

**Winthrop University Foundation**

**Gift Acceptance Policy**

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## **I. Introduction**

### **A. Purpose and Philosophy**

The purpose of this Gift Acceptance Policy (Acceptance Policy) is to provide guidelines for development officers working with prospective donors interested in making current and planned gifts to benefit Winthrop University. Through the Office of University Development, the University seeks to encourage its alumni and friends to make current and planned gifts that will provide financial support to meet the needs of the University and its related foundations. Development officers are expected to facilitate only those current and planned gifts that are consistent with each donor's overall personal, financial and estate goals.

### **B. Definitions**

The Winthrop University Foundation (hereinafter referred to as the Foundation) is an independent, tax exempt, nonprofit 501(c)(3) institution. Its sole purpose is to manage private resources for the benefit of Winthrop University (hereinafter referred to as the University) in the accomplishment of the University's stated goals and objectives.

A gift, or donation, is a voluntary and irrevocable transfer of money, securities, tangible personal property or real property to the Foundation made by a donor without any expectation or receipt of direct economic benefit or provision of goods or services from the recipient. Donors may be individuals, partnerships, corporations, foundations or organizations.

### **C. General Guidelines for Management and Reporting**

The Foundation receives gifts to the University and for its benefit. Upon receipt, the terms, restrictions, and conditions of the gift will be recorded. The Foundation will deposit gifts through the Foundation Office to designations specified by donors and send an acknowledgment of the gift, which shall comply with the substantiation regulations of the IRS and message of gratitude to all donors in a timely manner. Pledges will be recorded, and the Foundation will maintain a pledge payment reminder system.<sup>1</sup>

Outright gifts to the Foundation shall be reported only when assets are actually and irrevocably transferred to the institution. Planned gifts shall be reported only when the assets are actually and irrevocably transferred to the institution by trust or gift instrument. Documented provisions in wills or other revocable instruments shall be acknowledged and reported separately but not treated as charitable gifts to the Foundation until funds are actually received.

Total fundraising at the Foundation shall be the sum of all new pledge commitments documented in the reporting period and all new cash/cash equivalent gifts received by the Foundation in the same period. The amount of actual gifts received will be reported separately and will be the sum of all cash/cash equivalents received in the reporting period, including payments on pledges. Income from ticket-based operations and investment earnings are excluded from gift income. Net proceeds from special events benefiting University programs shall constitute gift income.

In the normal course of business, the Foundation prepares financial statements based on accepted accounting practices. Additionally, the Foundation will prepare fundraising statements to capture philanthropic activity. Fundraising statements and financial statements may differ.

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<sup>1</sup> Conformance to Financial Accounting Standards Board, rule 116, requires that the Foundation record pledges as assets of the institution, since FASB 116 interprets a "pledge" as an unconditional promise to give an asset to the Foundation.

#### **D. Conformity to National Reporting Standards**

The standards of accounting and reporting established by the Council for Advancement and Support of Education (CASE) and the National Association of College and University Business Officers (NACUBO)<sup>2</sup> as printed in *CASE Reporting Standards & Management Guidelines for Educational Fundraising*, shall govern the management and reporting of gifts to the University. The Annual Gift Report by the Foundation shall also conform to the Council for Aid to Education's (CFAE) annual Survey of Voluntary Support of Education (VSE).

#### **E. Campaign Gift Counting**

Whenever the Foundation launches a comprehensive fundraising campaign, the Foundation's Development Committee will be responsible for implementing all campaign-specific policies and procedures for campaign gift accounting and reporting established by the Winthrop University Foundation Board of Directors. These policies and procedures may differ from gift policies and procedures stated elsewhere, e.g., campaign gifts may include charitable commitments from donors that are not counted as assets of the Foundation under Financial Accounting Standards Board (FASB) accounting standards. The Foundation will count and report Campaign gifts in categories as follows:

- A. Gifts that are usable or will become usable during the course of the campaign;
- B. Irrevocable Planned Gifts;
- C. Revocable Planned Gifts.

