

# GENESEO

## THE GENESEO FOUNDATION, INC. GIFT ACCEPTANCE POLICY

The Geneseo Foundation, Inc. (the “Charity”), a not for profit organization organized in the State of New York, encourages the solicitation and acceptance of gifts to further and fulfill its mission as SUNY Geneseo’s charity. Dedicated to learning, SUNY Geneseo is a residential public liberal arts college with selected professional and graduate programs. We combine a rigorous curriculum, transformational learning experiences, and a rich co-curricular life to create a dynamic and inclusive scholarly environment. The entire College community works together to advance knowledge and inspire students to be socially responsible and globally aware citizens who are prepared for an enriched life and success in the world.

### I. Purpose of Policy

This statement articulates the policy of the Board of Directors (the “Board”) of the Charity concerning the acceptance of charitable gifts and provides guidance to prospective donors and their advisors when making gifts to the Charity. The Finance Committee of the Board will adopt appropriate procedures to implement this policy.

### II. Responsibility to Donors

- A. *Commitment to a Donor-Centered, Philanthropic Approach:* The Charity, its staff and volunteer representatives shall endeavor to assist donors in accomplishing their philanthropic objectives in a donor-centered way. In many circumstances, this may involve coordination with the donor’s professional advisors, as charitable support is often integrated with a donor’s overall tax, estate and financial planning.
- B. *Confidentiality:* Unless required by law, information concerning all transactions between a donor and the Charity shall be held by the Charity in confidence, and may be disclosed only with the permission of the donor or the donor’s designee.
- C. *Anonymity:* Unless required by law, the Charity shall respect the wishes of any donor offering anonymous support and will implement reasonable procedures to safeguard such donor’s identity.
- D. *Ethical Standards:* The Charity is committed to the highest ethical standards. The Charity, its staff and volunteer representatives shall adhere to both the [Model Standards of Practice for the Charitable Gift Planner](#), as adopted by the Partnership for Philanthropic Planning (“PPP”), and the [Code of Ethical Principles and Standards](#) as adopted and kept current and available on the website of the Association of Fundraising Professionals (“AFP”). The Charity will not participate in gift discussions if there is a question as to the title/ownership of the asset or the donor’s competency to transfer an asset.

### III. Legal Considerations

- A. *Compliance*: The Charity shall comply with all local, state and federal laws and regulations, and international treaties concerning all charitable gifts it encourages, solicits or accepts. All required disclosures, registrations and procedures shall be made and/or followed in a thorough and timely manner.
- B. *Endorsement of Providers*: The Charity shall not endorse legal, appraisal, tax or financial advisors to prospective donors.
- C. *Finder's Fees and Commissions*: The Charity shall not pay fees to any person as consideration for directing a gift by a donor to the Charity.
- D. *Legal, Tax and Financial Advice*: The Charity shall inform prospective donors that it does not provide legal, tax or financial advice, or appraisals, and shall encourage prospective donors to discuss all charitable gift planning decisions with their own advisors before entering into any commitments to make gifts to the Charity.
- E. *Preparation of Legal Documents*: The Charity may, but is not required to, provide standard gift agreements for execution by donors. The Charity strongly encourages prospective donors to have any agreements reviewed by counsel.
- F. *Payment of Fees*: It will be the responsibility of the donor to secure a certified appraisal (where required) and to pay for the advice of independent legal, financial or other professional advisers as needed for all gifts made to the Charity.
- G. *Service as Executor or Living Trust Trustee*: Unless approved in advance by the Gift Acceptance Committee, as defined below, the Charity will not agree to serve as executor of a decedent's estate or as trustee of a living trust or other trust intended to serve as a person's primary estate planning device.
- H. *Trusteeship*: The Charity may serve as trustee of trusts to maintain its gift annuity reserve accounts, as required by relevant state insurance law, in connection with the Charity's gift annuity program. The Charity may serve as trustee of charitable remainder trusts, provided that 100% of the remainder interest in the trust is irrevocably dedicated to the Charity, and the charitable remainder trust meets the minimum standards set forth in the Gift Acceptance Procedures, as defined below. The Charity may serve as a trustee of trusts only in circumstances in which its investment authority as trustee is unrestricted. The Charity will not serve as co-trustee of a charitable trust.
- I. *Use of Counsel*: The Charity shall seek the advice of legal counsel in matters relating to the acceptance of gifts when appropriate. Review by counsel is recommended for gifts involving: closely held stock transfers that are subject to restrictions; gifts involving contracts, such as bargain sales; reformation of charitable trusts; and transactions involving potential conflicts of interest.

