

1 **Florida State University Policy 8-1**

2 TITLE OF POLICY: Gift Acceptance and Counting Policies

3 Responsible Executive: Vice President for University Advancement

4 Approving Official: Vice President for University Advancement

5 Effective: 10/01/2013

6 Revised: 7/01/2015

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26 **Florida State University Policy 8-1 Gift Acceptance and Counting Policies**

27 **(Revised 7/1/2015)**

28 **TABLE OF CONTENTS**

29

30 **I. INTRODUCTION.....6**

31 A. Vision and

32 Mission.....6

33 Operating

34 B. Principles.....6

35 **SECTION 1.0 GIFT AGREEMENTS.....7**

36 1.1 Gift Agreement Guidelines.....8

37

38 1.2 Changing Donor Restrictions.....9

39

40 1.3 Multiple Donors.....10

41

42 **SECTION 2.0 CASH AND CASH EQUIVALENTS.....10**

43 2.1 Cash and Cash Equivalent Gifts.....11

44 2.2 Gift Sale Date.....12

45 **SECTION 3.0 PLEDGES..... 12**

46 3.1 Pledges and Documentation .....12

47 3.2 Pledge Duration.....12

48 3.3 Pledge Reminders.....13

49 3.4 Pledge Review.....13

50 3.5 Legal Entity.....13

51 3.6 Paying Pledges of Others.....13

52 3.7 Donor Directed and Donor Advised Funds.....14

53 3.8 Matching Gifts.....14

54 3.9 Amending a Pledge Period.....14

55

56           **SECTION 4.0    GIFTS-IN-KIND.....15**

57                   4.1    Gift-In-Kind Acceptance.....15

58                   4.2    Transmittal.....15

59                   4.3    Exceptional Gift-In-Kind Acceptance Committee.....16

60                   4.4    Gifts-In-Kind of Vehicles.....16

61                   4.5    Gifts-In-Kind of Software.....16

62                   4.6    Gifts-In-Kind and Cultural Property.....17

63                   4.7    Gifts-In-Kind of Equipment and Intellectual Property.....19

64                   4.8    Gifts-In-Kind Included in Trust/Bequests.....19

65                   4.9    Appraisals.....19

66                   4.10    Items not Considered Charitable Contributions.....20

67

68           **SECTION 5.0    PLANNED GIVING.....21**

69                   5.1    Counting.....21

70                   5.2    Gift Plans.....21

71                   5.3    Life Insurance.....25

72                   5.4    Insurance Beneficiary Designation.....26

73                   5.5    Unanticipated Open Estates.....27

74                   5.6    Use of Gift Agreements.....27

75                   5.7    Recognition of Planned Giving Donors.....28

76

77           **SECTION 6.0    Real Estate.....28**

78                   6.1    The Real Estate Foundation.....29

79                   6.2    Minimum Standards for Real Property.....29

80	6.3	Real Estate Gift Analysis.....	31
81	6.4	Appraisal.....	31
82	6.5	Title Search and Title Insurance .....	32
83	6.6	Survey.....	32
84	6.7	Real Property Taxes and Other Carrying Cost.....	32
85	6.8	Mortgaged Property.....	32
86	6.9	Leases.....	33
87	6.10	Special Deed Clauses.....	32
88	6.11	College or Unit Agreement.....	33
89	6.12	Environmental Requirements.....	33
90	6.13	Unsolicited Deeds.....	34
91	6.14	Helpful Information.....	34
92	6.15	Real Estate Used to Fund Planned Giving Vehicles.....	34
93	6.16	Time Share and Fractional Interest.....	35
94	6.17	Non-Discrimination.....	35
95	6.18	Exceptions.....	35
96			
97	<b>SECTION 7.0</b>	<b>GRANTS.....</b>	<b>35</b>
98			
99	<b>SECTION 8.0</b>	<b>CONTRIBUTIONS WITH A NON-GIFT COMPONENT....</b>	<b>37</b>
100	8.1	QUID PRO QUO (Events with Benefits).....	37
101	8.2	Sponsorships.....	37
102	8.3	Auctions.....	38
103	8.4	Door Prize Drawings.....	39
104	8.5	Token Items.....	39

105		8.6	Registration Fees.....	39
106		8.7	Items for Resale.....	39
107				
108	<b>SECTION</b>	<b>9.0</b>	<b>GIFTS FROM FOREIGN ENTITIES.....</b>	<b>40</b>
109				
110	<b>SECTION</b>	<b>10.0</b>	<b>ANONYMOUS GIFTS.....</b>	<b>40</b>
111				
112	<b>SECTION</b>	<b>11.0</b>	<b>FACULTY AND STAFF GIVING.....</b>	<b>40</b>
113				
114	<b>SECTION</b>	<b>12.0</b>	<b>EXCEPTIONS.....</b>	<b>40</b>
115				
116	<b>SECTION</b>	<b>13.0</b>	<b>POLICY UPDATES.....</b>	<b>41</b>
117				
118	<b>ATTACHMENT A:</b>		<b>IRS Appraisal Guidelines.....</b>	<b>41</b>
119				
120				
121				
122				
123				
124				
125				
126				
127				
128				
129				
130				
131				
132				

133 I. INTRODUCTION

134

135 A. Vision and Mission

136 The Florida State University (FSU) is supported by various Direct Support Organizations (DSOs)  
137 that enhance FSU through organized engagement of alumni and friends, fund raising activities,  
138 and resource management.

139 The DSOs accomplish their missions in support of the University by:

140

141 ➤ soliciting contributions for academic, research, athletic and co-curricular purposes as part  
142 of FSU’S overall advancement effort;

143

144 ➤ investing and disbursing funds according to donors’ wishes and University policy to  
145 promote the long term growth of the University;

146

147 ➤ engaging and strengthening relationships with alumni and friends of FSU.

148

149 B. Operating Principles

150 Our fundraising activities:

151

152 ➤ support the mission of the University and

153

154 ➤ involve alumni, parents, friends, faculty, staff, students, corporations and foundations who  
155 support FSU.

156

157 Our donors have the right to be:

158

159 ➤ assured their gifts are used for the intended purposes;

160

161 ➤ protected from improper or careless use of their confidential information;

162

163 acknowledged and recognized appropriately for their support.

164

165 Our employees:

166

167 ➤ work together as a team in cooperation with university administration, faculty, and staff,

168

169 ➤ maintain high ethical and professional standards, and

170

171 ➤ receive recognition and rewards for proven achievements.

172

173

174 **II. POLICY**

175

---

176 **SECTION 1.0 GIFT AGREEMENTS**

---

177

178

179 The terms of all gifts of \$25,000 or more to the DSOs that support Florida State University  
180 will be specified in an acceptable written document signed by the donor and authorized  
181 representatives of the university. Generally, and preferably, the written document is a  
182 formal gift agreement outlining the program to be supported and the schedule of  
183 contributions.. However, the University DSOs may choose to accept other written forms  
184 of communication, such as a signed letter, pledge form, memorandum of understanding or  
185 email from the donor, to document gifts of \$25,000 or more, with the written approval of  
186 the University Vice President for Advancement or designee Gifts of less than \$25,000 may  
187 also be committed through a gift agreement signed by the donors or an acceptable form of  
188 written communication, such as the options noted above. Emails directing gifts will also  
189 receive a written response from the appropriate direct support organization, confirming that  
190 the gift commitment has been received.

191

192 Prior to obtaining a donor’s signature, gift agreements in support of academic, research,  
193 and co-curricular initiatives for gifts of \$100,000 and above must be reviewed and approved  
194 by University General Counsel. The Vice President for Central Development is responsible  
195 for coordinating with the Office of the General Counsel.

196

197 All gift agreements in support of academic, research, and co-curricular initiatives require  
198 all of the following signatures:

199

- 200 • For gifts larger than \$100,000:
  - 201 ○ The donor or donors
  - 202 ○ The dean or university vice president who will administer the gift
  - 203 ○ University General Counsel
  - 204 ○ The Vice President for Research (for gifts supporting research)
  - 205 ○ The President of the University
  - 206 ○ The Provost/Executive Vice President for Academic Affairs
  - 207 ○ The President of the Florida State University Foundation.
- 208
- 209 • For gifts of less than \$100,000 where a gift agreement is used:
  - 210 ○ The donor or donors
  - 211 ○ The dean or university vice president who will administer the gift
  - 212 ○ The Vice President for Research (for gifts supporting research)
  - 213 ○ The Executive Vice President of the Florida State University Foundation.

214

215

216 Gifts larger than \$100,000 in support of athletics must use the standard athletics gift  
217 agreement template, which is pre-approved by University General Counsel. Any gift

218 agreements for gifts larger than \$100,000 in support of athletics that deviate from the  
219 standard athletics gift agreement template must be reviewed and approved by University  
220 General Counsel prior to obtaining a donor’s signature.

221 All gift agreements in support of athletics require the following signatures:

- 222 • For gifts larger than \$100,000 using standard athletics gift agreement template
  - 223 ○ The donor or donors
  - 224 ○ The President of the Seminole Boosters, who will administer
  - 225 the gift
  - 226 ○ The Director of Athletics
  - 227 ○ The President of the University
  - 228
- 229 • For gifts larger than \$100,000 not using a standard (or “using a modified”) athletics  
230 gift agreement template
  - 231 ○ University General Counsel
  - 232 ○ The donor or donors
  - 233 ○ The President of the Seminole Boosters, who will administer
  - 234 the gift
  - 235 ○ The Director of Athletics
  - 236 ○ The President of the University
  - 237
- 238 • For gifts of less than \$100,000 where a gift agreement is used:
  - 239 ○ The donor or donors
  - 240 ○ The President of the Seminole Boosters, who will administer
  - 241 the gift
  - 242 ○ The Director of Athletics
  - 243

244 All donors who wish for their gift to benefit academic programs and be matched under the  
245 provisions of the state matching funds program must state in the agreement that the  
246 appropriate DSO shall apply for and receive any matching funds from federal, state, or  
247 private sources that might be available as a result of their gifts. (Note: Florida State  
248 University cannot guarantee state matching gifts or the continuation of the state matching  
249 gift program.)

### 250 **1.1 Gift Agreement Guidelines**

- 252
- 253 1. When awarding scholarships, fellowships, professorships or grants, provisions that  
254 restrict gifts on the basis of race, creed, color, sex, religion, national origin, age,  
255 disability, veterans’ or marital status, sexual orientation, gender identity, gender  
256 expression, or any other protected group status are prohibited, consistent with State  
257 and Federal laws.
- 258 2. Preferences for relatives or descendants in the awarding of scholarships or in the  
259 use of donated funds are prohibited.

- 260 3. Gifts from any donor for a fellowship or scholarship, made on the condition or with  
261 the understanding that the award will be made to a student of the donor's choice,  
262 will not be accepted. Money received subject to such restrictions may be credited  
263 to a depository account within the University Office of Student Financial Aid, but  
264 will not be recorded as a gift to FSU.
- 265 4. The terms of any gift should be: (1) as flexible as possible to permit the most  
266 productive use of the funds and (2) as nearly as possible be consistent with the  
267 original intent of the donor.
- 268 5. Gifts that restrict or impede the work or scholarly activity of a faculty member,  
269 fellowship holder or student will not be accepted.
- 270 6. No fellowship or scholarship gift will be accepted if the terms of the gift in any  
271 way include a commitment for the future employment of the student recipient.
- 272 7. A donor may not retain any explicit or implicit control over the use of a gift after  
273 acceptance by the institution. It is the preference of Florida State University that a  
274 donor not serve on committees involved in the selection or evaluation of students  
275 or faculty members who would benefit from the gift, unless authorized in advance  
276 by the Vice President for University Advancement and the Provost/Executive Vice  
277 President for Academic Affairs. If approval is given to serve on such a committee,  
278 care must be taken that the donor does not control more than 49 percent of votes  
279 and that the donor does not possess perceived additional control by virtue of the  
280 donor's ability to make additional gifts.
- 281 8. The University discourages the acceptance of Conditional Pledges. Conditional  
282 pledges place requirements on the University to perform some task or take some  
283 action that it might not otherwise initiate. A conditional pledge might also depend  
284 on some future event over which neither the University nor the donor may have  
285 control.