Total campaign giving will be counted as all gifts in Category A, plus all gifts in Category B, plus all gifts in Category C (see Appendix A).

#### **F. Code of Ethical Principles and Standards of Professional Practice**

All Development staff at the Winthrop University will abide by the Association of Fundraising Professionals' *Code of Ethical Principles and Standards of Professional Practice*, as amended from time to time (adopted in 1964; amended October 1999).

## **II. Governance**

#### **A. The Winthrop University Foundation Development Committee**

The President of the Winthrop University Foundation Board of Directors shall appoint directors of the Foundation to serve on the Development Committee. This Committee shall be responsible for establishing, approving and reviewing the Gift Acceptance Policy for the Foundation.

#### **B. The Gift Acceptance**

The Development Committee shall be responsible for recommending and implementing all Foundation gift acceptance policies. All gift acceptance policies must be approved by the Foundation's Board of Directors through the recommendation of the Development Committee. Additionally, the Development Committee may convene periodically to review, approve or decline all gifts or gifts that are unusual in nature and/or fall outside of the parameters as defined in established policies of the Foundation.

#### **C. Gift Naming**

By making a significant gift to the University, donors may be offered the opportunity to select the name of a program, facility, professorship, academic unit, scholarship or other purpose. Naming gifts may be

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<sup>2</sup> The Foundation is required to follow Financial Accounting Standards Board (FASB) requirements for financial reporting. Where NACUBO guidelines may propose Governmental Accounting Standards Board (GASB) rules, the Foundation will elect to follow FASB.

offered in honor or memory of the donor or another individual or entity of the donor's choosing. The Winthrop University Board of Trustees retains authority for final approval for all naming opportunities but generally delegates this authority to the President of Winthrop University. Any offer to name buildings, spaces and academic units or programs must follow the *Naming Opportunities Policy* as approved by the Winthrop University Foundation Board on December 10, 2009.

It is the responsibility of the development officer, once he or she becomes aware of a potential naming opportunity gift, to bring it to the attention of his or her immediate supervisor as soon as is practicable in order to facilitate meaningful and timely discussion.

#### **D. Academic Appointments**

The Vice President of University Development and Alumni Relations (UDAR) or his designee shall collaborate with the Academic Vice President for the purpose of approving all gifts to establish professorships, chairs or other similar academic appointments.

### **III. Forms of Giving**

#### **A. Cash Transactions**

All charitable gifts contributed in the form of cash, checks, money orders, traveler's checks, electronic fund transfers, and credit or debit card transactions shall be received at face value and will be recorded, receipted, and acknowledged in accordance with Foundation cash handling policies, and current IRS and FASB regulations. The Foundation will provide a high level of security to donors who make online gifts. The date of gift for cash gifts will be determined by one of the following criteria:

- the date legal tender is received by the Foundation by hand delivery
- the date of the U.S. postal marking indicated on the mailing envelope containing the gift
- the date electronically transferred funds are received into a Foundation account
- the date a credit or debit card transaction is authorized by the donor (if such authorization is obtained through the mail, the above criteria apply)

#### **B. Publicly Traded Securities**

The Foundation will accept all publicly traded securities based on the full fair market value of the securities, which shall be valued, recorded, receipted and acknowledged in accordance with current IRS regulations. Upon receipt of a gift of securities, Foundation personnel shall fulfill brokerage requirements for immediate sale of the securities as soon as practicable by the Foundation broker unless otherwise directed by the donor or the Foundation. Should the latter be the case, a discussion of a liquidation strategy should be held with the donor.

The Foundation will maintain one or more brokerage accounts for the purpose of processing all gifts and securities. The Director of Financial Affairs shall manage the process of opening or closing brokerage accounts, in coordination with the Executive Director and the Treasurer of the Foundation Board of Directors.