### IV. Gift Acceptance

- A. *Implementation*: Gift acceptance, as outlined in this policy, is delegated by the Board to the Vice President for College Advancement/Executive Director ("VPCA/ED"). The VPCA/ED is authorized to accept all gifts permitted by this policy.

- B. *Approval of Exceptions:* Acceptance of gifts outside the scope of this policy requires the approval of the Gift Acceptance Committee (the “GAC”). The VPCA/ED shall report all gifts accepted as exceptions to the policy to the Development Committee of the Board at its next regular meeting.
- C. *Gift Acceptance Committee:* The GAC shall be made up of the Chair of the Development Committee, Chair of the Finance Committee and VPCA/ED.
- D. *Gift Acceptance Procedures:* The Board delegates to the GAC the responsibility of approving Gift Acceptance Procedures to implement this policy.
- E. *Gift Acceptance Alternatives:* In the event the GAC rejects a gift, the Charity will attempt to assist the donor in finding a suitable third-party charity to accept the gift, assume the risk, and send the proceeds to the Charity less costs and fees. Real and/or tangible property rejected by the GAC may not be sold, exchanged, and/or transferred to a member or ex-officio member of the Charity’s Board or its employees or the College’s employees.
- F. *Gift Agreements:* The Charity generally uses written agreements to document gift commitments. The GAC shall create and maintain samples for use by staff and volunteer leadership which shall include a short profile of the donor, the donor’s commitment and timeframe for payments, the Charity’s commitment (including restrictions), how the completed gift will be managed, stewarded and recognized, and alternative use and saving language in the agreement which allows the Charity to change the use to a purpose as close to the donor’s intent as possible when the restricted use is no longer practicable.
  - 1. *Unrestricted Commitments within a Fiscal Year:* The Charity does not require written agreements for unrestricted gift commitments within the current fiscal year.
  - 2. *Unrestricted Commitments Covering More Than One Fiscal Year:* If the unrestricted commitment shall cover more than one fiscal year, a simple letter or card documenting the gift amount and payment schedule may be substituted for a formal written agreement.
  - 3. *Commitments Subject to Restrictions:* The Charity requires an executed written agreement for all commitments subject to restrictions, including restricted gifts (use or endowment) unless waived in writing by the VPCA/ED.
  - 4.
  - 5. *Commitments of Real or Tangible Property of \$100,000:* The Charity may require an endowment for the future care and stewardship of said property.

## V. Gift Restrictions

- A. *Unrestricted Gifts:* To provide the Charity with maximum flexibility in the pursuit of its mission, donors shall always be encouraged to consider unrestricted gifts or gifts restricted to budgeted priorities of the Charity.
- B. *Budgeted Programs or Facilities:* The Charity may accept gifts restricted to specific budgeted programs and purposes.

- C. *Other Restrictions on Gifts:* The Charity may accept gifts restricted to non-budgeted programs and purposes only upon the prior, written approval of the VPCA/ED. The Charity reserves the right to decline gifts which are too restrictive in purpose, too difficult to administer, or for purposes outside of its mission, as well as those which negatively impact tenets of academic freedom as defined by the Association of American University Professors (AAUP).
- D. *Unrestricted Future Gifts:* As donors making large future gifts generally intend for these gifts to benefit the long-term future of the Charity, all future gifts (bequests, retirement plans and life insurance designations, etc.) with a value over \$25,000 shall be added to the Board Designated Unrestricted Endowment.

## **VI. Types of Property**

These assets may be considered for acceptance by the Charity, subject to the following criteria:

- A. *Cash:* Acceptable in any negotiable form, including currency, check and credit card gifts.
- B. *Securities:*
  - 1. *Publicly Traded Securities:* Stocks, bonds and mutual funds traded on an exchange or other publicly reported market are acceptable.
  - 2. *Closely Held Securities and Business Interests:* Debt and equity positions in non-publicly traded businesses, hedge funds, REITs, interests in limited liability companies and partnerships may only be accepted upon prior written approval of the GAC after review in accordance with the Gift Acceptance Procedures.
  - 3. *Options and Other Rights in Securities:* Warrants, stock options and stock appreciation rights may only be accepted upon prior written approval of the GAC.
- C. *Life Insurance:* The Charity will accept a gift of life insurance provided that the policy has a positive cash surrender value and the Charity has been named both beneficiary and irrevocable owner of the policy. Donor is responsible for paying the annual premium.
- D. *Real Property:* Personal and commercial real property, real estate interests/derivatives, and remainder interests in property (gifts subject to a retained life estate) may only be accepted upon prior written approval of the GAC after review in accordance with the Gift Acceptance Procedures, including the Real Property Gift Procedures attached to this policy. The Charity does not accept debt-encumbered real property, real property subject to a mortgage or lien or time share interests. For gifts subject to a retained life estate, the donor or primary life beneficiary shall be responsible for all expenses other than capital expenditures during the life tenancy, including but not limited to maintenance, real estate taxes, assessments and insurance. Gifts of real property are not accepted in perpetuity. Gifts requiring ongoing and significant financial support and/or cumbersome oversight by the Charity or the College may not be accepted without funding to support use and oversight and a memorandum of understanding between the Charity and the College.