286 Language should be included in the gift agreement if a donor intends to seek additional  
287 funds through a corporate matching gift program. A recommended paragraph regarding  
288 corporate matching gifts is available on the FSU Foundation's portal. The gift agreement  
289 should clearly state that a corporate match cannot reduce a donor's personal pledge, because  
290 neither the donor nor the University has influence or control over whether a company  
291 fulfills a corporate matching gift. Personal guarantees of corporate matches should also be  
292 indicated.

293

## 294 **1.2 Changing Donor Restrictions**

295

296 The use of donated funds for a purpose other than that stipulated by the donor is prohibited.  
297 If another use is deemed necessary, consent for using the funds in a different manner may  
298 be sought from the donor or may be altered in accordance with the terms of the gift  
299 agreement. If the use becomes impossible or unlawful, court approval may be sought to  
300 alter the use. Similarly, for a donor to change the originally stated use of donated funds, the  
301 change must first be agreed to by appropriate University officials in an amendment to the  
302 original gift agreement, signed by the original parties or their successors.

303 **1.3 Multiple Donors**

304 More than one donor may agree to participate in a gift agreement for a common purpose or fund,  
305 in which case all parties to the agreement must sign individual pledge forms indicating their dollar  
306 commitments. If the various individuals or entities are planning different gift payment schedules,  
307 those different schedules should be clearly indicated.

---

308 **SECTION 2.0 CASH & CASH EQUIVALENTS**

---

310  
311  
312 **Section 2.1 Cash and Cash-Equivalent Gifts**

313  
314 Cash gifts are defined as currency, checks, credit cards, Electronic Fund Transfer (EFT), wire  
315 transfers, ACH, payroll deduction, marketable securities, and corporate matching gifts and may be  
316 accepted in any amount. The DSOs of FSU accept all of the following methods of cash gifts, and  
317 encourage all donors to indicate with clarity the purpose and intention of their gift.

- 318  
319     ▪ **Currency:** Currency can be mailed or hand delivered. The University recommends that all  
320 donations of currency collected on campus be hand delivered to the appropriate DSO  
321 office. Currency collected on campus shall be held no more than two business days before  
322 delivery to the appropriate processing office. Once the cash is received at the office, it will  
323 be counted, verified, and receipted.
- 324  
325     ▪ **Checks:** Contributions made by check are considered to be effective for income tax  
326 purposes when the check is unconditionally delivered or mailed (as indicated by the  
327 postmark) as long as the check clears the donor’s bank. Donors should indicate the purpose  
328 of their gift on the check and enclose any related documents needed to process their gift.  
329 All checks must be payable to the appropriate DSO and shall in no event be payable to an  
330 employee, agent, or volunteer for the credit of the DSO. Checks collected on campus shall  
331 be held no more than two business days before delivery to the appropriate processing  
332 office.
- 333  
334     ▪ **Credit Cards:** The DSOs accept the following credit cards as payment for a contribution:  
335 Visa, MasterCard, American Express and Discover. The IRS has ruled that a contribution  
336 charged to a bank credit card is deductible by the donor when the amount is actually  
337 charged since the cardholder becomes immediately indebted on the date of the charge.
- 338  
339     ▪ **Electronic Funds Transfer (EFT) via checking or savings account:** Donor must submit  
340 a signed authorization form and a voided check or deposit slip with bank routing and  
341 account numbers.
- 342  
343     ▪ **Wires:** Donors should contact a development officer or the appropriate business office to  
344 discuss this type of transaction prior to submission

- 346       ▪ **ACH:** Donors should contact a development officer or the appropriate business office to  
347 discuss this type of transaction.  
348
- 349       • **Payroll Deductions:** The DSOs may accept gifts made via payroll deduction. Donors must  
350 submit a signed authorization form.  
351
- 352       • **Marketable Securities** – If there is an active market for the contributed stocks or bonds  
353 on a stock exchange, in an over-the-counter market, or elsewhere, the fair market value of  
354 each share or bond is the average price between the highest and lowest quoted selling prices  
355 on the valuation date. The valuation date of a contribution is the date that the transfer of  
356 the property takes place. Ordinarily, securities will be sold immediately upon receipt. In  
357 rare cases, securities may be held if they are deemed to be appropriate within the overall  
358 investment strategies of the DSOs. Marketable securities will be valued per IRS  
359 regulations. For campaign reporting, gifted securities are recorded at the valued amount  
360 without regard to expenses associated with the transaction. It is strongly recommended that  
361 gifts of securities be sent via ETC. However, if a physical stock certificate is given it should  
362 have properly endorsed transfer documentation. Donors should contact a development  
363 officer or the appropriate business office to discuss this type of transaction.  
  
364
- 365       • **Closely Held Securities** – Securities that are not publicly traded may be accepted by the  
366 DSOs upon the recommendation of the Vice President for University Advancement.  
367 Development Officers shall make no commitments for the acceptance of these gifts without  
368 written acknowledgement from the Vice President for University Advancement. A detailed  
369 explanation surrounding the circumstances of the stock, the company, and the donor's  
370 reason for this gift must be documented and provided to the Vice President for University  
371 Advancement. Gifts of closely held stock will be counted at fair market value at the date  
372 of the gift, in accordance with IRS regulations or, if over \$10,000, by the value placed on  
373 them by a qualified independent appraiser as required by the IRS for valuing gifts of non-  
374 publicly traded stock.  
375
- 376       ▪ **Corporate Matching Gifts:** For counting purposes, donors receive gift credit for a  
377 matching gift from their employer. Donors receive this gift recognition credit when FSU  
378 books the matching gift expectancy (pledge). The corporate entity receives gift recognition  
379 credit on the date that the matching gift is received. For tax purposes, the official donor is  
380 the company matching the gift.  
381

## 382 **Section 2.2 Gift Date**

- 383       • Cash gifts (checks, cash, credit cards, corporate matching gifts) will be credited on the date  
384 deposited, except at the end of the calendar year, in which case the gift date will be the  
385 USPS postmark on the envelope.
- 386       • Online gifts are credited on the date the transaction is processed by our credit card  
387 merchant, which goes by Coordinated Universal Time (UTC), or the next business day.

- 388 • Securities will be credited at the average of the high and low quoted selling price during  
389 the day of the transfer.
- 390 • Planned Gifts will be credited on the date of approval by the CFO of the respective DSO,  
391 or the date the DSO receives funds for an annuity or trust.
- 392 • Gifts-in-kind will be credited on the date that the DSO approves the acceptance of the item  
393 donated. There is a gift-in-kind acceptance form, which requires the Dean or head of the  
394 unit receiving the GIK to sign and indicate the date they received it. (See Section 4.0,  
395 GIFTS-IN-KIND)
- 396 • Pledges will be credited on that date that the donor signs the gift agreement or pledge  
397 documentation, or confirms their intent via email.
- 398 • The date used for tax purposes is at the discretion of the donor and/or his financial advisor.

399

400

401

---

## 402 SECTION 3.0 PLEDGES

---

403

404

405 Florida State University encourages and accepts pledges as a convenient method for donors to  
406 make gifts supporting the institution. Two types of pledges are accepted:

- 407 • **Oral pledges.** The only oral pledges counted by the University are those made by  
408 its authorized phonathon programs. The University mails a confirmation notice to  
409 the donor immediately following the solicitation period.
- 410 • **Written pledges of assets.** The University requires written documentation of  
411 pledges that are not made by its authorized phonathon, regardless of the pledge  
412 size or duration of the pledge period.

413

### 414 **3.1 Pledge Documentation**

415 For pledges greater than \$25,000, the DSOs of FSU require a written gift agreement that stipulates  
416 the amount of the commitment, the purpose, payment period, gift administration, and donor  
417 recognition

418 For pledges of less than \$25,000, Florida State University requires written documentation from  
419 the donor in the form of a gift agreement, pledge form, signed letter or memo, or email message.

### 420 **3.2 Pledge Duration**

421 DSOs of Florida State University accept pledge periods of up to five years. Pledge periods greater  
422 than five years must be approved by the Vice President for University Advancement. If a donor

423 is to be recognized with a naming opportunity, 50 percent of the gift must be received before the  
424 naming is considered, in accordance with the Naming Policy of Florida State University.

### 425 **3.3 Pledge Reminders**

426 DSOs of the Florida State University send pledge reminders within 24 hours following oral pledges  
427 to the authorized phonathon (as referenced in Section 3.0). For non-annual fund pledges (see  
428 above), the authorized DSO sends pledge reminders coinciding with the scheduled pledge  
429 payments as outlined in the written documentation.

### 430 **3.4 Pledge Review**

431 The authorized DSO will conduct an annual review of all open pledges to ascertain their viability  
432 and the likelihood of their fulfillment. Most unfulfilled, single-year annual fund pledges are written  
433 off, since the purpose of the annual fund is to generate operating support for a specific fiscal year.  
434 In the case of unfulfilled annual fund pledges over \$1,000, the university will individually  
435 determine whether to write off or write down the pledges, or contact the donors.

436 Lists of large, outstanding annual fund pledges and partially paid or unpaid non-annual fund  
437 pledges are distributed to members of the advancement team, informing them that unless the donor  
438 provides an updated payment schedule, the institution will write off the pledge in six months.

### 439 **Campaign Pledges**

440 Even though the duration of a fundraising campaign at Florida State University may be longer than  
441 five years, the standard pledge period remains at five years unless exceptions are made with the  
442 approval of the Vice President of University Advancement. If a period longer than five years is  
443 approved, the university will count the full value of that pledge during the campaign. If a donor  
444 makes a pledge on the very last day of the campaign, the full amount of that pledge will be counted  
445 in the campaign.

### 446 **3.5 Legal Entity**

447 Only the entity exercising legal control over his or its assets can make a pledge. Therefore, an  
448 individual cannot commit funds that might come from a donor-advised fund, community  
449 foundation, or corporate matching gift program. A countable pledge includes only those funds  
450 that will be given by that legal entity. Therefore, if a donor-advised fund enters into its own gift  
451 agreement with Florida State University, a pledge can be recorded with the donor-advised fund as  
452 the donor.

### 453 **3.6 Paying Pledges of Others**

454 Only the donor who is making the pledge (the legal entity noted above) can pay the pledge.  
455 Payments cannot be made by others on that person's behalf. Two exceptions to this are:

- 456                   1. Pledge payments made by a business over which an individual donor has majority  
457                   ownership.  
458                   2. Pledges made to secure priority seating at athletic events.

459                   **3.7 Donor-Directed and Donor-Advised Funds**

460                   A donor-directed fund is established by the donor sending an asset to a financial institution or  
461                   foundation for investment and safekeeping. The assets remain in the name of and under the control  
462                   of the donor. At some future point, the donor will contact the financial institution or foundation  
463                   and direct it to make a gift to a qualified charity. When that gift is made, the original donor who  
464                   directs the gift is the legal donor and would get hard credit.

465  
466                   With a donor-advised fund, the donor gives an asset to a 501(c)(3) tax-exempt organization (such  
467                   as a Community Foundation) as a gift to that entity. The asset is then in the name of and control  
468                   of that entity. At some future time, the donor will contact the organization holding the fund and  
469                   direct it to make a gift to a qualified charity. When that gift is made, the third party organization  
470                   controlling the fund is the legal donor, and should get hard credit. Soft credit should go to the  
471                   original donor (the individual) to the donor-advised fund. Donor-advised gifts from 501(c)(3)  
472                   entities such as Community Foundations cannot be applied to personal pledges, because of  
473                   potential tax penalties to the original donor.

474  
475                   A donor may make a bequest to a direct support organization of Florida State University that will  
476                   be paid through a donor-advised fund.

477  
478                   **3.8 Matching Gifts**

479                   The direct support organizations of the Florida State University encourage donors to apply for any  
480                   available matching gifts or to authorize the university to apply for matching gifts. However,  
481                   because the donor has no control over matching gifts, the matching gifts cannot be counted as part  
482                   of the pledge. Donors receive recognition credit on their donor records for corporate matching  
483                   gifts, as those gifts are received.