Gifts of publicly traded securities will be valued for gift recording purposes as the mean of the highest and lowest selling prices quoted for the stock (as reported by recognized public securities exchanges) on the date of their gift to the Foundation. The date of gift will be determined based on one of the following criteria:

- the date an electronic transfer of securities from a donor's account is received into a brokerage account owned by the Foundation or into a broker's gift account
- the date of hand delivery of certificates that are signed over to the Foundation
- the date of U.S. postal cancellation on envelopes containing a certificate(s) accompanied by a qualified stock power (NOTE: Both the stock power and the certificates must be received by the Foundation before valuation can be determined)

Gifts of publicly traded securities will be acknowledged to the donor in writing by identifying the names(s) of the securities and the actual number of shares given. No dollar amount will be included in the receipt. The exception to this will be when the donor gives securities in exchange for a life income gift and the securities must be valued in order to calculate the remainder value.

### **C. Non-liquid Business Interests**

Closely held or restricted securities, sole proprietorships, general or limited partnership interests, S corporate stock, and/or REITS may be accepted as contributions only after review and approval by the Executive Director together with the Chair of the Development Committee and the President of the Foundation Board. Receipt of such gifts shall be recorded, receipted and acknowledged in accordance with all applicable IRS regulations.

Gifts of non-liquid business interests will be valued for recording purposes based on either a qualified independent appraisal when required by the IRS or by an objective third party who is knowledgeable about the interest. Gifts of non-liquid business interests will be acknowledged to the donor in writing by identifying the gift with particularity, including the names(s) of the shares and the actual number of shares given. No dollar amount will be included in the receipt.

### **D. Real Estate**

Gifts of real estate will be evaluated on a case-by-case basis and handled through the Winthrop University Real Estate Foundation (WUREF), which is a separate entity from the Winthrop University Foundation. Real estate can be given outright, through a bargain sale arrangement, or for the purpose of funding a life income charitable giving arrangement. All gifts of real estate will be handled in accordance with Real Estate Foundation policy. A representative from the Development Office must review the WUREF real estate acceptance procedure with the prospective donor.

The following should be taken into account when considering a gift of real estate:

- Actual inspection of the property by a knowledgeable WUREF representative.
- Environmental assessment (Phase I – required at Donor's expense)
- Survey
- Recent appraisal
- Preliminary title examination (mortgages, liens, easements, etc.)
- Taxes paid currently
- Termite bond
- Zoning
- Pending assessments
- Rental income - leases
- Maintenance and management costs
- Home owner association and costs
- Timber rights
- Marketability estimate

### **E. Tangible Personal Property**

Gifts of tangible personal property (gifts in kind) will be accepted only with the approval of the WUREF Board of Directors.

## **IV. Endowed Funds**

### **A. General Policy**

The Foundation shall define and manage its true and quasi-endowments in accordance with FASB definitions and rules. The Foundation may also apply the Uniform Prudent Management of Institutional Funds Act (UPMIFA) or its successor as enacted by the State of South Carolina and as directed by the Foundation Board of Directors.

Endowments may be designated by the donor for restricted use in any College/University, department or program within the University and may be named in honor of individuals. Endowments shall be governed by a written agreement (Deed of Gift) executed by the donor and the Foundation. This agreement must be approved and executed by the Executive Director for the Foundation, and appropriate Dean or Director before it is presented to the donor.

Endowments may be funded with outright contributions including contributions pledged over a maximum period of five years and must meet the required minimums established by prevailing Foundation policy. The Vice President of UDAR may approve pledges of larger amounts up to a period of 10 years. Any exceptions to the policy must be approved by the Foundation Development Committee. If gifts for an endowment fail to meet the required minimum after the maximum pledge period, the funds shall be transferred to the general endowment funds of the Foundation. Endowments funded by designated contributions from a Charitable Lead Trust may exceed the five year maximum payment period on a case by case basis with the approval of the Vice President for UDAR.