- E. *Tangible Personal Property*: Jewelry, books, works of art, collections, equipment and other tangible property, may only be accepted after review in accordance with the Gift Acceptance Procedures. Gifts of tangible property are not accepted in perpetuity. Gifts requiring ongoing and significant financial support and/or cumbersome oversight by the Charity or the College may not be accepted without funding to support use and oversight and a memorandum of understanding between the Charity and the College.
- F. *Other Property*: Property not otherwise described in this section, whether real or personal, of any description (including but not limited to mortgages, notes, contract rights, copyrights, patents, trademarks, mineral rights, oil and gas interests and royalties) may only be accepted upon prior written approval of the GAC.

## **VII. Structured Current Gifts**

- A. *Bargain Sales*: Transactions wherein the Charity pays less than full value for an asset and issues a gift receipt for the difference may only be accepted upon prior written approval of the GAC after review in accordance with the Gift Acceptance Procedures.
- B. *Charitable Lead Trusts*: The Charity may accept a designation as income beneficiary of a charitable lead trust. The Charity will not serve as trustee of a charitable lead trust.
- C. *IRA Charitable Rollover*: The Charity may accept all gifts directly transferred from an IRA, as permitted under the Protecting Americans from Tax Hike Act and subsequent extensions.
- D. *Matching Gifts*: The Charity will accept all matching gifts, subject to the terms and conditions of Section VI.
- E. *Other Structured Current Gifts*: The Charity may only accept other structured current gifts with prior written approval of the GAC after review in accordance with the Gift Acceptance Procedures.

## **VIII. Future Gifts**

- A. *Future Gifts Subject to a Payment Interest*
  - 1. *Charitable Gift Annuities*: The Charity offers immediate payment, deferred payment, and flexible payment charitable gift annuities, provided:
    - a. Minimum funding amount: \$10,000
    - b. Maximum funding amount: 25% of total gift annuity pool [if pool is unrestricted]; (10% of total gift annuity pool if pool is restricted)
    - c. Minimum age(s): None (All proposals for donors with an average age under 60 shall include an option with a hedge against inflation)
    - d. Maximum number of lives: Two
    - e. Ultimate beneficiary: The Charity for 100%, irrevocably
    - f. Payout rate: American Council on Gift Annuities recommended rates (All proposals shall include offer of 100%, 90% and 80% of the ACGA recommended rate)
    - g. Payment schedule: Quarterly, semi-annual or annual

- h. Funding assets: Prior written approval of the GAC is required for assets other than cash or publicly traded securities
  - 2. *Charitable Remainder Trusts When the Charity Serves as Trustee*: The Charity will serve as trustee of charitable remainder trusts, provided:
    - a. Minimum funding amount: \$100,000
    - b. Maximum funding amount: None
    - c. Minimum age(s): None
    - d. Maximum number of lives: None
    - e. Ultimate beneficiary: The Charity for 100%, irrevocably
    - f. Payout rate: Per gift acceptance procedures (generally 5%-7%)
    - g. Minimum charitable remainder: 25% of the funding amount (using the income tax charitable deduction methodology)
    - h. Payment schedule: Monthly, quarterly, semi-annual or annual
    - i. Funding assets: Prior written approval of the GAC is required for assets other than cash or publicly traded securities, although a broader array of assets will be approved for a charitable remainder trust than a charitable gift annuity
    - j. Costs charged to the trust: Investment management, administration, legal counsel and tax return preparation
  - 3. *Charitable Remainder Trusts When the Charity Does Not Serve as Trustee*: The Charity will accept designation as charitable beneficiary of charitable remainder trusts that do not name the Charity as trustee. Donors who create externally managed and trustee trusts will be asked to provide the Charity with a copy of the trust document and annual investment reports for record-keeping purposes.
  - 4. *Pooled Income Funds*: The Charity does not currently offer a pooled income fund.
- B. *Future Gifts Not Subject to a Payment Interest*
- 1. *Gifts by Will or Living Trust*: Donors and supporters of the Charity will be encouraged to designate the Charity as a beneficiary of their wills or living trusts.
  - 2. *Retirement Plan, Life Insurance and Other Beneficiary Designations*: Donors and supporters of the Charity will be encouraged to designate the Charity as beneficiary or contingent beneficiary of their retirement plans, life insurance policies and other accounts on which they can name a beneficiary.

