

## **ELIZABETH CITY STATE UNIVERSITY** **General Fundraising Policy**

### **Preamble**

The Elizabeth City State University Board of Trustees believes that establishing clear and consistent policies about gifts, contributions, and solicitations encourages stronger relationships among representatives of the University, donors, and advisors. The Board has therefore adopted these policies to describe and guide the outright and planned giving programs of Elizabeth City State University (referred to hereafter as ECSU or university). This policy governs the general manner in which fundraising will be handled at ECSU.

The Division of Institutional Advancement, the fundraising unit for ECSU is managed by the Vice Chancellor for Institutional Advancement, who also plays an integral part in the operations of The ECSU Foundation (Foundation). He or she is the chief fundraising officer and reports to the Chancellor of the University. The Vice Chancellor is responsible for the coordination of all fundraising activities, including the supervision and management of fundraising programs, administration of staff, cultivation, solicitation and stewardship of donors on behalf of the University. All university/constituent fundraising programs are subject to the procedures contained in this policy.

Major associated entities of ECSU must have a Memorandum of Understanding (“MOU”) or operating agreement on file with the University, which outlines terms and agreements, prior to conducting fundraising activities in the name of or the benefit of ECSU.

In the event of a conflict related to fundraising policies of an associated entity and the university the applicable ECSU policy shall control.

### **1. General Information**

#### **A. Definitions**

- i) *Gifts*. In any ECSU fundraising policy statement, the term “gifts” refers exclusively to private contributions given for the benefit of the University even though such contributions are sometimes called “grants” by foundations and corporations. A gift is an outright or deferred contribution received from an individual, foundation, or corporation (the “donor”) for which no goods or services are expected, implied, or forthcoming for the donor. Although some gifts may become the property of the Foundation created to support the University or one of its schools or programs, ECSU’s fundraising policies set forth the terms under which the University will accept and receive gifts from donors. Under the exercise of discretion, the University, the Foundation or any Associated Entity may decline to accept a proposed gift from an individual, corporate or foundation donor.

- ii) *Current Gifts*. Various distinctions are made between the different types of gifts received by the University. Current gifts are immediately utilized to benefit a University program, add to, or establish an endowed fund at the University.
- iii) *Deferred Gifts*. Deferred gifts postpone the benefit to the University until sometime in the future and the donor benefits from the gift in the interim period. Many deferred gifts are described as life-income gift plans because vehicles that provide an income to the donor as part of a gift plan are utilized.
- iv) *Planned Gifts*. Planned gifts include those gifts - whether given currently or deferred - that require the assistance of an outside professional or the donor's advisors to complete the gift. A planned gift requires careful consideration by the donor in light of his/her estate and financial plans. Gifts of real estate, securities, and other assets are planned gifts that may also be utilized to establish a life-income gift plan to benefit a donor. Some planned gifts may be established to benefit the University without the University's involvement, for example: a bequest, a life insurance beneficiary designation or a charitable trust managed by a bank or commercial trust firm.
- v) *Offices*
  - a. The Elizabeth City State University Foundation ("Foundation") exists to nurture donor relationships while providing advocacy, fundraising, counsel, and financial management in support of ECSU and its mission of education, research, and public service. The primary focus of the Foundation is to benefit and support the University.
  - b. Foundation Accounting Office exists to process all private gifts benefitting any and all schools and units on campus. Gifts are sent to the Foundation Accounting Office to be posted to donor's records, have designations and accounts created, process matching gift requests, build pledges on the system, etc.
  - c. Institutional Advancement exists to provide systematic fundraising for the University. University-wide development efforts are coordinated by the Vice Chancellor for Institutional Advancement. Fundraising is the responsibility of the Division of Institutional Advancement and the individual schools and units on campus. Many advancement services are provided by the Division of Institutional Advancement.

## **B. Designations**

Gifts to the University may be either for the general purposes of the University or for the specific use of one of its schools, departments, centers, programs or agencies.

Under ECSU fundraising policies, the institutional recipient will collectively

be referred to as “the University” unless otherwise specified.

Donors may direct:

1. that a gift be expended in full during one or more years for unrestricted or restricted current operations; or
2. that the gift be used to establish a special restricted or unrestricted endowment fund within the University’s general endowment fund; or
3. that funds be added to unrestricted or restricted current funds or special endowment funds of the Foundation; or
4. that funds are handled in other ways not inconsistent with the purpose and policies of the University.

While the preference is for unrestricted gifts, the use of gifts may be specified for a wide range of purposes such as scholarships, research sabbaticals, professorships, book funds, or University-approved building funds, except as indicated in this statement and subject to acceptance by the Chancellor or an appointed delegate.