Endowments may also be funded with planned gifts from bequests, life insurance policies, retirement plan designations, charitable remainder trusts, charitable gift annuities, and similar instruments and arrangements. However, only the remainder value of these giving agreements may be used for credit toward the required endowment minimums. Should such a planned contribution not meet the prevailing minimums for an endowed fund at the time it becomes available to the Foundation, the Vice President for UDAR shall determine a use for the funds that most closely resembles the purpose(s) set out in the original gift agreement; if a close substitute is not available, the funds will be directed to the Foundation's permanent endowment.

Endowments created by testamentary transfer shall be administered in accordance with the donor's wishes as set forth in the relevant testamentary document; provided that the donor clearly intends to establish an endowment and the intended use is not prohibited by law or Foundation policy. If the intended use does fall outside of the law and/or Foundation policy, or if the gift fails to meet the prevailing required minimum for an endowed fund at the time it becomes available to the Foundation, the Foundation will adhere to the laws and regulations of the State of South Carolina regarding such matters.

Endowment principals will be pooled and invested, and income expended, in accordance with the prevailing *Investment Policy Statement* of the Foundation.

If a donor wishes to establish a fund, either endowed or unendowed, that includes provisions outside of Foundation policy or approved procedure, the Foundation Development Committee must first review and recommend approval to the Foundation Board of Directors.

Endowments that establish chairs and professorships must adhere to all University policies on chairs and professorships and must be approved by the Academic Vice President of Winthrop University in collaboration with the Vice President for UDAR.

Chairs and professorships may be funded with a combination of outright and planned gifts assuming the total funding meets endowment minimums. If a portion of the funding will come from a bequest, life insurance policy, or retirement plan designation, the donor must be willing to sign an enforceable and irrevocable testamentary pledge agreement. An endowed professorship or chair will not be named and awarded until a gift agreement and funding levels adequate to meet annual support at an appropriate level. Annual restricted gifts may be combined with planned gifts for the review and consideration of the Vice President for UDAR.

### **B. Endowment Minimums**

The Foundation Board of Directors shall establish the minimum value of gifts required to establish a permanent fund. The Board of Directors reserves the right to adjust the required minimums from time to time. If a donor wishes to establish an endowment for a designation not currently listed in the *Naming Opportunities Policy*, the Foundation Development Committee will review the donor's intent and interests on a case-by-case basis. All gifts can be made over a period of up to five years or through other means as described in this document. (See the *Winthrop University Foundation Naming Opportunities Policy* for the current approved schedule.)

## **V. Naming Opportunities funded with Planned Gifts**

### **A. Funding Requirements**

The funding plan for a naming opportunity must be in writing and must meet with the approval of the Vice President for UDAR in consultation with the President when required. It may be determined that the naming will be delayed until agreed funding requirements are met.

Outright gifts and written enforceable pledges for up to five years may be used to fully or partially fund a named opportunity at face value. Vice President for UDAR, in consultation with the University President, must approve any pledge agreement that provides for any pledged amounts to be received beyond five years, prior to the pledge agreement being executed by the donor.

Testamentary planned gifts (including gifts by will, trust, retirement plan or life insurance policy) may be used in combination with an outright pledge to fully or partially fund a naming opportunity. This is permissible as long as the testamentary portion of the total commitment is no more than 50% of the total gift, it is secured by an irrevocable pledge agreement, and the present value of the planned gift meets the agreed upon gift level.

Irrevocable planned gifts (including gift annuities and charitable remainder trusts) may be used to fully or partially fund a naming opportunity as long as the net present value of the estimated remainder value of the gift will meet the agreed gift level.

Naming rights associated with capital gifts will be conferred when 50% of the gift is received by the Foundation. The exception is endowment gifts, which can be named upon receipt of a pledge.

## **VI. Responsibilities to Donors**

### **A. General Policy**

The Foundation considers its donors to be a highly valued constituency. All Foundation officials will treat donors with the utmost respect and professionalism. The Foundation will honor donors' wishes for designating the use of their gifts for any legitimate and approved program within the University. All donors will be acknowledged and thanked for their gifts in writing within a reasonable period of time.