## **IX. Donor Recognition**

- A. *General*: The GAC establishes criteria for the recognition, honoring and stewarding of donors.
- B. *Buildings*: Except in the case of naming opportunities that appear on a schedule approved by the Board, the advancement staff of the Charity shall make no commitments to donors concerning the naming of buildings or facilities without the

approval of the Board upon recommendation of the GAC which will conform with [SUNY Guidelines](#) kept current on the SUNY website.

**X. Reporting and Valuation Standards**

- A. *Gift Reporting and Counting:* For outright gifts, the Charity shall follow the Council for Advancement and Support of Education (“CASE”) *Reporting Standards and Management Guidelines for Educational Institutions*, Fourth Edition, 2009. For future gifts, the Charity shall follow the [PPP Guidelines for Reporting and Counting Charitable Gifts](#), Second Edition, 2009. All exceptions to these standards shall be made by the GAC.
- B. *Gift Valuation:* The Charity shall follow the [PPP Valuation Standards for Charitable Planned Gifts](#). All exceptions to these standards shall be made by the GAC.

**XI. Periodic Review**

- A. *Regular Review:* The GAC shall review this policy in even numbered years to ensure that it continues to accurately describe the policy of the Charity with respect to acceptance of charitable gifts, and shall propose to the full Board for ratification those revisions that the GAC shall determine to be necessary or appropriate.
- B. *Special Review:* The GAC shall initiate a supplemental review of this policy upon the enactment or promulgation of legislation or regulatory rules affecting fundraising and gift acceptance by the Charity, or prior to the start of a formal fundraising campaign. All proposed changes shall be shared with the full Board for ratification.

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## Real Property Gift Procedures

### I. Procedures for the initial processing of potential gifts:

The VPCA/ED will have overall responsibility for the handling of inquiries, negotiating with donors, assembling the realty documentation, presenting the gift for acceptance, and marketing.

All inquiries to the Charity or College employees or Board members regarding realty gifts will be referred to or coordinated with the VPCA/ED.

### II. Authority to negotiate:

The VPCA/ED will have the authority to negotiate with donors, retain appraisers, surveyors, realtors, and other technical consultants, and to execute agreements on behalf of the Charity. Assuming such activities follow approved procedures and assuming such agreements follow the form approved by the Charity and legal counsel, this authority to act will not require further approval by the Charity's Board of Directors.

### III. Evaluation of potential gifts:

- A. Property and report form: Upon initial inquiry, potential donors will be asked to complete a property inquiry form and return it to the Charity with appropriate maps and documentation.
- B. Field evaluation: If initial information indicates that an offer is serious and if the property seems potential profitable, the VPCA/ED or authorized representative(s) will visit the property. A representative may be a local realtor as the VPCA/ED may deem appropriate.

The purpose of the visit will be:

- 1. To identify any potential problems not evident from initially supplied information.
  - 2. To identify any environmental conditions (such as rare or endangered plants or animals or threatened habitat) that would argue against the Charity's sale of property.
  - 3. To identify any potential environmental problems (such as the presence of toxic chemicals or other pollution). The Field Checklist (attached hereto) will serve as the basis for this analysis. (If any indications of possible pollution exist, the VPCA/ED will decide either to forego the gift or retain consultants to undertake a more detailed analysis.)
- C. Market evaluation: Whenever practicable, arrangements will be made to have a realtor analyze the property to evaluate the existence of a market for such property.



- D. Expense budget: The VPCA/ED will prepare a budget outlining all the projected expenses associated with the acceptance of all proposed trade lands.

IV. Authority to accept trade lands:

- A. Upon completion of the evaluation, the VPCA/ED will present the proposed gift to the GAC. Trade lands include real estate gifts that donors permit the Charity to sell, with the expectation that the proceeds from the sale will be used to support the charitable purposes of the Charity.
- B. The GAC will have the authority to accept or refuse trade land.

V. Authority to refuse gifts of trade lands:

The VPCA/ED or the GAC may refuse any offered land gift that is judged not to be in the best interests of the Charity.

