

University Policy: Gift Acceptance Policy

Policy Category: Finance and Business

Subject: Acceptance of gifts offered to and accepted by the University for its services and programs.

Responsible Executive: Vice President, University Advancement

Office(s) Responsible for Review of this Policy: University Advancement, Finance and Treasurer

Supplemental Documents: UA Gift Procedures Manual

Related University Policies: Administration of Financial Philanthropic Assistance Policy, Deaccession Policy, Ethics and Integrity Policy, Signatory Authority Policy

I. SCOPE

The University President accepts all gifts on behalf of the Trustees of American University (the University) and has delegated that authority and responsibility to the Vice President, University Advancement (UA).

This Gift Acceptance Policy applies to all gifts offered to and received by the University for its services or programs. It defines the practices and procedures governing the acceptance of gifts by the University while also providing guidance to University personnel who are engaged in the acceptance of gifts for the University. In all dealings with donors and their advisors, University personnel shall act with fairness, honesty and integrity.

The Gift Acceptance Committee interprets University policy as it applies to non-standard gift situations.

II. POLICY STATEMENT

The University accepts gifts that promote the University's mission to advance knowledge, foster intellectual curiosity, build community, and empower lives of purpose, service, and leadership. Gifts to the University should support its position as a leading student-centered research university where members of the University community are encouraged to utilize their knowledge to create meaningful change, and address society's current and emerging challenges.

The purpose of this policy is to define the practices and procedures governing the acceptance of gifts to the University. When a gift is accepted, the University assumes both a legal and an ethical obligation to conform to the mutually agreed upon terms stated in the agreement. For those reasons, it is essential that donors be encouraged to precisely indicate in writing those restrictions

or strong preferences for the use of the assets transferred to the University.

UA has established procedures for the solicitation, acceptance, and documentation of gifts. All discussions pertaining to gifts to the University should include a member of the UA team to ensure that the donation is properly shepherded through the approval process. Gifts may require additional review and approval of other offices, such as the Office of Finance and Treasurer and the Office of General Counsel, which will be coordinated through UA.

For more detailed information pertaining to the acceptance of special types of gifts, please refer to the procedures associated with this policy.

III. DEFINITIONS

Bequest: a gift made to the University by a donor through the donor's Will or Will substitute, such as a trust, which means the gift will not be made until after the donor's death. A bequest may be a specific bequest, which identifies a specific dollar amount or particular asset to be given to the University, or it may be a set percentage of the donor's estate.

Current Use or Expendable Gift: a current use or expendable gift is designed to be used on a current basis in accordance with the terms of the gift instrument. Current use or expendable gifts are not endowed and when the assets of the gift are depleted, the gift will terminate.

Deed of Gift: a legally enforceable agreement between a donor and the University, which outlines the terms and conditions of the donor's gift of tangible personal property, including, but not limited to, a description of the gift, its intended purpose, an appraisal from an independent authorized appraiser if required for tax purposes, how the item will be identified in the University's collections (if applicable), and the appropriate donor recognition.

Gift: a voluntary, irrevocable transfer of assets by a donor to the University made with donative intent.

Gift Agreement: a legally enforceable agreement between a donor and the University, which outlines the terms and conditions of the donor's gift of intangible personal property, including, but not limited to, the amount of the gift, its intended purpose, payment schedule, name of the fund, and donor recognition.

Intangible Personal Property: is property other than real property, whose value stems from intangible elements rather than physical or tangible elements. Examples of intangible personal property includes items such as stocks, bonds, mutual fund shares, interests in partnerships, interests in intellectual property, such as copyrights, trademarks and patents, royalty payments and emerging gift vehicles, such as cryptocurrency, special acquisition companies (SPACS), for which ready markets may not exist or be easily accessible to the University. Proposed gifts of emerging or unique gift vehicles or other non-standard gifts will be referred to the Gift Acceptance Committee.

Memorandum of Understanding (MOU): a written expression of a donor's intention to make a gift to the University which does not have the same legal restrictions as a gift agreement. The MOU outlines the terms and conditions of the donor's gift, including, but not limited to, the amount of the gift, its intended purpose, payment schedule, name of the fund, and donor recognition.

Planned Gift: a planned gift is a gift commitment made during a donor's lifetime but which

does not accrue to the University until some future time, generally, at the donor's death.

Pledge: a pledge is a written commitment to give a specific dollar amount to the University according to a specific time schedule.

Real Property: includes real estate, whether commercial or residential, co-ops and condominiums, land, including anything attached to or erected on it but excluding anything which can be removed without doing injury to the land, and anything growing on donated land.