In all gift matters, the staff of both the University and the Foundation must be aware of and sensitive to a potential donor's financial needs and concerns.

All representatives of Winthrop University and Winthrop University Foundation shall use their best judgment to help donors make informed gift decisions. Each representative should be knowledgeable about gifts and should disclose to the donor advantages and disadvantages that could reasonably influence the decision of the donor to make a gift to Winthrop University Foundation. In particular, planned gift items subject to variability (such as market value and income payments) should be discussed fully.

Winthrop University and its foundations will not knowingly accept a gift that is contrary to the donor's best interests.

The University and the Foundation will honor the request of donors who wish to remain anonymous.

All information that the University and Foundation has gathered on its donors, prospects and alumni will be held and maintained by the University and Foundation in strict confidence. Files will be made available whenever required by law.

In addition to receipting and acknowledging gifts, Winthrop will honor requests from donors regarding how their contributions are being used. Endowment donors receive annual reports, which include balance, gift, and disbursement information as well as an update on the state of the Foundation (see Appendix C). Unrestricted gifts are stewarded through the president's annual report as well as other vehicles which showcase the use of crucial unrestricted dollars each year.

To ensure that all donors and prospective donors to the Winthrop University Foundation can have full confidence in the organization and University they are asked to support, we declare that all donors have the rights that are declared in the *Donor Bill of Rights* (see Appendix B).

## **VII. Ways of Giving**

### **A. Current/Outright Gifts**

The Foundation will accept current/outright gifts of cash, securities, or real and personal property.

### **B. Pledges**

The Foundation will accept and record written pledges in accordance with generally accepted accounting standards and FASB rules. No multi-year pledge of more than \$10,000 will be recorded on development or general accounting records unless it is substantiated in writing via a Foundation-approved gift agreement signed by the Foundation and the donor. The agreement must include the gift amount and schedule of pledge payments. The agreement will also specifically state the designation of the gift within the University to indicate specific preferences and restrictions on the use of the funds. Single year pledges will be recorded in accordance with Foundation procedures.

The maximum amount of time to fulfill a pledge will be five years from the date of execution of the agreement. Pledges of more than five years must be approved by the Vice President for UDAR.

Donors with unfulfilled pledges will receive pledge reminders, and personal follow-up. After appropriate follow-up measures have been completed to secure pledged funds from the donor, the remainder will be written off.

### **C. Planned Gifts**

The Planned Giving designee within the Office of Development will coordinate the receipt of all planned gifts. Planned gifts include bequests made through wills or living trusts, retirement plan designations, life income plans, charitable lead trusts, and retained life estates. Donors of life income giving arrangements may designate the remainder value of their gift to any approved program within the University.

Remainder gifts that will be used to establish named endowments or for naming opportunities must meet with the prevailing minimums.

The Planned Giving designee and the Foundation staff will process all legal documents associated with planned gifts, and prior approval by the Executive Director is required before any legal document may be executed by an approved Foundation officer.

#### **1. Bequests and Retirement Plan Designations.**

The Foundation will receive charitable bequests and retirement plan designations, and will generally abide by any restrictions or designations indicated in appropriate documents assuming such restrictions and designations are applicable to current programs within the University and do not violate Foundation or University policy. The Foundation will not abide by any restrictions that are considered to be in violation of federal, state or local laws. If the intended use does fall outside of the law and/or Foundation policy, the Foundation will adhere to the laws and regulations of the State of South Carolina regarding such matters.

#### **2. Life Insurance.**

The Foundation will accept irrevocable gifts of fully paid up existing life insurance policies (where the Foundation is named as both owner and beneficiary of the policy), but will not actively solicit new policies. Conditions of acceptance are as follows:

- a) Term policies of any amount will be declined.
- b) The Foundation may surrender an existing life insurance policy for its surrender value or sell the policy via a viatical settlement based on prior review and approval of the Executive Director and the Chair of the Development Committee. Ideally, the donor would be consulted prior to surrender although the Foundation has the final decision-making authority.
- c) The Foundation will record a gift of a life insurance policy only on the basis of its fair market value for general accounting purposes.
- d) All donations of life insurance policies will be receipted and acknowledged to the donor in accordance with prevailing IRS regulations.

