

Gift Acceptance Procedures

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I. Purpose

The Mid-Atlantic Region Commission on Higher Education (MARCHE), doing business as the Middle States Commission on Higher Education (MSCHE or the Commission), seeks to ensure that gifts and donations are accepted in a manner that is consistent with and supports its mission. The purpose of these procedures is to implement the *Gifts Acceptance Policy*.

II. Procedures for Submitting a Written Intent to Make a Gift

- A. A prospective donor will submit a written intent to make a gift to the Commission via email to communications@msche.org. The intent should include the following information:
 - 1. Name of individual or entity making the gift
 - 2. Description of the gift
 - 3. An estimated valuation of the gift, if applicable
 - 4. Documentation of a qualified and independent appraisal if applicable
 - 5. Donor intent and designation, including timeframe for the gift
- B. The Commission staff will acknowledge receipt of an intent to make a gift within 7 calendar days of receipt of the communication from the prospective donor, if possible.
- C. The Commission will accept unrestricted gifts and gifts for specified programs and purposes, provided that such gifts comply with applicable law and are consistent with its stated mission, vision, purposes, priorities, policies, or procedures.
- D. The types of gifts that may be considered for acceptance by the Commission, at its discretion, include but are not limited to:
 - 1. Cash (Automated Clearing House (ACH), online payment processing, credit card, etc.).
 - 2. In-kind contributions or donations of tangible goods such as small equipment, furniture, supplies, or professional services (signage design, website development, event marketing, print or publishing, sponsorships).
 - 3. Intangible personal property such as bank accounts, stocks, bonds, insurance policies, and retirement benefit accounts.

4. Life insurance policies, life insurance beneficiary designations, or bequests.
 5. Proceeds only from a completed sale of real or personal property (tangible or intangible). Property must be appraised and sold by the donor prior to gifting to the Commission.
- E. The Commission will reject any gift that it deems too restrictive in purpose or not in the Commission's best interest. The types of gifts that will be rejected by the Commission include but are not limited to:
1. Any gifts that would result in the Commission violating its corporate charter or federal, state or local law, statute, or ordinance.
 2. Any gifts that would result in the Commission losing its status as an Internal Revenue Code (IRC) 501(c)(3) not-for-profit organization.
 3. Any gifts where the complexity or expense of administration exceeds the relative value to the Commission.
 4. Any gifts of real property such as land, real estate, growing plans or the improvements on it unless the gift reflects proceeds from a completed sale of real property.
 5. Any gifts of tangible personal property such as motor vehicles, boats, or airplanes, or art and other collections unless the gift reflects proceeds from a completed sale of personal property.
 6. Any gifts that are made with conditions that state the proceeds are for the personal benefit of a named individual.
 7. Any gifts that would result in any unacceptable consequences for or expose the Commission to liability.
 8. Certain gifts such as closely held stock transfers subject to restrictions or buy-sell agreements.
 9. Documents naming the Commission as Trustee.
 10. Gifts involving contracts, such as bargain sales or other documents requiring the Commission to assume an obligation.
 11. Transactions with potential conflicts of interest with Commission representatives.
 12. Certain gifts that may involve Internal Revenue Service (IRS) sanctions for the Commission or the donor.
 13. Administration of any estate in which the Commission is named as a beneficiary.
 14. Any gifts of patents or intellectual property.
 15. Any gifts that are for purposes outside the Commission's mission, vision, values, priorities, policies, or procedures.

III. Procedures for Decision-making on the Acceptance of Gifts

- A. The Commission staff will seek the advice of legal counsel, tax, and other professional advice in matters relating to acceptance of gifts when appropriate. The Commission reserves the right to seek its own review and recommendation by an outside professional (valuation, environmental review, assessment, or remediation, etc.) before making a final decision on acceptance of the gift.
- B. The Finance Committee is responsible for making recommendations to the Executive Committee for the acceptance or rejection of gifts.

1. The Director for Communications and Development Specialist will prepare a list of prospective gifts for the Finance Committee.
 2. The list will contain pertinent information from the prospective donor's pledge or intent to make a gift to the Commission.
 3. The Finance Committee will vote on the acceptance or rejection of a proposed gift.
 4. The Chair of the Finance Committee will forward the recommendations to the Executive Committee at its next regularly scheduled meeting.
- C. The Executive Committee makes the final determination and will vote to accept or reject gifts.
- D. The Commission staff will thank the donor for the proposed donation in writing and notify the donor if a gift is accepted or rejected. If the gift is rejected, the communication will provide the reason(s) the gift was rejected.
- E. The Finance Committee will make regular and periodic reports on gifts to the Commission to the Executive Committee at least quarterly and to the Commission at its regularly scheduled meetings.

IV. Procedures for the Valuation of Gifts

- A. A prospective donor is responsible for acquiring a qualified independent appraisal prior to submitting a written intent to make a gift to the Commission.
1. The donor is responsible for ascertaining applicable law and IRS regulations related to the valuation of donations.
 2. The donor is responsible for payment of the costs and expenses associated with obtaining the independent appraisal.
 3. A prospective donor is also responsible for the acquisition, costs, and expenses associated with other professional services that might be required to assess a fair market value for any gifts proposed to be made.
- B. The Commission may, at its discretion and own cost, seek a second independent appraisal or validation of the appraised value.
- C. The Commission reserves the right to seek its own review and recommendation by an outside professional (valuation, environmental review, assessment or remediation, etc.) before making a final decision on acceptance of the gift.
- D. The Finance Unit of the Commission will utilize advancement reporting, which is a measure of fundraising activity in accordance with standards set forth by the Council for Advancement and Support of Education (CASE).
- E. The Finance Unit of the Commission will ascertain and ensure the completion of all necessary filings related to the valuation of gifts (including but not limited to *Schedule M - Non Cash Contributions* for the Form 990). The donor is responsible for providing any

information requested by the Finance Unit that may be necessary for completion of these filings.