484                   **3.9 Amending a Pledge Period**

485                   A donor may amend his or her pledge payment schedule if his or her personal circumstances  
486                   change substantially and affect his/ her ability to fulfill the pledge as originally recorded.

487

488

489

490  
491  
492  
493  
494  
495  
496  
497  
498  
499  
500  
501  
502  
503  
504  
505  
506  
507  
508  
509  
510  
511  
512  
513  
514  
515  
516  
517  
518  
519  
520  
521  
522  
523  
524  
525  
526  
527  
528  
529  
530  
531  
532  
  
533  
534

---

## **SECTION 4.0: GIFTS-IN-KIND**

---

In-kind giving is a type of philanthropy that involves the noncash donation materials or long-lived assets other than real estate and securities. Gifts-in-kind support the mission of the Florida State University and enhance the quality of education and research at FSU. Types of gifts in-kind vary from items such as software, works of art, vehicles, equipment, etc. Per CASE and FASB guidelines and IRS regulations, all gifts-in-kind should be reported at face (or fair market) value. This policy shall conform to all relevant federal and state laws and regulations. This section does not address real property, which is covered in Section 6.0 Real Estate.

### **4.1 Gift-In-Kind Acceptance**

A donation of a gift-in-kind of tangible personal property may be accepted on behalf of the University by the FSU direct support organizations subject to the following provisions:

- The gift is consistent with the mission of the University.
- Acceptance of the gift does not involve significant additional expense in its present and/or future use, display, maintenance, or administration. If such expenses are involved, identification of the items and hard dollar costs associated with carrying the gift must include the source of funding and the projected timeframe for carrying the gift. Subsequently, non-recurring obligations and the university personnel responsible for the fulfillment of such obligations must be identified. Any academic unit benefiting from a gift-in-kind must agree in writing to fund carrying costs or absorb the costs, regardless of whether the donor agrees to pay.
- For gifts-in-kind of used property potentially valued at \$5,000 and above, an independent qualified appraisal must accompany the gift-in-kind acceptance form and the donor must be apprised of IRS requirements and regulations, including IRS Publications 561 and 526 and IRS Forms 8283 and 8282. (For more information regarding appraisals, see section 4.9 and Attachment A). For gifts-in-kind of new property (i.e. software, equipment directly from manufacturer), an independent appraisal is not needed. In these instances, evidence must be provided that the item is valued appropriately based on open market pricing.
- Unless otherwise specified as a condition of the gift, the authorized DSOs of The Florida State University, in assuring that the donor’s intent for the gift is honored, are empowered to retain the gift of property, turn it over to the University, or liquidate it for the benefit of the University. Gifts of fixed or inexhaustible assets will be transferred to the University upon acceptance by the respective DSO.

535 **4.2 Transmittal**

536

537 Every gift-in-kind should have an accompanying Gift-In-Kind Acceptance Form – which outlines  
538 all required information for completion and counting of a gift in-kind. If a gift-in-kind of used  
539 property is valued at \$5,000 or more, the donor is responsible for providing an independent gift  
540 appraisal. Other forms of valuation (for gifts in-kind valued under \$5,000) include an itemized  
541 inventory list, vendor/donor documentation or an invoice letter which states an “at-price” of the  
542 donated item(s), published value through a catalog, etc., or determined by a qualified faculty/staff  
543 expert (with no conflict of interest).

544

545 For gifts-in-kind coming from corporate entities, especially items such as equipment and software,  
546 report the educational discount value (if an educational discount is offered). An educational  
547 discount is the value Florida State University would have paid if it purchased the item outright  
548 from the donor or similar donor. Regardless of what estimated value a donor places on a gift-in-  
549 kind, the DSO should only count as a gift the amount it would have paid for the item(s) were they  
550 not donated. Identification of an educational discount (or lack thereof) is required and should come  
551 directly from the donor in writing via hard copy or e-mail with letterhead.

552

553 **4.3 Exceptional Gift-In-Kind Acceptance Committee**

554

555 For significant gifts-in-kind, the decision regarding acceptance is dependent upon the review of  
556 the exceptional gift-in-kind acceptance committees of the Direct Support Organization accepting  
557 the gift-in-kind. Significant gifts-in-kind are defined as those that exceed \$100,000. Membership  
558 and support staff of the exceptional gift-in-kind acceptance committees will be determined by each  
559 individual Direct Support Organization in consultation with the Vice President for University  
560 Advancement.

561

562 **4.4 Gifts-In-Kind of Vehicles**

563

564 If a donor wishes to give a motorized vehicle (i.e. car, motorcycle, boat, plane, etc.) an IRS form  
565 1098-C is required in addition to the donor’s Social Security number. Should the vehicle be  
566 accepted for the sole purpose of liquidation for added revenue, the donor must first transfer the  
567 vehicle’s title via their respective county tax collector’s office. Subsequently, the FSU Foundation  
568 must fill out a title application for the state of Florida (Form 82040). If re-selling, the FSU  
569 Foundation does not need to register the vehicle. A bill of sale must be signed by a representative  
570 of the FSU Foundation as well as the buyer. Said bill of sale must be approved by FSU Foundation  
571 legal counsel.

572

573 **4.5 Gifts-In-Kind of Software**

574

575 If a donor irrevocably transfers ownership of software to the institution, the property will be  
576 considered a gift. There must be no implicit or explicit statement of exchange, purchase of services  
577 or provision of exclusive information.

578

579 If there is a complete transfer of ownership in the software – i.e., the underlying intellectual  
580 property, programming code, patent, etc. – such that the individual or company who conceived it

581 and patented it can no longer market or sell it, then it's considered to be an irrevocable transfer of  
582 title to intellectual property and is an outright gift.

583  
584 If a retail store gives a boxed copy of a particular version of a software program, then that single  
585 item is a gift, and its FMV can be counted and reported since the store never had the IP rights,  
586 those remain with creator of the software.

587  
588 If a company gives a software license, and the right to use it for a specific period of time, for  
589 counting/reporting purposes it will be considered a gift. However, for IRS purposes it is  
590 considered a partial interest and therefore a tax receipt will not be issued.

591  
592 Software gifts should be treated with an established retail value like other gifts-in-kind and should  
593 be counted at the established educational discount value (if one exists) or the fair market value.

594 Software contributions can be fairly complex, and can be assessed in the following ways:

595

596 • Value to the institution. Count only software gifts that serve the academic or research  
597 purpose of Florida State University

598

599 • Gift value. The donor is responsible for providing Florida State University with a written  
600 confirmation of the dollar value of the gift at the educational discount price (if one exists).  
601 If no educational discount is available, it must be so stated in writing (either hard copy or  
602 e-mail with letterhead) and the established retail value shall be used. If no established retail  
603 price is provided, no amount can be counted/reported until such a value is determined, such  
604 as by a qualified independent appraisal or when the software product is available for  
605 purchase on the open market, regardless of when gift was donated.

606  
607 Exceptions may be made regarding the gift value counting of software donations with the approval  
608 of the Vice President for University Advancement.

609

#### 610 **4.6 Gifts-In-Kind of Art and Cultural Property**

611

612 The DSO's may accept gifts of art. In addition to the above policies on gifts of tangible personal  
613 property, the following provisions also govern the acceptance of works of art by the FSU  
614 Foundation on behalf of the university:

615

616 • All gifts of art and cultural property offered to the FSU Museum of Fine Arts shall be  
617 governed by Museum of Fine Arts Collections Management Policy. In addition, the use of  
618 the Museum of Fine Arts Collection Management Policy may be required for gifts of art  
619 and cultural property to other colleges and units of FSU.

620

621 • All gifts of art and cultural property offered to the John and Mable Ringling Museum of  
622 Art shall be governed by its Collection Management Policy, as adopted by the John and  
623 Mable Ringling Museum of Art Foundation Board of Directors, and amended from time to  
624 time.

625

- 626 • All gifts of art and cultural property offered to Florida State University Libraries Special  
627 Collections and Archives Division shall be governed by Florida State University Libraries  
628 Collection Management Policy.

629 **4.6.1: Valuation of Gifts**

630

631 For the purpose of valuing works of art, the following criteria apply:

632

633 1. Works of art must be accompanied by clear title to the work of art and a bill of sale or other  
634 proof of ownership. Proof of ownership shall be a condition of acceptance for any art work.

635

636 2. Works of art should be accompanied by a complete provenance (the artwork's history of  
637 ownership), where available and applicable, due to issues concerning repatriation  
638 lawsuits for certain ethnic and cultural categories.

639

640 3. Works of art must be accompanied by a complete copy of an independent appraisal by a  
641 qualified appraiser, as defined in Section 170(f)(11)(E)(ii) of the Internal Revenue Code,  
642 as amended from time to time, and further described by IRS Notice 2006-96. Such  
643 appraisal must be made not earlier than 60 days before the date of contribution of the  
644 appraised property.

645

646 4. Ordinarily, the donor shall be responsible for payment of a qualified appraisal. In instances  
647 in which the donor is not interested in appraising a gift for IRS tax-deduction purposes, the  
648 following alternative methods of valuation may be accepted with approval from the  
649 appropriate exceptional gifts acceptance committee:

650

651 a. proof of purchase price,

652 b. proof of insured value

653 c. donor's estimated value for gifts coming through an estate. Upon actual receipt of  
654 gift, the piece(s) should then be appraised by a qualified appraiser as defined in  
655 Section 170(f)(11)(E)(ii) of the Internal Revenue Code, as amended from time to  
656 time, and further described by IRS Notice 2006-96, at the expense of the FSU  
657 Foundation or the receiving college and/or unit, and the value should be adjusted  
658 accordingly. In this instance, an appraiser should be engaged directly by the FSU  
659 Foundation, the receiving college or the receiving unit or

660 d. the college or unit receiving the gift will bear the expense of the appraisal required  
661 to value the gift.

662

663 5. Where applicable, the donation shall include all intellectual property rights associated with  
664 the work of art, unless otherwise agreed to by the University and the donor.

665

666 6. At the Ringling Museum, the Collections Support Committee exists and reviews each  
667 gift-in-kind of art to determine its acceptance and whether it meets the requirements for  
668 an acceptable appraisal. Upon acceptance of a gift-of-kind valued at less than \$1.0  
669 million, the Ringling Museum will attach a signed attestation form documenting that the  
670 gift has gone through its internal process to determine the gift's acceptability. All gifts

671 worth in excess of \$1.0 million will also be subject to review of the FSU Foundation's  
672 Exceptional Gift-in-Kind Acceptance Committee, to help ensure consistency in donor gift  
673 credit across the University.  
674

675 Objects of art accepted, but not accessioned, may still be of value to units of the University, the  
676 FSU Museum of Fine Arts, or the Ringling Museum, for decorative, instructional or resale  
677 purposes. Gifts of this nature should go to the Exceptional Gift-in-kind Committee of the  
678 appropriate DSO for approval and may be transferred to the University.  
679

#### 680 **4.7 Gifts-In-Kind of Equipment and Intellectual Property**

681 The University may receive gifts of equipment and intellectual property. Only unilateral transfers  
682 of equipment or intellectual property will be considered gifts.  
683

684  
685 Similar to section 4.5 (Gifts-In-Kind of Software), fair market value at the moment the gift is made  
686 determines the gift value. Fair market value will be affected by any discounts the University would  
687 receive if the University should purchase the equipment or intellectual property outright (either  
688 from the donor or a similar vendor).  
689

690 The donor shall provide a list and description of the item(s) to be donated as well as its/their value  
691 and any appropriate background information or identification of educational discount.  
692 Depreciation related to gifts of equipment may not be counted as part of the gift. In addition, the  
693 DSO will make every effort to ensure that the gift of equipment or intellectual property is not an  
694 exchange transaction in which the donor receives goods or services in return.  
695

696 Criteria to be considered for acceptance of the gift may include, if applicable, necessity for  
697 technical development of the gift, solicitation of research support, integration of the gift in  
698 university processes, costs of additional development, additional equipment needs, and facility  
699 requirements and/or renovations. All additional costs associated with acceptance of the gift and  
700 University personnel responsible for fulfillment of any additional obligations must be identified.  
701

#### 702 **4.8 Gifts-In-Kind Included in Trusts/Bequests**

703  
704 Gifts-in-kind included in trusts or bequests can be accepted by the DSOs of FSU. However, an  
705 appraisal of the property gifted must be performed in order to record the realized value of the gift  
706 in FSU's system accurately. The college/unit benefitting from the gift is responsible for paying  
707 for the cost of the appraisal which must be performed in accordance with the IRS guidelines  
708 governing appraisals in Appendix A.  
709

710 Real property is addressed in section 6.0 Real Estate.  
711

#### 712 **4.9 Appraisals**

713  
714 Appraisals and environmental reports are of particular importance to donors and the DSOs. They  
715 provide measures of protection to both parties from claims by third parties, including the IRS or  
716 government environmental agencies. For example the IRS requires "qualified appraisals" before

717 donors are allowed to claim income tax deductions for charitable contributions. Also, Federal and  
718 State environmental statutes can impose retroactive and/or joint liabilities upon donors (or their  
719 estates) or the DSO regardless of fault. These liabilities can be limited by due diligence exercised  
720 by both donors and the DSO. As previously noted, any gift in-kind of used property potentially  
721 valued at \$5,000 or more can only be accepted with the complete copy of a qualified appraisal. A  
722 qualified appraisal must include the following information:

- 723 • A detailed description of the gift in-kind
- 724 • Its physical condition
- 725 • The date said appraisal was conducted
- 726 • The name and qualifications of the appraiser
- 727 • The fair market value on the date the gift in-kind was appraised
- 728 • The basis for and valuation method used to conduct the appraisal

729  
730 Qualified appraisals must be made within 60 days of receipt by the direct support organization or  
731 the University to assure accurate current value.