#### **3. Charitable Gift Annuity.**

The Foundation will establish and promote gift annuity contracts with donors in accordance with applicable federal law, IRS regulations and the laws and regulations of the State of South Carolina. Additionally, the Foundation's gift annuity program will adhere to the following:

- a) The minimum size contribution to fund an immediate gift annuity contract is \$25,000, and the minimum donor age is 65 years (single or two-life annuities). Age and gift minimums for gift annuity contracts may be reviewed by the Development Committee and may be periodically adjusted at its discretion.
- b) All gift annuity contracts must first be approved by the Executive Director of the Winthrop University Foundation. Gift annuity contracts will be created internally up to a maximum of \$999,999. Gift annuities of \$1,000,000.00 and more will be reviewed by Foundation counsel.
- c) The payout rates should conform to the recommended published rates of the American Council on Gift Annuities (ACGA). Deviation from the ACGA rates must first be approved by the Development Committee.
- d) The Foundation may engage one or more third party entities to provide gift administration, custodial, and investment services for its gift annuity contracts.
- e) All assets given to fund a gift annuity will be invested. Income and principal will be used to pay any annuity obligations of the contract until all income beneficiaries under the contract are deceased or are no longer entitled to receive income.
- f) Gift annuity contracts will be booked at face value for Development and recognition purposes, but only at remainder value for general accounting purposes.
- g) The issuance of gift annuities is generally governed by the laws of the state where the donor resides. In the event that the Foundation is not authorized to issue gift annuities in the state of a potential annuitant, the planned giving designee shall recommend to the Executive Director of the Foundation whether or not to pursue registration in that state so that a gift annuity contract may be issued.

4. **Charitable Remainder Trust (CRT).**

The Foundation will accept and administer contributions to a charitable remainder trust in accordance with applicable federal law, IRS regulations, and the laws and regulations of the State of South Carolina. Additionally, the Foundation will administer its charitable remainder trusts based on the following:

- a) The Foundation may serve as a trustee for charitable remainder annuity trusts (CRAT) or charitable remainder unitrusts (CRUT) ONLY if it is named as the sole, irrevocable remainder beneficiary.
- b) The minimum initial gift to establish a charitable remainder annuity trust is currently recommended to be \$50,000. The minimum initial gift to establish a charitable remainder unitrust is currently recommended to be \$100,000. The minimum age for donors entering a trust contract for which the Foundation is the trustee is 65 years. The Executive Director, after consultation with the Chair of the Development Committee, may approve exceptions to this upon their review.
- c) The Foundation may retain one or more third party entities to provide trust administration and custodial and/or investment services for CRT agreements.
- d) The Executive Director must approve all CRT agreements prior to their execution.

- e) If the Winthrop University Foundation, Inc. is named as trustee of a CRT, the Foundation will charge the trust or the income beneficiary(ies) of the trust direct administrative, management or brokerage fees that are expended to operate the trust.
- f) The Office of Planned Giving is authorized to establish CRT payout rates at the minimum required by law and up to a maximum of 7%. All CRT payout rates agreed to by the Foundation must also conform to applicable federal law, IRS regulations, and the laws and regulations of the State of South Carolina.
- g) Winthrop University Foundation CRT agreements will be booked at face value for Development and recognition purposes, but only at the remainder value for general accounting purposes.
- h) When a donor establishes a qualified CRAT or CRUT outside of the Foundation and names the Winthrop University Foundation as an irrevocable remainder beneficiary, the Foundation may book this contribution in the same manner as a CRT upon receipt of a copy of the signed trust agreement or signed statement from the Grantor.
- i) Donors may contribute additional gifts of a minimum value of \$5,000 to their charitable unitrust for which Winthrop University Foundation serves as trustee.

