreements to ensure full compliance with donor wishes.
- 2) **All signage will adhere to currently accepted design standards established by the Office of Donor Relations inconjunction with the Office of University Communications and University Facilities, and approved by the University Naming Rights Committee. These standards are:**
 - a. All donor signs are 8"x10" and do not vary with the size of a space.

Exceptions can be made for significant gifts and for signage that contains lists of donor names (for example, signage for the *Have a Seat* campaign at the LeBow College of Business).

- b. All donor signs are made of acrylic and come in three color choices – clear, blue tinted, and green tinted. Building administrators have the option of choosing a color for their building.
- c. All donor signs are written in a standard pre-approved font (Goudy), in ALL CAPS. If building administrators do not wish to use the standard font for signage in their building, they may choose another from a limited list of pre-approved fonts.
- d. Donor signage generally will not contain logos. Exceptions can be made for signage in specific locations and/or for significant gifts.

3) The Executive Director of Donor Relations maintains samples of donor signage to assist administrators in making decisions.

- a. In general, "band-aid" signage (that is, brass plates, etc. attached to anything) and the naming of trees, benches, bricks, etc. is not acceptable. This type of signage deteriorates more quickly than approved signage, is difficult to track over time, and can look dated quickly. As an alternative, the standard plaque will be used and attached to an appropriate physical location (such as a wall, door, etc.).
- b. In buildings or spaces where older signage already exists and new signage needs to be developed (such as to commemorate a new gift, to replace a deteriorating sign, etc.), the standards above will apply. Exceptions may be made if there are other, different plaques nearby that would cause the new signage to stand out as inappropriately unique.
- c. Any requests to deviate from the standard signage in any way must be made by the requestor to the University Naming Rights Committee, per UComm-5: University Property Name Selection and Signage Policy. The Office of Donor Relations will make requests to the Signage Committee only in special circumstances.

4) Procedure

- a. Begin process by filling out and submitting the "Plaque Request Form," found on The Den under Donor Relations shared documents.

- i. All plaque language must be reviewed and approved internally (between the Gift Officer and the Office of Donor Relations) **before** sharing with a donor to ensure proper fit on the plaque.
 - ii. Format of names should adhere to guidelines developed for donor lists.
 - iii. Text should be kept to a minimum to avoid overcrowding.
- b. Upon receiving completed Plaque Request Form, the Office of Donor Relations will:
 - i. Call the requestor to obtain a p-card number. (Plaque requests cannot be submitted to the vendor without first providing p-card information.)
 - ii. It is the responsibility of the department where the plaque will be hung to provide payment information.
 - iii. The card will not be charged until after the plaque has been fabricated/installed.
 - iv. Review suggested text to make sure it confirms to standards.
 - v. If the language fits standards, the Office of Donor Relations will send to vendor and obtain a proof.
 - vi. If the language does not fit standards, the Office of Donor Relations will suggest alternative text.
 - vii. Submit agreed upon text to vendor for a proof (1-3 days turnaround time).
 - viii. Send proof to contact person to share with donor and obtain approval.
 - ix. Once final approval is obtained, it can take up to two weeks for fabrication/installation.

PLAQUE REQUEST FORM

ALL fields are required in order to process. Please refer to "Major Donor Recognition – Signage" guidelines before submitting your request. Guidelines can be found on The Den under Donor Relations shared documents.

Donor Name: _____ Advance ID: _____

Date of gift/agreement: _____
(Please attach relevant backup if there is no signed agreement)

Suggested text for plaque*: _____
**Please contact the Office of Donor Relations before discussing plaque language with a donor. All language must be approved by the Office of Donor Relations.*

IA contact: _____

School/Center/Unit: _____

Exact location for plaque (building and room number): _____

Deadline for installation**: _____ Is there an event planned? _____
***Please note that it can take two weeks from date of final approval for fabrication and installation. Plan on a minimum of four weeks from date of submission.*

Name on P-Card to be used for billing: _____
Plaques cannot be ordered from the vendor without first providing a P-Card number. This is a requirement of DU Procurement Services. Donor Relations will follow up with this person to obtain payment.

Please submit completed form to:
Bridget Everman, Director of Donor Relations
3141 Chestnut Street, Suite 310
Philadelphia, PA 19104
(215) 895-2999
bge27@drexel.edu

DONOR RELATIONS USE ONLY:

Date received: _____ Edited proof(s): _____ Invoice received: _____

Sent to vendor: _____ Proof approved: _____ Invoice paid: _____

Initial proof submitted: _____ Plaque installed: _____

APPENDIX F

NAMING GIFT CALCULATION PROCEDURE

Introduction

To have a consistent and justifiable means for determining recommended levels for naming gifts, Drexel 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.

These cost-driven models can be extended to the smaller multiple naming opportunities within a facility by dividing the total cost of the project 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 non-personnel 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 will require that a naming gift be a minimum of \$90 million, with a minimum \$60 million in endowment.

Overall Facility Naming Gift Calculation

For a facility naming gift, the recommended baseline is no less than 50% of the total cost of the overall project. As an example, for a facility with a total cost of \$100,000,000, the recommended minimum naming gift would be \$50,000,000.

Individual Space Naming Gift Calculation

Using the Total 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 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:

- A. **Total Cost:** Construction and finishing costs of the facility.

- B. Total Gross Square Footage:** The size of the facility by total square footage (GSF).
- C. Cost/Square Foot:** The total cost of the facility divided by the gross square footage ($A \div B$). This figure forms the basis for calculating the asked-for amount of a naming gift. This is the value of the facility to Drexel University, per square foot, based on the construction cost to the University.
- D. 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 that students, staff, alumni and the general 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.

Utility Type	Weighting
Public Space	2.00
Classroom	1.50
Special Purpose	1.25
Study Room	1.00
Social Space	1.00
Other	1.00
Meeting Room	1.00
Staff Office	0.50
Furniture	0.25

- E. Location Factor:** Similar to the utility factor, the location factor indicates the prominence of the space. It can be highly visible, such as a large Lobby area that faces Market Street, or 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 small number of people, such as a faculty lounge. Each space is assigned a location factor (or score) of 0.50 through 1.50, where 1.00 equals moderate or neutral visibility and 1.50 represents high visibility spaces such as lobbies, atriums, or other spaces where students, staff, alumni and the general public will congregate more often relative to other spaces. Very low visibility spaces, such as a basement office, are generally rated at 0.50.

Visibility Type	Weighting
Very High	1.50
High	1.25
Moderate	1.00

Low	0.75
Very Low	0.50

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

G. 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 $((C \div F) \times D \times E)$. 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.

H. Adjusted Space Naming: The final recommended gift size required to name the space. It is a non-calculated figure that allows the GAC to adjust the Gross Space Naming higher or lower in order to:

- **Round the Gross Space Naming amount.** For instance, if the Gross Space Naming amount is \$87,768, 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.

Adjusted Space Naming allows the GAC 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 total cost to construct it.

Then

Total Cost x 50% (or greater) = Overall Facility Naming

Then

Total Programmable Square Footage ÷ Total 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.