732  
733 It is important to note that neither the donor nor the gift recipient can serve as qualified appraisers  
734 with respect to the gift-in-kind being donated.

#### 735 **4.10 Items not Considered Charitable Contributions**

736  
737 Per CASE guidelines and IRS regulations, the following types of in-kind contributions are not  
738 considered charitable contributions:

- 740  
741 • Contributed services – A person’s or organization’s time and/or service is not considered  
742 a charitable contribution and is not countable, regardless of whether the individual assists  
743 as a volunteer or as a professional providing a specialized service (examples include, but  
744 are not limited to: accounting, consulting, printing, web development/hosting, advertising  
745 space, etc.).
  - 746 a. In these situations (if the donor wishes to make a charitable contribution and receive  
747 tax credit), CASE suggests that the donor bill the institution and turn around and  
748 make a cash donation of the same value.
  - 749 b. However, in certain circumstances, the Florida State University may recognize  
750 contributed service(s) through an acknowledgement letter, but without the inclusion  
751 of tax credit language.
- 752 • Use of real property
- 753 • Discounts on purchases
- 754 • Costs of appraisals
- 755 • Shipping costs
- 756 • Sales tax
- 757 • Gift cards
- 758 • Items for auction\*
  - 759 a. Auction items potentially valued at \$2,500 or more may be counted as a gift in-kind  
760 to the university. These items are subject to the same appraisal procedures noted in  
761 the aforementioned sections.

762

763  
764  
765  
766  
  
767  
768  
769  
770  
771  
772  
773  
774  
775  
776  
777  
  
778  
779  
780  
  
781  
  
782  
783  
784  
  
785  
  
786  
  
787  
788  
789  
790  
791  
  
792  
793  
794  
795  
796  
797

---

## **SECTION 5.0            PLANNED GIVING**

---

- The procedure for acceptance of these gifts will be governed by the Procedure Policy of each DSO.
- Unless otherwise noted, donors of all of these gifts will be admitted to the legacy society of the recipient DSO and may be eligible for other donor recognition societies..
- “Present Value”, as used in this document shall mean the computed value of a future gift, based on the life expectancy of the donor(s) according to the standard mortality tables, and the AFR used at the time of the gift.
- “DSO Head” will mean the president or CEO of that organization.
- “Letter of Intent for Deferred Gifts” is made as an attachment to this document.

### **5.1 Counting**

Deferred gifts will be counted at face value regardless of the age of the donor, but the present value of all deferred gifts will be recorded for reporting purposes. The University may establish from time to time rules for counting deferred gifts during comprehensive fund-raising campaigns.

### **5.2 Gift Plans**

Deferred gift plans that may be accepted by the DSOs of the University are described below. Other gift vehicles not included in this document may be added at a later time, pending approval of the University Vice President for Advancement.

#### **5.2.1: *Bequests and Revocable Trust Designations:***

Donors can make deferred gifts by including special clauses in a Will or Living Trust. Typically, the donor structures the bequest: as a percentage of the total estate; as a specific dollar amount; as a portion of the residual of the estate; as a particular asset(s) of the estate. These commitments may be revocable or irrevocable, depending on the document used by the donor. In all cases, the following written confirmation of the bequest or trust provision is required to document the gift:

- A copy of the cover page, the page containing the relevant gift language and the signature page from the fully executed testamentary document; OR
- A fully executed estate gift confirmation form; OR
- A letter from the donor’s attorney that explains the nature of the gift to FSU, including the estimated face value, the donor’s intended purpose for the gift, and the current age of the donor(s)

- 798 • If not fully explained in the estate documents, a Gift Agreement specifying the purpose of  
799 the estate gift will be completed and signed by the donor if the donor wishes to create an  
800 endowed fund. If the donor wishes to add to an existing fund, the letter of intent for deferred  
801 gifts will suffice.

802  
803 These gifts will be considered revocable unless otherwise specified.

804 **5.2.2: Retirement Plan, Commercial Annuity, and Payable on Death Beneficiary Designations:**

805 When donors have made a University DSO a primary beneficiary of an existing retirement plan,  
806 commercial annuity, or non-qualified investment account, the following written confirmation of  
807 the beneficiary designation is required to document the gift:

- 808 • A copy of the beneficiary statement or change of beneficiary form specifying the recipient  
809 DSO as a primary beneficiary and a gift agreement directing the gift; OR  
810 • A fully executed estate gift confirmation form; OR  
811 • A letter from the donor’s attorney/advisor that explains the nature of the commitment,  
812 current ages of the donor(s) and how the gift will be used , AND  
813 • Written evidence of the value of the account or the portion of the account that is designated  
814 for FSU.  
815 • A gift agreement will be required if the donor wishes to create an endowed fund. If the  
816 donor wishes to add to an existing fund, the letter of intent for deferred gifts will suffice.

817  
818 These designations are treated as revocable commitments.

819 **5.2.3: Charitable Gift Annuity (CGA):**

820 A CGA is a contract between a donor and the DSO, under which the DSO promises to pay up to  
821 two (2) annuitants a fixed amount of income for life, in exchange for the donor’s contribution of  
822 cash or property to the DSO. Donors who wish to establish a standard payment CGA with a DSO  
823 must be at least 60 years old. Donors who wish to establish a deferred payment CGA can be any  
824 age; however, payments cannot begin until the annuitant reaches age 60 and the payout, to confirm  
825 with law, will be set at a rate that produces a residual gift equal to at least 10% of the original gift  
826 value. The minimum amount required to establish a CGA is \$25,000.

- 827 • Exceptions to these requirements must be approved by the DSO Head and senior planned  
828 giving officer.  
829 • If the asset used to fund the CGA is something other than cash or publicly traded securities,  
830 approval will be required by the DSO Head and senior planned giving officer.  
831 • The FSU Foundation follows the payout rates recommended by the American Council on  
832 Gift Annuities within the context of the law of the State of Florida.

- 833 • The documentation requirements for a CGA are the original contract that is signed upon  
834 establishment of the CGA, and addendum designating the ultimate use of the funds, or a  
835 Gift Agreement that governs the ultimate designation of the remainder gift if the donor is  
836 creating an endowed fund.
- 837 • DSOs work in partnership with an outside bank to manage all CGAs. Income payments  
838 and tax returns are administered by that outside bank.  
839

#### 840 **5.2.4: Charitable Remainder Trust (CRT):**

841 There are two types of CRTs: the Unitrust (“CRUT”), and the Annuity Trust (“CRAT”). The  
842 CRUT pays the designated income recipient(s) a percentage of the trust principal revalued  
843 annually. The CRAT pays the designated income recipient(s) a fixed amount that will not change  
844 from year to year. Payout rates for CRTs are determined by a number of factors, including IRS  
845 guidelines for remainder amounts, the age of the donor and the size of the gift.

- 846 1. CRT that will be managed by the recipient DSO:
- 847 • Must make a minimum gift of \$100,000
- 848 • Recipient DSO may hire an approved outside management firm to oversee the investment  
849 and administration of CRTs.
- 850 2. CRT that is not managed by the recipient:
- 851 • Donor should submit a copy of the fully executed CRT document to the DSO.
- 852 • In cases where the donor is unwilling to submit this information, the donor must complete  
853 an Estate Gift Confirmation Form and include the following:
- 854 ○ The income payout rate and the term for the CRT (e.g. 10 years, 15 years, 1 life);
- 855 ○ The number of income beneficiaries
- 856 ○ The percent of FSU’s remainder interest, if less than 100%; AND
- 857 ○ A trust valuation that is less than one year old.
- 858 • A letter from the donor’s attorney that explains the information above will also suffice.
- 859 • All donors who make gifts through CRTs managed by another institution will be strongly  
860 encouraged to provide annual statements showing the trust’s value.
- 861 • Documentation requirements for a CRT are met when the donor signs the legal document  
862 that establishes the trust itself, and a Gift Agreement that governs the ultimate designation  
863 of the remainder gift if the donor wished to create an endowed fund. If the donor wishes to  
864 add to an existing fund, the letter of intent for deferred gifts will suffice.  
865

#### 866 **5.2.5: Charitable Lead Trust (CLT):**

867 A CLT differs from the CRT in that the income payments are made to the charity for a term of  
868 years, and the remaining principal is then passed on to non-charitable recipients. Payout rates for  
869 CLTs are determined by a number of factors, including the term of years during which income will

870 be paid to the DSO, the applicable federal rate, the age of the donor and the size of the gift. Like  
871 the CRT, the CLT can be structured as a Unitrust or as an Annuity Trust.

- 872 1. A CLT that will be managed by the recipient DSO:
- 873 • Must make a minimum gift of \$100,000.
  - 874 • The recipient DSO may hire a qualified outside firm to assist in the investment and  
875 administration for these trusts.
- 876 2. A CLT that is not managed by the recipient DSO:
- 877 • Should submit a copy of the fully executed CLT document.
  - 878 • In cases where the donor is unwilling to submit this information, the donor must complete  
879 a Estate Gift Confirmation Form and also provide:
  - 880 • A trust valuation that is less than one year old;
  - 881 • The income payout rate; AND
  - 882 • The payout term for the CLT (e.g. 5, 10 or 15 years or longer).
  - 883 • The documentation requirements for CLTs are met when the donor signs the legal  
884 document that establishes the trust itself, and a Gift Agreement that governs the ultimate  
885 designation of the remainder gift if the donor wishes to create an endowed fund.
  - 886

887 **5.2.6: Retained Life Estate:**

888 A gift of a remainder interest occurs when the donor transfers the title of the real property to the  
889 DSO, and reserves a life estate: the right to use and live in the home until he or she passes away,  
890 at which time the charity has the right to sell the property or retain it for other purposes.

- 891 • Gifts of a remainder interest in a home or a farm require special review by the DSO Head  
892 and the senior planned giving officer.
- 893 • Retained life estate agreements must be executed before these arrangements will be  
894 documented as charitable gifts.
- 895 • The agreement itself must outline the donor’s responsibilities with respect to the property  
896 that is being given—namely, that the donor will remain responsible for the maintenance,  
897 insurance payments and payment of taxes. In all cases, the type of property that is being  
898 used to establish the life estate agreement with the DSO must meet IRS requirements.
- 899 • The donor must supply an up to date appraisal on the property.
- 900

901 A Gift Agreement that governs the ultimate designation of the remainder gift must accompany the  
902 documentation if the donor wishes to create an endowed fund.