**5. Charitable Lead Trust.**

The Foundation will promote the use of charitable lead trusts (CLT) to donor prospects as a means of simultaneously reducing income or estate taxes, facilitating generational wealth transfers and supporting the Foundation. Income produced by a CLT for the Foundation may be restricted and designated in accordance with policies established for any other cash contributions. The Foundation will not serve as a trustee of a CLT.

**6. Remainder Interest in Real Property.**

The Winthrop Real Estate Foundation will accept gifts of retained life estates in real property if the donor agrees in writing to be responsible for all maintenance, insurance costs, and taxes associated with the property for as long as they retain their right to reside in the property. There shall also be a written agreement regarding handling of the property if the life tenant(s) leave the property prior to death, such as to move into a retirement community. Gifts with a retained life estate must also conform to all other Winthrop University Real Estate Foundation policies regarding gifts of real estate. Gifts of a remainder interest will be credited to the donor in the year the transfer of ownership is completed from the donor to the Winthrop University Real Estate Foundation at the charitable remainder value of the contributed real estate.

**D. Trusts Held by a Third Party**

The Foundation will record such trusts, and gifts from such trusts, in accordance with generally accepted accounting principles.

**VIII. Effective Date and Amendments**

**A. Effective Date of Policy**

The effective date of this policy is September 16, 2010, and it applies to all new gifts and new pledges received after that date.

**B. Authority to Make Amendments**

The Board of Directors of the Foundation is authorized to amend this policy at any time.

## Appendix A

The Partnership for Philanthropic Planning *Guidelines for Reporting and Counting Charitable Gifts* recommend that fundraising campaigns of whatever duration would be better structured, clearer in their expectations, more transparent in their reporting and more truly comparable if they were to set three separate and complementary goals and report fundraising results in these three dimensions:

1. An outright goal for gifts that are usable or will become usable for institutional purposes during the “campaign” period (whether one or more years).
2. Irrevocable planned gift goals, for gifts committed during the “campaign” period but usable by the organization at some point after the end of the campaign period.
3. Revocable gift goals for gifts solicited and committed or pledged during the “campaign” period but in which the donor retains the right to change the commitment and/or beneficiary. These guidelines also recommend that charities report their progress toward each of these goals separately, using face value numbers.

### Key Principles

The guidelines are based upon several key principles. Among the most important of these are that the guidelines should:

- Be clear, transparent and easily understandable by development professionals as well as the wider audience of staff, volunteers, regulators and benefactors.
- Provide a mechanism for comparison among charitable organizations based on criteria that can be applied comparatively across the broad charitable community.
- Take into account the considerations of the donor.
- Focus on counting and reporting, not accounting, valuation or crediting.
- Recognize that the IRS charitable deduction calculations were not created for the purpose of counting planned gifts and, while valid for tax purposes, do not offer a way of counting planned gifts that recognizes the total campaign and development effort.
  - Recognize that campaigns are usually finite, often with a multi-year timeframe. We also recognize that some organizations conduct a series of annual campaigns with a structure very similar to multi-year campaigns.

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## Appendix B

### Donor Bill of Rights

Philanthropy is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To assure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the not-for-profit organizations and causes they are asked to support, we declare that all donors have these rights:

1. To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.
2. To be informed of the identity of those serving on the organization's governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities.
3. To have access to the organization's most recent financial statements.
4. To be assured their gifts will be used for the purposes for which they were given.
5. To receive appropriate acknowledgement and recognition.
6. To be assured that information about their donations is handled with respect and with confidentiality to the extent provided by law.
7. To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.
8. To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.
9. To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.
10. To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.

Source:

The text of this statement in its entirety was developed by the American Association of Fund-Raising Counsel (AAFRC), Association for Healthcare Philanthropy (AHP), Council for Advancement and Support of Education (CASE), and the Association of Fundraising Professionals (AFP), and adopted in November 1993.