### **C. Methods of Giving**

The standard method of making a contribution, mailing a check or delivering cash, is not the only form of payment mechanism. The following forms of payment will be accepted:

1. *Foreign Currency:* Foreign currency, US dollars drawn on foreign banks, and foreign “dollars” may all be submitted and treated as gifts. The internal procedures vary depending on the nature of the item submitted for processing, but the result is the same. The donor will receive credit in US dollars for the amount the gift is valued at, based on current exchange rates, as of the day of receipt.
2. *Payroll Deduction:* Employees are eligible to make charitable contributions via payroll deduction. If they are interested, the employee should contact the Foundation Accounting Office to set up a recurring payroll deduction. The deductions occur every month for a pre-determined static amount. The amount can be changed, and the deduction can be stopped at any time by contacting the Foundation Accounting Office. Annual Fund deductions are set up to last for the duration of the fiscal year. When an employee has satisfied their pledge they are automatically contacted by the Foundation Accounting Office and asked if they would like to continue with a new pledge.
3. *Bank Drafts:* A donor may elect to have the Foundation Accounting Office

electronically debit their checking or savings account regardless of where they bank. These drafts are established for indefinite periods and may only be stopped when the Foundation Accounting Office receives a written request from the donor. If a donor is interested in this program they should be referred to the Foundation Accounting Office. The donor will need to complete a bank draft authorization form prior to the transaction being effective. This process will take at least one month before it is effective.

4. *Credit Cards:* Visa, MasterCard and American Express are all credit cards that can be used to initiate a gift. The Foundation Accounting Office must be provided with the name as it appears on the credit card, the credit card number and expiration date, and an amount to process the gift will be needed. It is not necessary to be in possession of the credit card. Extreme care must be taken in delivering credit card information to the Foundation Accounting Office.
5. *Online Giving:* Donors may contribute to the University via online giving. Visit [www.ecsu.edu](http://www.ecsu.edu) and click on Give to ECSU once the page is loaded you will find the give today button at the top of the page. This method of giving is handled by a third party vendor. All transactions made online are safe and secure. All credit cards are accepted and electronic checks are as well. If the donor wishes they may sign up for recurring transactions when processing their online contribution. The processing fee for all credit card payments is charged to the benefitting fund.
6. *Mobile Giving:* Donors can elect to give the University contributions on a monthly basis through their cellular phones. This option of giving is automatically attached to the donor's cellular phone bill.
7. *Wire Transfers:* A donor may wish to initiate a wire transfer to facilitate a gift. This can be expected for large sums of money and particularly at the end of the calendar and fiscal years. The process is very straight forward.

## D. Types of Gifts

### 1. Gifts

- a. **Unrestricted Gifts.** Gifts with no stipulation as to purpose or use are **unrestricted**. The vast majority of unrestricted gifts to the Foundation are used by the Foundation to fulfill scholarship requests by the University. However, the Chancellor or the Foundation Board of Directors may utilize unrestricted contributions in other areas according to the greatest need as identified in accordance with the law and the Foundation policies.
- b. **Restricted Gifts.** Restricted gifts are those given for a specific

purpose designated by the donor. No office or part of ECSU or the Foundation can change the restriction of a gift that has been placed on that gift by a donor. The donor must make all changes in gift restrictions in writing to the Division of Institutional Advancement. In hard terms this means that when a gift is received by the Foundation Accounting Office, staff in that office has three options: designate the gift as requested, call or write the donor to obtain a change of the designation, send the gift back.

Examples: If a gift is given for athletics, it goes toward athletics; if a gift is given for general scholarships, it goes for general scholarships; and so on. If a contribution is made toward support of a particular vehicle or event, the gift must be counted in the totals for the vehicle or event. This could include multiple vehicles; for example, a gift could be given in response to a general appeal letter to alumni, but it could also be from an individual who graduated in the 1960s at a time when the 60s were generating gifts in response to a decade reunion. In this case, the contribution would count toward both vehicles.

2. **Expendable Gifts.** A gift may be **expendable** – immediately usable for current purposes. Or, it may be retained, perhaps as an **endowment** gift to be invested and held permanently for the income derived.
3. **Non-monetary Gifts.** Besides **monetary** gifts, the Foundation also receives non-monetary gifts such as:
  - a. **Marketable Property** – securities, real property, and saleable personal property.
  - b. **Gifts-in-Kind** – are generally defined as non-cash donations of materials or long-lived assets, other than real and personal property. Gifts of materials or long-lived assets that are directly related to the mission of the institution should be reported at the face (or fair market) value. Gifts-in-kind might include such items as equipment, software, printed materials, food or other items used for hosting dinners, etc. Gifts-in-kind usually (although not always) come from companies, corporations, or vendors, in contrast to individuals, who typically give personal property.
  - c. **Rights and Insurance** – royalties, copyrights, trademark rights and insurance policies and naming the Foundation as the owner and beneficiary (the Foundation holds strong preference for becoming the owner and beneficiary of life insurance policies).