903 ***5.2.7: Enhanced Life Estate:*** Certain states, including Florida, allow what is known as an  
904 Enhanced Life Estate. The University will not accept an Enhanced Life Estate.

905

906 **5.3 LIFE INSURANCE**

907 A Donor may make a life insurance gift to a DSO, making the DSO the owner and the beneficiary  
908 of their insurance policy, or by making the DSO the beneficiary or partial beneficiary of their  
909 insurance policy.

910 ***5.3.1: New Life Insurance Policies – TO BE OWNED AND MANAGED BY THE DSO***

- 911 • The policy must make the DSO the sole owner and beneficiary.
- 912 • The face amount (death benefit) of the policy must be a minimum of \$100,000.
- 913 • The policy must be a permanent life policy that has been reviewed and approved by the  
914 DSO head and senior planned giving officer.
- 915 • The policy may not have an automatic loan provision attached
- 916 • Dividends must be used to buy Paid Up additions to increase the value of the gift.
- 917 • If any interest accrues on the policy it will also be applied toward the premium or to  
918 increase the value of the policy.
- 919 • Insurance companies being used must have top tier ratings with A.M. Best, with Standard  
920 & Poors and Moody's at the time the insurance policy is donated to the DSO.
- 921 • A completed life insurance application and illustration, along with a short history of the  
922 insurance company and its ratings, must be submitted to the DSO for review prior to  
923 issuance.
- 924 • All donors should make premium payments through the DSO who will then make  
925 payments to the insurance company, although the donor may elect to make premium  
926 payments directly to the insurance company.
- 927 • Premium payments made by the donor through the DSO will be recorded as outright gifts  
928 on the donor's record, while the face amount of the policy will be recorded as a revocable  
929 bequest.
- 930 • The original policy with its illustrations, accompanied by an Estate Gift Form or a Gift  
931 Agreement that will govern the ultimate designation of the remainder gift must be  
932 submitted.
- 933 • Payment of a minimum of the 1st year's premium/pledge must be made at the time of the  
934 issuance of the policy.
- 935 • Donor will execute a gift agreement for a maximum of five years which will be calculated  
936 to provide for payment of the policy. The policy will be projected as paid-up using current  
937 interest rate assumptions, when dividends are sufficient to pay the policy premium.
- 938 • Consideration will be given to extending the pledge beyond five (5) years for policies with  
939 face amounts over \$100,000. This will be a decision by DSO Head and the senior planned  
940 giving officer.
- 941 • It is understood that the DSO shall not be responsible for making premium payments in the  
942 event that a donor ceases to complete the payment schedule of the policy.

- 943       • If the donor does not pay the pledges causing the policy to lapse, then the DSO shall remove  
944       the donor from the applicable legacy society.
- 945       • If the donor does not fulfill the entirety of the pledge, the DSO shall have the right to alter  
946       or surrender the policy. If the policy is, in fact, reduced or surrendered, the gift record shall  
947       be reduced or written off accordingly.

948       ***5.3.2: Existing Life Insurance Policies.***

949       Existing policies may be gifted to a DSO after review and approval.

- 950       • For gifts of existing policies, the donor (or owner) must relinquish all ownership and  
951       document that the DSO is the sole owner and beneficiary of the policy.
- 952       • There can be no outstanding loans on the policy.
- 953       • The policy must be a permanent life policy.
- 954       • Donor must provide a copy of the policy, including the current declaration page. The  
955       declaration page will show cash value, any outstanding loans, dividends and face value.
- 956       • For policies that are not paid up or have sufficient cash that allows the dividend to pay the  
957       future premiums, donor will execute a gift agreement for a maximum of five years that will  
958       be calculated to provide for payment of the policy that will result in a paid up policy at the  
959       end of the pledge period.
- 960       • The cash surrender value will be recorded as an outright gift, while the net face amount  
961       will be recorded as a revocable bequest.

962

963       **5.4 INSURANCE BENEFICIARY DESIGNATION**

964       The following requirements must be met for acceptance:

- 965       • A Change of Beneficiary Form indicating the DSO as beneficiary OR  
966       • Verification from the insurance company that they have accepted the change in beneficiary

967       And

- 968       • A current declaration page of the policy indicating the type and face value of the policy.  
969       • The policy being gifted must be a permanent life product.
- 970       • Documentation should include the use of the Estate Gift Form with gift designation  
971       information that will govern the ultimate designation of the remainder gift. A gift  
972       agreement will be required if the donor wishes to create an endowed fund.

973

974       ***5.4.1: TERM LIFE INSURANCE POLICIES***

975       Term Life insurance policies are not accepted as gifts. Some donors may make a DSO a beneficiary  
976       of their Term Life Insurance policy. In that case, a DSO may recognize that gift with donor's

977 inclusion in the DSO’s legacy society as long as the policy remains in force. However, the gift will  
978 be counted as \$0.

979 **5.4.2: CONTINGENT BENEFICIARY**

980 Whether in estate documents, life insurance, retirement accounts, or other accounts and  
981 instruments requiring beneficiaries, some donors have a need or desire to make a DSO a  
982 contingent, or secondary beneficiary. Such gifts may be accepted with the same documentation  
983 requirements as a primary beneficiary.

984 Such gifts will be counted as \$1.

985 **5.5 UNANTICIPATED OPEN ESTATES**

986 The DSO Planned Giving Office (or Office of Gift Planning) will facilitate these gifts and apply  
987 the proper acceptance policies in consultation with DSO Head.

988 **5.6 USE OF GIFT AGREEMENTS**

989 All donors who make planned gifts that will create a scholarship fund, professorship, eminent  
990 scholar chair, or other endowed fund are strongly encouraged to complete a Gift Agreement that  
991 is signed by the donors, the appropriate DSO official, and the appropriate college or program  
992 officials.

993 In situations where the donor is unwilling to complete a Gift Agreement, the DSO will work with  
994 the donor and his or her attorney to ensure that the language in the Will or Trust contains specific  
995 instructions that can be easily followed by future administrations. The goal is to ensure that the  
996 DSO and the recipient college or program is able to carry out the donor’s intent. The DSO will  
997 make every effort to ensure that the language used in the donor’s testamentary document is  
998 sufficient.

999 The fundraiser may also ask the donor to complete a letter that describes in detail his or her  
1000 intentions with regard to the gift that will ultimately be received. In such a case, it is recommended  
1001 that the letter make reference to the original source of the gift (e.g. a CGA contract or Will  
1002 provision).

1003 In any case where the donor is unwilling to sign a gift agreement, a copy of the DSO’s Investment  
1004 and Spending Policies will be sent to the donor alongside the acknowledgment letter and recorded  
1005 in the donor’s file.

1006

1007

1008

1009 **5.7 RECOGNITION OF PLANNED GIVING DONORS**

1010 All donors who make a gift commitment using any of the vehicles described above will be  
1011 recognized as members of the DSO’s Legacy Society. There is no minimum gift amount required  
1012 for membership in this group. However, in cases where the donor is unwilling or unable to provide  
1013 the estimated gift value, but all other documentation requirements are met, the gift will be officially  
1014 recorded as \$1.00.

1015 \_\_\_\_\_  
1016  
1017 **SECTION 6.0 REAL ESTATE**  
1018 \_\_\_\_\_

1019 The university’s Direct Support Organizations (“DSO”) receive gifts of real estate for the benefit  
1020 of the University. Real estate gifts may be held or sold depending on the type of real estate asset  
1021 and the optimal strategy for maximizing the value and/or utility of the property to the University.  
1022 Net proceeds derived from sales, leases, trades or operations of donated real estate are used for the  
1023 charitable purposes specified by donors.

1024 The Florida State University Real Estate Foundation was established to advise and assist the  
1025 University and its DSOs with gifts of real estate, and is available to participate in gift acceptance  
1026 as required by these policies and as desired by the DSOs. For gifts of real estate where the  
1027 beneficiary is the not defined as a specific University unit, the Real Estate Foundation will be  
1028 responsible for accepting the gift and holding the asset for the benefit of the University.

1029 The Board of Directors of the respective organizations, or the respective DSO staff as delegated  
1030 by the board (“DSO Board”), determines acceptance, management and liquidation of real property  
1031 according to the policies contained herein. The boards or their respective delegates will make  
1032 inquiries prior to the acceptance of a real property gift concerning its condition, including but not  
1033 limited to valuation, marketability, carrying costs and environmental risks. Real property gift  
1034 transactions require MAI or SRA appraisals, title work, environmental reports, and other due  
1035 diligence procedures typical of real property transactions.

1036 Appraisals and environmental reports are of particular importance in the gift acceptance process.  
1037 They provide measures of protection to both donors and the DSOs from claims by third parties,  
1038 including the Internal Revenue Service, or other governmental agencies. For example, the IRS  
1039 requires “qualified appraisals” before donors are allowed to claim income tax deductions for  
1040 charitable contributions. Also, federal and state environmental statutes can impose retroactive,  
1041 joint and several liability upon donors (or their estates) or the DSOs regardless of fault. This  
1042 liability can be limited by due diligence exercised by both donors and the DSOs.

1043 The following procedures govern gifts of real property. Any questions about these procedures  
1044 should be directed to FSU’s Executive Director of the Real Estate Foundation.

1045 Following a review process that includes relevant staff and, at times, other consultants. The sole  
1046 authority for the acceptance of any real estate gift rests with the DSO Board. The donor and/or  
1047 University unit serving as beneficiary or purchaser of each real property asset must agree, in  
1048 writing and prior to consideration by the DSO Board, to pay all expenses and carrying costs of the  
1049 property. These include, but are not limited to legal fees, taxes, mortgage and interest payments,  
1050 insurance, utilities, and other expenses until the property is liquidated. If a decision is made to  
1051 retain the property to maximize its ultimate benefit to the University, the University unit benefiting  
1052 from the donation of the property would be responsible for paying the costs noted above on an  
1053 ongoing basis. The donor's or University unit's agreements to this arrangement shall be sufficient  
1054 to authorize the DSO to disburse funds for the expenses from the beneficiary fund, or, if that fund  
1055 has insufficient cash assets, from another fund of the unit designated by its dean or chair. The DSO  
1056 may also agree to carry such costs and will recapture any expenditures from sale proceeds or  
1057 accumulated earnings.

1058 **6.1 THE REAL ESTATE FOUNDATION**

1059  
1060 The Real Estate Foundation is a resource available to the DSOs in accepting gifts of real property.  
1061 Gifts with an appraised value in excess of \$1,000,000 require approval by the board of the Real  
1062 Estate Foundation. Gifts less than \$1,000,000 may be brought to the Real Estate Foundation for  
1063 review and/or assistance, but do not require approval by the Real Estate Foundation Board.

1064 The Real Estate Foundation assesses two fees, one pertaining to gift acceptance and the other to  
1065 asset management. For gift acceptance, the REF assesses a one-time fee of 5% to be charged  
1066 against the appraised value of the asset at the time of gift acceptance. However, that amount is not  
1067 payable to the REF until the asset is sold or monetized, or three years following the date of gift  
1068 acceptance, whichever occurs sooner. This fee applies to gifts for which the REF is asked to  
1069 review or assist (less than \$1,000,000) and for all gifts in excess of \$1,000,000 that require REF  
1070 Board approval. For assets held or managed by the REF, an annual management fee will be  
1071 applied. This fee currently ranges from 50bps to 100bps and is dependent upon the effort required  
1072 to manage and maintain the asset. This fee structure is established by the REF board, is subject to  
1073 change and is applied by the President (or designee) of the Real Estate Foundation.

1074  
1075 **6.2 MINIMUM STANDARDS FOR REAL PROPERTY**

1076  
1077 Acceptance of any real property is subject to the following minimum standards. Unless otherwise  
1078 agreed to in writing all costs of due diligence are the responsibility of the donor.