VI. Procedure for accepting trade lands:

- A. Prior to agreeing to accept the gift of any trade land, the Charity will obtain title certification. At the time of acceptance, the Charity will obtain title insurance in an amount equal to the appraised value of the property. When deemed appropriate, the Charity may accept written indemnification by the donor in lieu of title insurance.
- B. Prior to, or upon transfer of title to the Charity, the donor and the Charity will sign an agreement (approved by legal counsel) stating the terms of the gift, which shall specify that there are no restrictions on the Charity's right to use or convey the property.
- C. The Charity will have an appraisal prepared by a professional real estate appraiser (appraisers should be MAI certified) for the purpose of determining the market value of the property. When deemed appropriate, the Charity may accept a statement by a realtor in lieu of formal appraisal.
- D. The Charity will not normally seek exemption from real estate taxes for realty gifts.

VII. Responsibility of the donor:

- A. The donor will be responsible for complying with all applicable legal requirements.
- B. The donor will be responsible for obtaining his/her own appraisal for the purpose of establishing the value of the gift for federal income tax purposes.

- C. Donors will be encouraged to discuss contemplated bequests of real property before finalizing their wills. Property that is bequeathed to the Charity will be evaluated like all other trade land gifts.

VIII. What the Charity will not do:

- A. Except in extraordinary circumstances, the Charity will not pay for legal assistance, appraisals or other services on behalf of the donor.
- B. The Charity will not establish or corroborate the value of any property for the purpose of substantiating the donor's income tax charitable deduction.

IX. Marketing trade lands:

- A. After accepting a trade land, arrangements will be made to sell the property through a qualified real estate professional.
- B. Local zoning ordinances, land-use plans, and community attitudes will be considered in marketing trade lands.
- C. While it is anticipated that in most circumstances that sale price will equal or exceed the appraised value of the property, the terms of the sale will take into account the current market conditions, availability of financing and other factors.

Any offer that is below 70% of the appraised value must be approved by the GAC.

X. Internal procedures:

- A. All files pertaining to trade lands will be maintained by the VPCA/ED who will distribute an up-to-date master list of all trade properties owned by the Charity to the Development Committee for review on a semiannual basis.
- B. Deeds to trade properties will be filed with the VPCA/ED and maintained in the Charity office.
- C. All bills due in connection with trade properties will be forwarded to the VPCA/ED.
- D. The VPCA/ED will obtain all necessary insurance coverage for trade properties in the Charities inventory.
- E. Upon acceptance, each trade property will be assigned a number. All expense attributable to accepting, maintaining, and selling each property will be charged against the sale proceeds.

Sale proceeds will first amortize all cost of acquisition, holding, and marketing (including travel, legal fees, title insurance, taxes, appraisal fees, etc.)

Unamortized costs will be allocated against the total proceeds realized from trade lands at the end of each fiscal year.

- XI. The policies and procedures outlined in this manual replace all previously approved policies and procedures relating to the gifts of real property.

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**Field Checklist for Initial Determination of Possible Presence of Hazardous Waste  
on Property to be Acquired by the Charity**

- I. On-Site Conditions:
  - A. Present or past industrial use of property.
  - B. Proximity to industrial facilities likely to generate wastes.
  - C. Road access (to facilitate dumping).
  - D. Presence of barrels, drums, fragments, paint cans, etc.
  - E. Presence of other debris from past or present waste dumping.
  - F. Presence of oil ponds or other liquids or oil slick on puddles.
  - G. Presence of stressed vegetation (different coloration, stunted growth, bare spots, etc.)
  - H. Examine both sides of all roads and paths (for their full lengths) for signs of waste disposal.
  - I. Presence of mounding or unusual soil disturbances.
  - J. Presence of surface or underground storage tanks.
  - K. Presence of asbestos insulation in building or utility installations.
  - L. Automobile parking, truck storage, railroad storage, or other possible sources of spilled oil or gasoline.
  - M. Is groundwater in proximity of potable?
  
- II. Other investigations:
  - A. From owner, neighbor, or “long-established residents” obtain history of use of property.
  - B. Check title history for industrial ownership.
  - C. Check regional office U.S. Environmental Protection Agency, state and local environmental agencies and local health departments for record of problems and complaints.
  - D. Talk to local police to see if there have been problems or complaints.
  - E. Obtain aerial photographs from local tax assessor, U.S. geological survey, Google, or local flying club.
  - F. Talk to local planning and/or zoning officials regarding current and projected plans for the area.

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