4. **Gifts-in-trust** – agreeing to hold and manage principal resources given by the donor in exchange for the dividend income for life, after which this income will be used by the Foundation according to the wishes of the donor.
5. **Matching Gifts** – conditional grant programs designed to fulfill certain purposes. The Foundation Accounting Office encourages eligible donors to use matching gift programs. The Foundation Accounting Office do not encourage or knowingly permit the solicitation or participation in a matching gift program of ineligible donors or contributions (for example, transmission of contributions of ineligible donors via an eligible donor).
6. **Pledges** – are commitments to make future gifts. Only the entity exercising legal control over the assets to be given can make a pledge. Therefore, an individual cannot make a pledge that includes anticipated matching contributions from an employer or some other source. Nor can an individual commit funds that may come from a donor-advised fund or community foundation. An enforceable, countable pledge includes only those funds that will be given by that legal entity. “Conditional” pledges are those that place requirements on the university to perform some task or take some sort of action that it might not otherwise initiate. A conditional pledge may also depend on some future event over which neither the university nor donor may have control. Examples of conditional pledges are challenge gifts, gifts for capital projects (if pledge is conditional on either raising other funds or moving forward with the plans to build or renovate), and pledges that are non-binding on the donor’s estate.
  - a. A pledge may take either of two forms:
    - i. **Oral pledges** – count and report in totals only oral pledges made through an authorized telethon or phonathon campaign or program. This assumes that the institution mail some form of confirmation notice to the donor immediately following the solicitation period. An oral pledge is not to be confused with a conditional pledge, as they are not the same.
    - ii. **Written pledges of asset** – document pledges of a donor’s assets, committing to a specific dollar amount that the donor will pay according to a fixed time schedule.

**E. Special Handling for Select Gifts:**

1. **Memorial Gifts** – the families of students and other individuals make gifts “in memory of” or “in honor of” persons by name. When received by

the Foundation Accounting Office, these funds will be used as unrestricted income. Non-specified memorial gifts of \$5,000 or more are deemed significant contributions; donor wishes for use of these funds will be examined with the Executive Director of the Foundation, Foundation Chairman, Chief Fiscal Officer of the university (or his/her designee) prior to deposit.

2. **Temporary Funds** – a donor may turn over funds or property as a gift specified with conditioned use over time. These funds may be held for a fixed period and invested, with only the income usable by The Elizabeth City State University Foundation until conditions of time or maturation are achieved and the principal becomes available. In other cases, the use of the principal may be permitted at a fixed rate of use over a period of time, as specified by the donor.
3. **Legacies and Bequests** – a donor may arrange under legal contract expressed in his will that The Elizabeth City State University Foundation is a designated beneficiary to receive a direct gift from the estate. A donor may also arrange, after the death of a named beneficiary, that the principal or some of the surviving estate will become the property of The Elizabeth City State University Foundation.

#### **F. Gift Acknowledgements**

All gifts will be acknowledged within two (2) business days of receipt by the Foundation Accounting Office, regardless of value.

#### **G. Tax Exempt Status**

The University and its associated entities shall not accept any gift or enter any agreement which would improperly inure to the benefit of any individual or in a manner that would jeopardize the tax-exempt status of the University as determined upon the advice of University legal counsel. In all its dealings and agreements, the University will seek to guard its reputation within the community.

#### **H. Confidentiality**

The university will take all reasonable measures to maintain all information concerning deferred gift donors, including names and addresses, amount of gift, names of beneficiaries, nature and value of estate, amounts of provisions, etc., confidentially by the University and its committees unless permission is granted by the donor(s) to release such information or is otherwise required to be released by law.

**I. Independent Legal Counsel and Other Advisors**

Prospective donors shall be encouraged to consult with independent legal counsel in all matters related to defer gift instruments such as wills, trusts, agreements, contracts, etc.

**J. Independent Tax Advice**

Prospective donors will be encouraged to seek independent tax counsel regarding the completion of planned gifts. Although the University is not in the position of giving tax advice, donors must be informed of certain consequences related to their gifts. For example, donors should be given information regarding the requirement for an appraisal of certain non-cash contributions exceeding \$5,000 on the IRS Form 8283, and that the University must notify the IRS if the donated item is sold, exchanged or otherwise disposed of within two years of receipt (on IRS Form 8282).

**K. Forms and Agreements**

The University may provide suggested language for trust or other gift documents, subject to review or utilization by the donor's own independent counsel. Suggested language pertinent to a bequest or other planned gift document may be provided to the donor, donor's counsel, and/or professional representatives. Certain deferred gifts, such as charitable gift annuities and pooled income agreements, require the use of standard forms and approved by appropriate governmental agencies.

**L. Signature Authority**

Signature authority for documents is governed by ECSU Regulation 1000.1.

**2. Professional Memberships**

The Division of Institutional Advancement will maintain a professional membership with CASE (Council for Advancement and Support of Education). ECSU will adhere to the ethical principle standards professional practice of CASE or other professional fundraising organizations it may join in the future.

The Division of Institutional Advancement will use CASE Reporting Standards and Management Guidelines for Educational Fundraising. As it may be updated from time to time, as a guideline to resolve any conflicts related to ECSU fundraising policies with associated entities and other parties fundraising on behalf of the University.