1079 A. Completion of the Real Estate General Review – Parts I and II

1080

- 1081 B. Review and recommendation by the DSO President, or designee. The completed  
1082 reviews must be submitted to the President, or designee, at least 10 days prior to  
1083 consideration by the DSO Board, if applicable.  
1084
- 1085 C. A Phase I Environmental Report, although residential property may be excluded. The  
1086 DSO Board may accept or reject this report and request a Phase II or III Environmental  
1087 Report.  
1088
- 1089 D. Proof of clear chain of title  
1090
- 1091 E. A plat rendering that includes adjacent properties. The DSO Board may also require a  
1092 survey  
1093
- 1094 F. A building inspection and a Wood Destroying Organism report completed by qualified  
1095 companies  
1096
- 1097 G. An MAI or SRA appraisal, whichever is appropriate, that has been or will be performed  
1098 within sixty days prior to the date of the gift, except as noted in Section 6.4 herein  
1099 entitled "Appraisal"  
1100
- 1101 H. All revenues, expenses, assessments, and claims associated with the property have been  
1102 paid and are current on the date of gift, including taxes and other expenses for which  
1103 the DSO would be ultimately liable, including without limitation, mortgages and liens,  
1104 and lease or other revenues.  
1105
- 1106 I. Mortgage assumption or assignment ability acceptable to the board of directors  
1107
- 1108 J. Absence of referral fee(s) to secure the gift  
1109
- 1110 K. Approval by the board of directors of any special deed clauses associated with the  
1111 property  
1112
- 1113 L. An agreement, in writing, to pay all expenses related to the property prior to sale or  
1114 final disposition. In certain instances, the University unit may agree to repay the DSO  
1115 its costs from the proceeds of the sale.  
1116  
1117  
1118  
1119

1120 **6.3 REAL ESTATE GIFT ANALYSIS**

1121 Prior to acceptance or recording of any documents related to real property acquisitions, the DSO's  
1122 Board President, or designee, will expeditiously review the documentation, taking into  
1123 consideration the donor's time constraints. They will consider the following about the real property  
1124 to be acquired:

- 1125 A. Market conditions for resale or disposition
- 1126 B. The condition of any improvements
- 1127 C. The current and potential zoning, land use, and concurrency issues
- 1128 D. Any costs associated with holding the real property for resale
- 1129 E. Donor's comments in General Review Parts I and II
- 1130 F. Other considerations specific to the acquisition (see Section 6.2 Minimum Standards for  
1131 Real Property)
- 1132

1133 **Warranty Deed**

1134 Title will be transferred to the DSO by warranty deed unless transfer is by a trustee, personal  
1135 representative, or other fiduciary providing a deed appropriate to that capacity. The DSO's legal  
1136 counsel will review all deeds. Exceptions to this provision are at the discretion of the Florida State  
1137 University Office of General Counsel.

1138 **6.4 APPRAISAL**

1139 The Internal Revenue Service requires an appraisal if the value of the real property is greater than  
1140 \$5,000 and the donor wishes to claim a charitable income tax deduction. The appraisal must be  
1141 performed and value rendered no earlier than 60 days prior to the date of the gift and no later than  
1142 the due date of the donor's tax return in which the charitable deductions for the gift will be claimed.  
1143 In the absence of an appraisal, the real property may be recorded on the books for its current ad  
1144 valorem tax value provided that such property shall be recorded at no more than \$5,000.

1145 Appraisals must conform to acceptable appraisal standards promulgated by the Appraisal  
1146 Standards Board of the Appraisal Foundation as evidenced by USPAP. Appraisers must be state-  
1147 licensed or certified. Appraisals must be performed by a Member of the Appraisal Institute (MAI)  
1148 for commercial or residential properties or a Senior Residential Appraiser (SRA) for residential  
1149 properties. The appraisal methodology must conform to the regulations and definition of market  
1150 value.

1151 ***It is the responsibility of the donor to pay for the appraisal.*** However, appraisers should be  
1152 engaged directly by the DSO. If not, the DSO will provide an approved list of appraisers from  
1153 which the donor must select. Donors may also recommend appraisers be considered who are not  
1154 currently on the approved list. ***Appraisers must possess the requisite education, expertise and***  
1155 ***competence to render an unbiased opinion, and have no direct or indirect interest, financial or***

1156 *otherwise, in the property or the transaction. Determination of an appraiser's qualifications is*  
1157 *the sole responsibility of the DSO. The burden falls upon the DSO to review the qualifications*  
1158 *of any appraisers suggested by the donor(s). If it is determined that there is bias, in appearance*  
1159 *or in fact, that is adequate grounds to reject the appraiser.* FSU's Vice President for University  
1160 Advancement must approve any exception to the policies on appraisal, appraisers, or payment of  
1161 appraisals.

1162

## 1163 **6.5 TITLE SEARCH AND TITLE INSURANCE**

1164 A title search is required for all real property transactions. A title search and title insurance will be  
1165 required for non-gift or gift acquisitions of mortgaged property. In all cases, satisfactory proof of  
1166 title must be furnished.

## 1167 **6.6 SURVEY**

1168 A survey may be required for any real property transaction. A survey will be required for all gift  
1169 and non-gift acquisitions of mortgaged property, unless the board of directors and the DSO's legal  
1170 counsel determine that existing surveys or drawings are adequate. It is the responsibility of the  
1171 donor to pay for the survey, if required.

## 1172 **6.7 REAL PROPERTY TAXES AND OTHER CARRYING COSTS**

1173 The donor is required to present evidence that all real property taxes and other carrying costs are  
1174 paid and current. Donors will pay all or prorate the taxes and other carrying costs until the property  
1175 is sold. If a decision is made to retain the property to maximize its ultimate benefit to the  
1176 University, the University unit benefitting from the donation of the property would be responsible  
1177 for paying the real property taxes and other carrying costs on an ongoing basis.

## 1178 **6.8 MORTGAGED PROPERTY**

1179 The DSOs will rarely accept mortgaged property and never accept mortgaged property into a  
1180 charitable remainder unitrust. However, when real property subject to a mortgage is acquired, the  
1181 mortgage will be current and assumable and will be accepted only following approval by the board  
1182 of directors and the DSO's legal counsel. Prior to the acceptance of mortgaged property, the  
1183 following must be obtained:

- 1184 A. A minimum of a 50% equity value will have been established.
- 1185 B. A method for the payment of the remaining debt will be determined.
- 1186 C. An MAI or SRA appraisal will have been performed within sixty days prior to the date of  
1187 the gift.

1188

1189

1190 **6.9 LEASES**

1191 When real property is acquired subject to a lease, leases will not be in default and will be assignable  
1192 by the landlord. All property acquired subject to a lease will require approval by the DSO's board  
1193 of directors. Upon approval, the leases will be assigned to the DSO and all deposits, advance rents,  
1194 and other monies will be transferred to the DSO or otherwise accounted for as required by law.

1195 **6.10 SPECIAL DEED CLAUSES**

1196 The DSO Board must approve any special deed clauses.

1197

1198 **6.11 COLLEGE OR UNIT AGREEMENT**

1199 Each academic unit benefiting from a gift or acquisition of real property will agree, in writing, to  
1200 pay taxes, insurance, mortgage payments, and other related expenses incurred by the DSO until  
1201 the property is sold, transferred or otherwise monetized. The unit must agree to allow the DSO to  
1202 recoup any outstanding costs from the proceeds of the sale of the property. The Agreement will  
1203 authorize the DSO's Board President, or designee, to pay the expenses and it will identify the  
1204 appropriate DSO account from which the monies are to be disbursed. Due to IRS regulations, this  
1205 portion of the policy will not apply in cases where charitable remainder unitrusts are funded with  
1206 real property.

1207 **6.12 ENVIRONMENTAL REQUIREMENTS**

1208 No interest in real property, whether acquired outright, in trust, by bequest, as a secured interest,  
1209 or otherwise, will be accepted by or on behalf of a DSO without first complying with the following  
1210 procedures:

- 1211 A. The DSO staff member responsible for coordinating the transfer of real property will notify  
1212 the DSO's Board President, or designee, of the proposed transaction as soon as possible.
- 1213 B. A Phase I Environmental Report will be performed on every real property asset, except  
1214 residential property, prior to its acceptance by the DSO. The DSO, at its discretion, also  
1215 may require environmental reports on residential property. It is the responsibility of the  
1216 donor to pay for any Environmental Reports.
- 1217 C. If the environmental report indicates area(s) of significant concern, a more comprehensive  
1218 investigation including, but not limited to, a Phase II or Phase III Environmental Report  
1219 will be undertaken prior to acceptance of the property. All environmental reports will be  
1220 performed by a consultant approved by the DSO.
- 1221 D. If the above procedures reveal any liability, the real property may be accepted only after a  
1222 request, in writing, by the DSO's Board President, or designee, and a subsequent written  
1223 approval of the board of directors.
- 1224 E. All contracts for environmental reports will be prepared and reviewed by legal counsel to  
1225 the DSO. All environmental reports must be reviewed by legal counsel prior to the DSO  
1226 Board's approval of gift acceptance...

1227 F. The DSO will obtain an indemnification agreement from the transferor of real property  
1228 regarding hazardous waste liability.

1229 G. In the case of an acquisition of real property by estate, all costs of environmental  
1230 assessment and remediation will be borne by the estate before the real property is  
1231 distributed to the DSO. If the remediation is too costly, or the potential for liability too  
1232 great, the DSO may disclaim its interest in the real property.

1233 All real property held by the DSO in any capacity shall be managed to minimize or eliminate any  
1234 liability resulting from hazardous materials and to comply with all federal and state regulations  
1235 related thereto. The sale or transfer of real property by the DSO will be handled so as to eliminate  
1236 any future liability by the Foundation for hazardous substance remediation. The DSO will fully  
1237 disclose to prospective transferees any and all information concerning the condition of any  
1238 hazardous substances existing on the real property.

### 1239 **6.13 UNSOLICITED DEEDS**

1240 Unsolicited deeds will not be accepted. Upon the receipt of unsolicited deeds, the DSO Board will  
1241 immediately notify the grantor in writing that the real property has not been accepted and will not  
1242 be accepted until the requirements of the policy governing real property transfers are met.

### 1243 **6.14 HELPFUL INFORMATION**

1244 The appropriate development officer from the respective DSO should submit the following  
1245 information, if available, together with the gift review form to the DSO Board:

- 1246 A. Deed, including legal description, showing ownership by the donor
- 1247 B. Prior appraisal
- 1248 C. Prior survey
- 1249 D. Prior title policies or abstracts
- 1250 E. Prior environmental assessments and building inspection reports
- 1251 F. Tax parcel identification number
- 1252 G. Copy of most recent tax bill

1253

### 1254 **6.15 REAL ESTATE USED TO FUND PLANNED GIVING VEHICLES**

1255 As a general rule, encumbered real estate should not be used to fund any type of income-producing  
1256 planned giving vehicle. However, unencumbered real estate may be used to fund specific types of  
1257 planned gifts known as charitable remainder unitrusts. Section 664 of the Internal Revenue Code  
1258 describes the types of charitable remainder trusts to be used in this situation. The rules involved  
1259 are complex and specific. Should the donor request that the DSO serve as Trustee of such a  
1260 charitable remainder unitrust, the DSO's gift planning office will review the request in consultation  
1261 with its chief financial officer as well as the DSO's agent in managing these trusts.

1262 FSU strongly discourages the use of real estate as a funding mechanism for all other types of  
1263 income-producing vehicles, such as charitable gift annuities.

1264 **6.16 TIME SHARE AND FRACTIONAL INTERESTS**

- 1265
- Time share units will not be accepted as gifts.
  - Fractional interests may be considered. Any gift of a fractional interest in real property regardless of value must be approved by the Real Estate Foundation and is subject to these Gift Acceptance Policies.
- 1266
- 1267
- 1268
- 1269

1270 **6.17 NON-DISCRIMINATION**

1271 The DSO will not discriminate or condone discrimination in its real property activities. It will  
1272 conduct all affairs in compliance with all applicable State and Federal equal opportunity, fair  
1273 housing, equal credit opportunity or other anti-discrimination laws.

1274 **6.18 EXCEPTIONS**

1275 Upon written request by the DSO’s Board President, or designee, exceptions to Section 6 of these  
1276 policies and procedures of will, except for Paragraph 6.17 above, Non-Discrimination, be  
1277 considered on an individual basis by FSU’s Vice President for University Advancement.