V. Procedures for Tax Compliance

- A. The Finance Unit will send a written tax acknowledgement and receipt for received gifts in accordance with applicable law and IRS regulations.
- B. The Finance Unit will keep an accurate record and accounting of received gifts, including the valuation of the gift and donor intent and designation. The Finance Unit will report to the Finance Committee on the use of and status of gifts on a regular basis.
- C. The Commission and Commission staff are prohibited from providing personal, legal, financial, tax, or other professional advice to donors or prospective donors.
- D. While the Commission does not provide tax advice, every effort will be made to assist donors in complying with the intents and purposes of the IRS in allowing charitable tax benefits.
- E. The Commission will urge all prospective donors to seek the assistance of independent professional legal and financial advisors in matters relating to their gifts and any resulting tax and estate planning consequences.
- F. The Finance Unit of the Commission will ascertain and ensure the completion of any required filings on behalf of the Commission for tax purposes (including but not limited to *Schedule M – Non-Cash Contributions* for the Form 990; Forms 8282 and 8283). The donor is responsible for providing any information requested by the Finance Unit that may be necessary for completion of these filings.

VI. Procedures for Fees and Commissions

- A. The Commission will not pay “finder’s fees” or commissions to third parties in connection with any kind of gift to MSCHE.
- B. The Commission will pay fees or commissions to properly negotiate and transfer assets.
- C. No officer, employee, or agent of the Commission is or will be compensated in a manner that is dependent on the size or nature of gifts made to the Commission by any person.
- D. If the Commission engages legal counsel, accounting professionals, appraisers, environmental consultants, or other professional services, their fees and expenses will be determined by the time they spend engaged in the Commission’s work and not by reference to any particular gift in connection with which they are retained.

VII. Procedures for Acknowledgement and Recognition of Gifts

- A. The Commission staff will acknowledge receipt of a pledge or an intent to make a gift in a timely manner (within one week of receipt of the communication from the donor, if possible).

- B. Once a gift is accepted by the Executive Committee, the Commission staff will acknowledge accepted gifts with thank you communications.
- C. The Commission's legal counsel will prepare a written gift agreement between the Commission and the donor.
 - 1. The gift agreement will include, at a minimum:
 - a. any and all terms of the Commission's acceptance of the gift;
 - b. a description of the manner in which the Commission will recognize the donor, at the Commission's discretion.
 - 2. Any modifications to the manner in which the Commission, in its discretion, will recognize the donor will be memorialized in a subsequent written addendum.
 - 3. The gift agreement will be prepared for electronic signature by both the Commission and the donor.
 - 4. The President of the Commission, or his or her designee, will sign the gift agreement on behalf of the Commission.
 - 5. The Commission will retain a fully executed and signed electronic copy of the gift agreement in accordance with the Commission's *Records Retention Schedule*.
- D. The Commission staff will acknowledge receipt of all gifts.
- E. The Commission staff will maintain an accurate record of accepted and rejected gifts including all relevant correspondence and documentation in accordance with the timetable established in the *Records Retention Schedule*.
- F. The Commission will safeguard the privacy of donors and the confidentiality of all records, discussions, conversations, communications with donors, and information concerning donors and prospective donors, subject to legally authorized and enforceable (as determined by the Commission's interpretation of applicable law) requests for information by government agencies and courts. All other requests for information concerning a donor or a prospective donor will be granted only if permission is first obtained in writing from the donor.
- G. The Commission must know the identity of the donor in order to maintain donor and transaction records; however, the Commission will honor any requests from a donor to be listed anonymously or not recognized publicly.
- H. If at any time the donor fails to conduct himself or herself without due regard to public morals and decency, or if the donor commits any act or becomes involved in any situation, or occurrence tending to degrade the donor in the community, or which brings the donor into public contempt or scandal, or which materially and adversely affects the reputation or business of the Commission, whether or not information in regard thereto becomes public, the Commission will have the right to remove donor's recognition rights as required pursuant to any written and signed gift agreement.

VIII. Definitions

The following definitions are used or inferred in the policy and/or procedures:

- A. Commission representative.** Any individual who represents or serves the Commission, including peer evaluators, Commission staff, and Commissioners.
- B. Fair market value.** The value of property as determined by the marketplace (or objective purchasers) rather than as determined by a subjective individual.
- C. Independent appraisal.** An engagement for which an appraiser is employed or retained to act as a disinterested third party in rendering an unbiased analysis, opinion, or conclusion relating to the nature, quality, value, or utility of specified interests in or aspects of identified personal property.
- D. Property.** Anything that is owned by or deeded to a person or entity. Real property is any interest in land, real estate, growing plants or the improvements on it, and personal property (sometimes called "personalty") is everything else owned by or deeded to a person or entity.

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