## Appendix C

### SCHOLARSHIP NAME 2009 ENDOWMENT REPORT

This scholarship was established by Dr. Edward P. Guettler, a Winthrop Professor in Mathematics, in memory of his wife, Alyce Terry Guettler, Class of 1981, who was a teacher in the Rock Hill School District. The purpose is to provide renewable scholarships for undergraduate students. Selection is determined in conjunction with endowment guidelines.

### ENDOWMENT STATUS AND ACTIVITY REPORT CALENDAR YEAR 2009 (JANUARY 1, 2009 – DECEMBER 31, 2009)

	Fiscal Year Contributions	Distributions	Market Value
As of December 31, 2009	\$0 .00	\$0.00	\$0.00

These figures are for calendar year only and do not reflect contributions received after December 31. Market Value refers to the value of this endowment's portion of the total assets in a consolidated investment pool (CIP) as of December 31, 2009. For more information on Winthrop University's CIP, please refer to the enclosed document entitled "Overview of Winthrop University Investments."

### SCHOLARSHIP RECIPIENTS

As representatives of Winthrop University, we accept responsibility to protect the privacy of students who entrust us with personal information. We ask that you do the same. Thank you.

(Student Names Listed)	Cordova, TN	Senior Political Science
	Rock Hill , SC	Senior Modern Languages
	Columbia, SC	Senior Business Administration
	Rock Hill , SC	Junior Early Childhood Education
	Matthews, NC	Senior Business Administration
	Crofton, MD	Senior English

## WINTHROP UNIVERSITY OVERVIEW OF INVESTMENTS

Together with the management firm, Merrill-Lynch/ Bank of America, the goals of the Investment Committee of the Winthrop University Foundation Board of Directors are:

1. Compound the principal of the Foundation's assets by appreciating the assets above the rate of inflation for preservation of capital value.
2. Provide funds from the Foundation to meet the annual commitments established to financially aid the University.
3. Obtain new and renewed capital gifts to further expand the Foundation asset base to enable giving more financial assistance.
4. Hire professional Investment Managers who demonstrate an ability to maximize the total return on the Foundation's capital while limiting risk.

Winthrop invests the majority of its endowments through a consolidated investment pool (CIP). The Investment Committee is a standing committee of the Winthrop University Foundation Board of Directors whose purpose is to develop and maintain the investment policy to ensure maximum possible return on Foundation assets. The committee is comprised of the Foundation's president and treasurer, the treasurer of the Winthrop University Alumni Association, and other Foundation directors appointed by the president.

In an effort to ensure the continued success of the Foundation, the Investment Committee and the Foundation board are committed to supporting the current operations of Winthrop University while remaining focused on the long term growth of assets. The Foundation's continued existence for the benefit of future generations of students, staff, and faculty is dependent upon long term asset growth. While shorter-term investment results will be monitored, adherence to a sound long-term investment policy, which balances short-term spending needs with preservation of the "real" (inflation-adjusted) value of assets, is crucial to the long-term success of the foundation.

## PRUDENT INVESTMENT PRACTICES

To achieve its goals and maintain its focus, the endowment is allocated among various asset classes. This practice serves to ensure the proper level of diversification with the endowment. Along with this, the Foundation Board and the Investment Committee adhere to other prudent investment practices that ensure the proper management of funds.

Recently, the Foundation Spending Policy was changed to accommodate a difficult economic environment. Specifically, the spending policy for endowed scholarships, professorships, and other endowed funds is 4% of the 5-year rolling average not to exceed interest earnings. All original gifts to an endowment are held in perpetuity as a permanently restricted net asset which may be subject to donors' imposed stipulations.

In addition, the Foundation has recently instituted a policy wherein all annual restricted funds and any funds building to the endowment level are invested separately from and more conservatively than all other foundation assets. This practice is utilized for the purpose of minimizing risk and decreasing the influence of economic downturns on Foundation investments.