1278 \_\_\_\_\_

1279

1280 **SECTION 7.0 GRANTS**

1281 \_\_\_\_\_

1282 The DSOs of the Florida State University intend to follow the guidance provided on the acceptance  
1283 and counting of charitable grants by the Council for the Advancement and Support of Education  
1284 (CASE) and IRS Regulations.

1285 Per the CASE Reporting Standards and Management Guidelines for Education Fundraising (4<sup>th</sup>  
1286 Edition), a grant is defined as a contribution received by an institution for either unrestricted or  
1287 restricted use in the furtherance of the institution that typically comes from a corporation,  
1288 foundation, or other organization, rather than an individual. An institution may determine what a  
1289 donor calls a grant is, for internal recordkeeping, a gift. Ultimately, such contributions must also  
1290 adhere to the IRS definition of a charitable gift.

1291 Charitable grants fall into two categories, both of which are philanthropic in nature and thus  
1292 countable in annual giving or comprehensive campaign reports:

- 1293
1. **Nonspecific grant:** a grant received by the institution that did not result from a specific  
1294 grant proposal. The institution does not commit specific resources or services and is not  
1295 required to report to the donor on the use of the funds. It is this type of grant that many  
1296 institutions may opt to designate as a gift for internal accounting purposes.
- 1297

1298 2. **Specific grant:** a grant received by the institution resulting from a grant proposal submitted  
1299 by the institution. The institution commits resources or services as a condition of the grant,  
1300 and the grantor often requests an accounting of the use of funds and of results of the  
1301 programs or projects undertaken. Note: The grantors requirement of regular status of  
1302 reports or other reports does not negate the philanthropic (and countable) nature of a  
1303 specific grant.

1304  
1305 In section 3.1.2, the CASE Standards state that research gifts are those “that the donor restricts for  
1306 scientific, technical and humanistic investigation (excluding all clinical trials). This includes  
1307 private grants for individual and/or project research as well as grants for institutes and research  
1308 centers. It does not include corporate grants for programs in which the grantor receives a product  
1309 or service commensurate with the fee paid (sponsored or contract research).” Sponsored research  
1310 that is not contracted, and falls under the heading of "Grants", should be included in VSE and  
1311 CASE reporting totals.

1312 The following is a list of items and/or criteria that do not negate the philanthropic intent of a grant  
1313 and, therefore, the grant is considered countable as a gift. This list is not intended to be all-  
1314 inclusive:

- 1315 • ***The return of unexpended funds*** at the end of the grant period or determined date  
1316
- 1317 • ***A detailed line item report*** that is required to be reported to the sponsor during or at the  
1318 end of the grant period  
1319
- 1320 • ***A budget (regardless of how detailed)*** that is approved by the grantor  
1321
- 1322 • ***Fellowships*** that are received in the form of grants are countable as gifts. Fellowships are  
1323 defined as funds that are typically given to graduate students to help defray the costs of  
1324 tuition and related expenses, or to postdoctoral scholars. While an expectation of services  
1325 may exist solely to advance an educational experience, such funds are not compensation  
1326 for any performance.  
1327

1328 There are certain funding sources and/or criteria that will cause a grant to be excluded for gift  
1329 reporting purposes. The following items are specifically excluded:

- 1330 • ***Government Funds*** – Funds received from federal, state, local, and foreign governments  
1331 (except funds received under Florida’s University Major Gifts Challenge Grant Program  
1332 and University Facility Enhancement Challenge Grant Program)
- 1333 • ***Clinical Trials*** - Grant funds used for a clinical trial

- 1334 • **Time Restrictions** – Grants that are in excess of 5 years. If the original grant agreement is  
1335 less than five years and then is extended or amended for additional years that extend the  
1336 grant beyond five years, then we include those additional years as long as the amendments  
1337 or extension themselves are not longer than five years

1338 The **FSU Foundation, Inc.** solicits gifts and charitable grants from private sources for all approved  
1339 University programs for which no services and/or products are required, with the exception of  
1340 Intercollegiate Athletics.

1341 The **FSU Research Foundation, Inc.** is responsible for administering awards funded with private  
1342 monies for research and development activities of University faculty, staff, and students for which  
1343 services and/or products are required and where there is a commitment of University personnel,  
1344 equipment, or other facilities. The proposals for these activities to private entities are coordinated  
1345 by the University Office of Research through the FSU Research Foundation.

1346 Grants solicited by development officers of the FSU Foundation that include a research component  
1347 will include three parties to the grant agreement - FSU Foundation, FSU Research Foundation,  
1348 and the grantor.

---

1349  
1350 **SECTION 8.0 CONTRIBUTIONS WITH A NON-GIFT COMPONENT**  
1351  
1352

---

1353 The following policy provides guidance to assure compliance with IRS regulations and DSO  
1354 policies and covers the various activities that may occur as part of a fundraising event:  
1355

- 1356 • Quid Pro Quo (Events with Benefits)
  - 1357 ▪ Dinners, receptions and other events.
  - 1358 ▪ Sporting Events (golf tournaments, tennis tournaments and races)
- 1359 • Sponsorships
- 1360 • Auctions
- 1361 • Door Prize Drawings
- 1362 • Token Items
- 1363 • Registration Fees
- 1364 • Items for Resale

1365  
1366 Each of these activities may contain a charitable and/or non-charitable component and may be  
1367 acceptable for deposit and gift acknowledgement.  
1368

1369 **8.1 QUID PRO QUO (Events with Benefits)**  
1370

1371 Admission to fundraising dinners and sporting events often has both a charitable and a non-  
1372 charitable component. The non-charitable component (quid pro quo) is the benefit that a donor

1373 receives for the contribution made. IRS regulations require that the fair value of each benefit be  
1374 determined prior to the solicitation and the fair value of the benefit be stated in the solicitation. It  
1375 is the DSO's policy that the total value of the benefit cannot exceed 50% of the remittance.  
1376 Therefore, the charitable portion must be at least 50% of the remittance.

1377  
1378 Example: In the solicitation, it explicitly states that in return for a payment of \$200, the constituent  
1379 will receive two meals with a fair value of \$20 each. The charitable component of the payment is  
1380 \$160 and the non-charitable component is \$40. This meets policy because the \$40 benefit value is  
1381 less than the \$100 (50%) limitation for this remittance.

## 1382 **8.2 SPONSORSHIPS**

1383  
1384 Sponsors are often solicited for fundraising events. Per the IRS, for the entire sponsorship to be  
1385 treated as a gift, the sponsorship must be a qualified sponsorship. A qualified sponsorship is when  
1386 a person or organization engaged in a business or trade makes a payment for which there is no  
1387 expectation of any substantial benefit other than the use or acknowledgement of the entity's name  
1388 or logo in connection with the fundraising activities. As defined by the IRS, substantial benefit  
1389 occurs when the fair value of the benefit (quid pro quo) exceeds 2% of the sponsorship payment.  
1390 If the quid pro quo exceeds 2%, then the sponsorship is treated as a payment with charitable and  
1391 non-charitable components.

1392  
1393 Recognition on promotional materials is limited to any or all of these:

- 1394 • Sponsor's location, telephone number, internet address
- 1395 • Value-neutral description of sponsor's product or service
- 1396 • Sponsor's brand/trade name or product/service listing

1397  
1398 In accordance with IRS regulations, "use or acknowledgement of an entity's name" does not  
1399 include advertising which is defined as competitive pricing or product information. Other  
1400 arrangements also not considered charitable gifts are exclusive vendor relationships (soft drink  
1401 pouring rights, athletic uniforms to the exclusion of competitors) or opportunities to sell products  
1402 or services on site.

1403  
1404 Example: A company sends \$5,000 to sponsor a golf tournament. In return the company receives  
1405 the following benefits: (a) name visibility on promotional materials and (b) two admissions to a  
1406 golf tournament valued at \$50 per person. Since the total fair market value of the benefit is \$100  
1407 which is 2% or less of the sponsorship payment, this is a qualified sponsorship and the entire  
1408 sponsorship is treated as a gift.

## 1409 **8.3 AUCTIONS**

1410  
1411 A DSO may accept gifts of items for and proceeds from charity auctions. Items to be auctioned  
1412 valued at \$2,500 or greater will follow the university's Gift-in-Kind acceptance policies. If the  
1413 gift is accepted, the donor will be provided with individual gift credit and formal acknowledgment  
1414 for the donated item. For items less than \$2,500, the host of the auction should provide the donor  
1415 with a thank you letter acknowledging receipt. No individual gift credit or formal  
1416 acknowledgement will be provided for items less than \$2,500.

1417  
1418

1419 Individuals who purchase items at an auction will not receive gift credit or acknowledgement  
1420 unless they purchase an item valued at \$2,500 or greater. All auction proceeds, with the exception  
1421 of proceeds from individuals who purchased items valued at \$2,500 or greater, will be recorded in  
1422 Raisers Edge in a single transaction. Donors who purchased an item valued at \$2,500 or greater  
1423 and paid more than the value of the item will receive gift credit and acknowledgement for the  
1424 amount in excess of the value of the gift.

1425

#### 1426 **8.4 DOOR PRIZE DRAWINGS**

1427

1428 Door prizes can be used as a fundraising activity. However, no contribution or payment can be  
1429 required and all publications related to the event must state that fact. A suggested contribution  
1430 may be requested, but if someone wants to receive a door prize ticket for free, it must be provided  
1431 to them. If the prize that is being given away has a value of \$600 or more, then the DSO is required  
1432 to send the winner a 1099 MISC form and report it to the IRS as taxable income. The winner's  
1433 name, address, and social security number must be provided to the DSO as well as the documented  
1434 fair value of the prize.

1435

#### 1436 **8.5 TOKEN ITEMS**

1437

1438 A constituent makes a contribution and receives an insubstantial (low-cost) item in return. The IRS  
1439 determines thresholds each year for an item to be considered a token and not a quid pro quo. Per  
1440 the IRS, in order for an item to be considered a token and not a quid pro quo, the following must  
1441 hold:

1442

- 1443 • Solicitation must be part of a fund-raising campaign
- 1444 • Donor must remit at least the minimum amount determined by the IRS.
- 1445 • Token provided bears the organization's name or logo (e.g., calendars, mugs, pens or  
1446 poster)
- 1447 • And the cost of the tokens must be insubstantial as defined by the IRS.

1448

1449

1450 Example: A constituent sends \$75 and receives a keychain and decal costing a total of \$8. Because  
1451 the cost of the token items is insubstantial and the remittance exceeds the minimum threshold, the  
1452 entire remittance of \$75 is a charitable gift.

1453

#### 1454 **8.6 REGISTRATION FEES**

1455

1456 Individuals may send in payments to register for workshops, camps and conferences. These types  
1457 of events are not considered fundraising events. There is usually no gift component involved in a  
1458 registration fee.

1459

#### 1460 **8.7 ITEMS FOR RESALE**

1461

1462 Items sold do not have a charitable component. However, campus units may choose to sell items  
1463 to enhance the visibility of their program or to build camaraderie among their constituents.

1464

1465 For items purchased for resale with DSO funds, the DSO pays the sales tax when the items are  
1466 purchased. These items may not be sold for an amount more than what the item cost (total amount  
1467 paid including sales tax). To calculate the cost of a resale item, take the total invoice amount  
1468 including tax and divide by the number of items purchased. The selling price cannot exceed this  
1469 amount.

1470  
1471 Example: A constituent purchases a shirt for \$16. Because there is no charitable component to  
1472 this transaction, there is no acknowledgement letter from the DSO.