Restricted Gift: a restricted gift is a gift made with conditions imposed by the donor on how the gift may be used. For example, a scholarship fund limited to certain students or a gift designated for a specific capital project.

Tangible Personal Property: includes items such as art, books, collectibles, electronic equipment (cameras, computers, video), furniture, jewelry, and vehicles (cars, boats, trailers, trucks).

Unrestricted Gift: a gift made with no restrictions or conditions imposed by the donor. The University may use the gift for any purpose.

IV. POLICY

A. Documentation of Gifts

As a general rule, all gift documentation must use the appropriate pre-approved UA template to document the gift. UA will provide the appropriate templates for all gift documents. Examples include Gift Agreements, MOUs, Pledges and Deed of Gifts. Pledges of a certain amount, and those gifts that include restrictions or naming opportunities, must document the naming opportunity or restrictions with specificity within the written agreement, and contain the signatures of both the donor and the authorized University official on behalf of the University. The University will accept electronic signatures. E-mail confirmation of a gift Pledge will be accepted pursuant to the applicable UA procedures. Acceptance of a gift by a University official on behalf of the University must follow the authorizations established by the Signatory Authority Policy.

B. Gift Acceptance Committee

The Gift Acceptance Committee (GAC) reviews non-standard gifts such as those which require an exception to policy or may contain an enhanced financial risk. The GAC is made up of the Vice President, University Advancement; the CFO, Vice President, and Treasurer; and the Vice President, General Counsel or their designees. The GAC is authorized to decide whether or not to accept gifts as outlined in this policy and UA Procedures for Acceptance for Special Types of Gifts. The Gift Acceptance Committee interprets this policy, and the UA Gift Procedures Manual as necessary, and ensures that the principles outlined in this policy are applied consistently. The GAC will use its best efforts to reach a consensus on its actions and recommendations. If a unanimous consensus cannot be reached, a vote will be taken and the majority position will be the GAC's recommendation to the President, who is ultimately responsible for the acceptance of all gifts to the University.

C. Gifts Inconsistent With the University's Mission and Values

The University welcomes gifts that promote the University's mission and align with its values. However, there may be times where the types or purposes of offered gifts may impact the University's ability to accept the offered donation. Consequently, there are certain gifts which cannot be accepted, such as:

- i. gifts that permit discriminatory actions or violate university policy;
- ii. Gifts with terms of use or restrictions that are tied to the incumbency of any individual in or applying for a position at the University;
- iii. Gifts encumbering future maintenance costs which outweigh the value or importance of the underlying asset;
- iv. Gifts involving reputational concerns or questionable ownership rights in the underlying asset;
- v. gifts whose administration and use are to be directed by donors or other third parties;
- vi. gifts to support scholarships, fellowships, prizes, and other forms of financial aid to students which are limited or directed to a) relatives or descendants of the donor or b) allows the donor to administer the fund.

Consequently, the University reserves the right to return or refuse gifts which do not align with the University's mission or which have functions or goals which are inconsistent with the University's values. All gifts solicited in the name of and treated as gifts to the University will be administered and expended in the sole discretion of the University.

D. Gifts that Require Special Review and Consideration; Accepting Special Types of Gifts

Gifts with restrictions which are so narrow that fulfilling the donor's restriction would be extremely difficult and create administrative burden are typically not accepted. To the fullest extent possible, gifts to support scholarships, fellowships, and other forms of financial aid to students must align with university priorities for the administration of philanthropic financial aid. Exceptions to this guidance must be approved by the Gift Acceptance Committee.

Gifts with conditions that may affect the University's public image, generate negative publicity, or require significant financial outlays by the University, are typically not accepted. Gifts which add or change a major program are subject to the review and approval of the Provost, Gift Acceptance Committee, and, as needed, the approval of the University President and Board of Trustees. Please consult the UA Gift Procedures Manual for Acceptance for Special Types of Gifts for more information.

- E.** Special types of gifts, for example, real property, securities, tangible personal property, intangible property, and gifts-in-kind, require additional internal review before they may be accepted. Requests to accept donations from emerging gift vehicles (e.g., cryptocurrency, SPACs, positions in private equity or other funds with limited liquidity) will be referred to the Gift Acceptance Committee, as needed, for its review and recommendations, with final approval to accept donations resting with the President.

Please consult the UA Gift Procedures Manual for more information.

V. EFFECTIVE DATE AND REVISIONS:

This Policy is effective January 1, 2024.