1473  
1474 \_\_\_\_\_  
1475

1476 **SECTION 9.0 GIFTS FROM FOREIGN ENTITITES**

1477 \_\_\_\_\_

1478 Only the FSU Research Foundation accepts gifts from foreign entities. Gifts that meet the criteria  
1479 below are reported to the State University System of Florida each year:

1480 *Pursuant to Regulation 9.012, each University board of trustees shall disclose the amount, terms,*  
1481 *restrictions, and requirements made a part of any gift given to a university or direct support*  
1482 *organization by a foreign government or person that exceeds \$100,000 during each fiscal year.*  
1483 *For purposes of this reporting requirement, all gifts from a foreign government or foreign person*  
1484 *donated to a university or university direct support organization that, in the aggregate, exceed*  
1485 *\$100,000 during a single fiscal year must be reported.*

1486  
1487 \_\_\_\_\_  
1488

1489 **SECTION 10.0 ANONYMOUS GIFTS**

1490 \_\_\_\_\_  
1491

1492 Each DSO is authorized to accept publicly and institutionally anonymous gifts. In the event the  
1493 DSO is uncertain about the desirability/legality of accepting an institutionally anonymous gift, the  
1494 DSO shall seek an opinion from the Office of the General Counsel, and the decision shall  
1495 ultimately be made by the Vice President for University Advancement and the Vice President of  
1496 the related area: the Provost for matters pertaining to the Real Estate Foundation, Alumni  
1497 Association or FSU Foundation; The Athletic Director for matters pertaining to Seminole  
1498 Boosters, and the Vice President for Research for matters pertaining to research.

1499  
1500 \_\_\_\_\_  
1501

1502 **SECTION 11.0 FACULTY AND STAFF GIVING**

1503 \_\_\_\_\_

1504 To avoid any perception that University employee gifts are being used to support a program over  
1505 which the donor has discretion, an employee may not retain signature authority over or control of  
1506 any fund which may create an actual or potential personal benefit to the employee.

1507

1508  
1509  
1510  
1511

---

## SECTION 12.0 EXCEPTIONS

---

1512 Exceptions for special circumstances not addressed in the Gift Acceptance and Counting Policies  
1513 above can only be granted with written approval by the Vice President for University  
1514 Advancement and the President of Florida State University.  
1515

## 1516 SECTON 13.0 POLICY UPDATES

1517 This policy was effective as of 10/1/2013 and will be updated as necessary and at a minimum will  
1518 be reviewed every 3 years.

### 1519 Attachment A: IRS Appraisal Guidelines

#### 1520 **Qualified Appraisal**

1521 Generally, if the claimed deduction for an item or group of similar items of donated property is  
1522 more than \$5,000, you must get a qualified appraisal made by a qualified appraiser. You must also  
1523 complete Form 8283, Section B, and attach it to your tax return. See *Deductions of More Than*  
1524 *\$5,000*, earlier.

1525 A qualified appraisal is an appraisal document that:

- 1526 • Is made, signed, and dated by a qualified appraiser (defined later) in accordance with  
1527 generally accepted appraisal standards,
- 1528 • Meets the relevant requirements of Regulations section 1.170A-13(c)(3) and Notice  
1529 2006-96, 2006-46 I.R.B. 902 (available at [www.irs.gov/irb/2006-46\\_IRB/ar13.html](http://www.irs.gov/irb/2006-46_IRB/ar13.html)),
- 1530 • Relates to an appraisal made not earlier than 60 days before the date of contribution of the  
1531 appraised property,
- 1532 • Does not involve a prohibited appraisal fee, and
- 1533 • Includes certain information (covered later).

1534 You must receive the qualified appraisal before the due date, including extensions, of the return  
1535 on which a charitable contribution deduction is first claimed for the donated property. If the  
1536 deduction is first claimed on an amended return, the qualified appraisal must be received before  
1537 the date on which the amended return is filed.

1538 Form 8283, Section B, must be attached to your tax return. Generally, you do not need to attach  
1539 the qualified appraisal itself, but you should keep a copy as long as it may be relevant under the  
1540 tax law. There are four exceptions.

- 1541 • If you claim a deduction of \$20,000 or more for donations of art, you must attach a  
1542 complete copy of the appraisal. See *Paintings, Antiques, and Other Objects of Art*, earlier.

- 1543 • If you claim a deduction of more than \$500,000 for a donation of property, you must attach  
1544 the appraisal. See *Deductions of More Than \$500,000*, earlier.
- 1545 • If you claim a deduction of more than \$500 for an article of clothing, or a household item,  
1546 that is not in good used condition or better, that you donated after August 17, 2006, you  
1547 must attach the appraisal. See *Deduction over \$500 for certain clothing or household*  
1548 *items*, earlier.
- 1549 • If you claim a deduction in a tax year beginning after August 17, 2006, for an easement or  
1550 other restriction on the exterior of a building in a historic district, you must attach the  
1551 appraisal. See *Building in registered historic district*, earlier.

1552 **Prohibited appraisal fee.** Generally, no part of the fee arrangement for a qualified appraisal can  
1553 be based on a percentage of the appraised value of the property. If a fee arrangement is based on  
1554 what is allowed as a deduction, after Internal Revenue Service examination or otherwise, it is  
1555 treated as a fee based on a percentage of appraised value. However, appraisals are not disqualified  
1556 when an otherwise prohibited fee is paid to a generally recognized association that regulates  
1557 appraisers if:

- 1558 • The association is not organized for profit and no part of its net earnings benefits any  
1559 private shareholder or individual,
- 1560 • The appraiser does not receive any compensation from the association or any other persons  
1561 for making the appraisal, and
- 1562 • The fee arrangement is not based in whole or in part on the amount of the appraised value  
1563 that is allowed as a deduction after an Internal Revenue Service examination or otherwise.

1564 **Information included in qualified appraisal.** A qualified appraisal must include the following  
1565 information:

- 1566 1. A description of the property in sufficient detail for a person who is not generally familiar  
1567 with the type of property to determine that the property appraised is the property that was  
1568 (or will be) contributed,
- 1569 2. The physical condition of any tangible property,
- 1570 3. The date (or expected date) of contribution,
- 1571 4. The terms of any agreement or understanding entered into (or expected to be entered into)  
1572 by or on behalf of the donor that relates to the use, sale, or other disposition of the donated  
1573 property, including, for example, the terms of any agreement or understanding that:
  - 1574 a. Temporarily or permanently restricts a donee's right to use or dispose of the donated  
1575 property,
  - 1576 b. Earmarks donated property for a particular use, or
  - 1577 c. Reserves to, or confers upon, anyone (other than a donee organization or an  
1578 organization participating with a donee organization in cooperative fundraising  
1579 any right to the income from the donated property or to the possession of the  
1580 property, including the right to vote donated securities, to acquire the property by  
1581 purchase or otherwise, or to designate the person having the income, possession,  
1582 or right to acquire the property,
- 1583 5. The name, address, and taxpayer identification number of the qualified appraiser and, if  
1584 the appraiser is a partner, an employee, or an independent contractor engaged by a person

- 1585 other than the donor, the name, address, and taxpayer identification number of the  
1586 partnership or the person who employs or engages the appraiser,  
1587 6. The qualifications of the qualified appraiser who signs the appraisal, including the  
1588 appraiser's background, experience, education, and any membership in professional  
1589 appraisal associations,  
1590 7. A statement that the appraisal was prepared for income tax purposes,  
1591 8. The date (or dates) on which the property was valued,  
1592 9. The appraised FMV on the date (or expected date) of contribution,  
1593 10. The method of valuation used to determine FMV, such as the income approach, the  
1594 comparable sales or market data approach, or the replacement cost less depreciation  
1595 approach, and  
1596 11. The specific basis for the valuation, such as any specific comparable sales transaction.

1597 **Art objects.** The following are examples of information that should be included in a description  
1598 of donated property. These examples are for art objects. A similar detailed breakdown should be  
1599 given for other property. Appraisals of art objects—paintings in particular—should include all of  
1600 the following.

- 1601 1. A complete description of the object, indicating the:  
1602 a. Size,  
1603 b. Subject matter,  
1604 c. Medium,  
1605 d. Name of the artist (or culture), and  
1606 e. Approximate date created.  
1607 2. The cost, date, and manner of acquisition.  
1608 3. A history of the item, including proof of authenticity.  
1609 4. A professional quality image of the object.  
1610 5. The facts on which the appraisal was based, such as:  
1611 a. Sales or analyses of similar works by the artist, particularly on or around the  
1612 valuation date.  
1613 b. Quoted prices in dealer's catalogs of the artist's works or works of other artists of  
1614 comparable stature.  
1615 c. A record of any exhibitions at which the specific art object had been displayed.  
1616 d. The economic state of the art market at the time of valuation, particularly with  
1617 respect to the specific property.  
1618 e. The standing of the artist in his profession and in the particular school or time  
1619 period.

1620 **Number of qualified appraisals.** A separate qualified appraisal is required for each item of  
1621 property that is not included in a group of similar items of property. You need only one qualified  
1622 appraisal for a group of similar items of property contributed in the same tax year, but you may  
1623 get separate appraisals for each item. A qualified appraisal for a group of similar items must  
1624 provide all of the required information for each item of similar property. The appraiser, however,  
1625 may provide a group description for selected items the total value of which is not more than \$100.  
1626

1627 **Qualified appraiser.** A qualified appraiser is an individual who meets all the following  
1628 requirements.

- 1629 1. The individual either:
- 1630 a. Has earned an appraisal designation from a recognized professional appraiser  
1631 organization for demonstrated competency in valuing the type of property being  
1632 appraised, or
  - 1633 b. Has met certain minimum education and experience requirements. For real  
1634 property, the appraiser must be licensed or certified for the type of property being  
1635 appraised in the state in which the property is located. For property other than real  
1636 property, the appraiser must have successfully completed college or professional-  
1637 level coursework relevant to the property being valued, must have at least 2 years  
1638 of experience in the trade or business of buying, selling, or valuing the type of  
1639 property being valued, and must fully describe in the appraisal his or her  
1640 qualifying education and experience.
- 1641 2. The individual regularly prepares appraisals for which he or she is paid.
- 1642 3. The individual demonstrates verifiable education and experience in valuing the type of  
1643 property being appraised. To do this, the appraiser can make a declaration in the appraisal  
1644 that, because of his or her background, experience, education, and membership in  
1645 professional associations, he or she is qualified to make appraisals of the type of property  
1646 being valued.
- 1647 4. The individual has not been prohibited from practicing before the IRS under section 330(c)  
1648 of title 31 of the United States Code at any time during the 3-year period ending on the  
1649 date of the appraisal.
- 1650 5. The individual is not an excluded individual.

1651 In addition, the appraiser must complete Form 8283, Section B, Part III. More than one appraiser  
1652 may appraise the property, provided that each complies with the requirements, including signing  
1653 the qualified appraisal and Form 8283, Section B, Part III.

1654 **Excluded individuals.** The following persons cannot be qualified appraisers with respect to  
1655 particular property.  
1656

- 1657 1. The donor of the property, or the taxpayer who claims the deduction.
- 1658 2. The donee of the property.
- 1659 3. A party to the transaction in which the donor acquired the property being appraised, unless  
1660 the property is donated within 2 months of the date of acquisition and its appraised value  
1661 is not more than its acquisition price. This applies to the person who sold, exchanged, or  
1662 gave the property to the donor, or any person who acted as an agent for the transferor or  
1663 donor in the transaction.
- 1664 4. Any person employed by any of the above persons. For example, if the donor acquired a  
1665 painting from an art dealer, neither the dealer nor persons employed by the dealer can be  
1666 qualified appraisers for that painting.
- 1667 5. Any person related under section 267(b) of the Internal Revenue Code to any of the above  
1668 persons or married to a person related under section 267(b) to any of the above persons.

1669 6. An appraiser who appraises regularly for a person in (1), (2), or (3), and who does not  
1670 perform a majority of his or her appraisals made during his or her tax year for other  
1671 persons.

1672 In addition, a person is not a qualified appraiser for a particular donation if the donor had  
1673 knowledge of facts that would cause a reasonable person to expect the appraiser to falsely overstate  
1674 the value of the donated property. For example, if the donor and the appraiser make an agreement  
1675 concerning the amount at which the property will be valued, and the donor knows that amount is  
1676 more than the FMV of the property, the appraiser is not a qualified appraiser for the donation.

1677  
1678 **ATTACHMENT B**

1679 Parts I and II of the Real Estate General Review will be updated from time to time as necessary,  
1680 separate the regular review of this policy.

1681

1682

1683 \_\_\_\_\_ Signature of approving Authority, date