



Stony Brook **Foundation**

Stony Brook Foundation	Policies & Procedures
Gift Acceptance Policies	Policy: SBF-DMIN001

I. Purpose

The purpose of this Gift Policies Statement is to provide SBF's management, faculty, staff, and volunteers with guidelines that enable them to assist prospective donors, their families, and advisors in making gifts to the University.

II. Application

These policies apply to all solicitation efforts on behalf of SBF by SBF staff, faculty, Board of Trustees and other volunteers. The policies also cover administration of the gifts by the Stony Brook Foundation.

Dexter Bailey, Executive Director
Stony Brook Foundation

Revised Date:

5/1/2015

**STONY BROOK FOUNDATION
GIFT POLICIES STATEMENT**

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INTRODUCTION

Gifts raised by Stony Brook Foundation (“SBF”) support Stony Brook University (“SBU”) in carrying out its mission. SBF welcomes gifts to defray general operating costs, to help build the University's endowment and to assist in a variety of special purposes that reflect both the needs of SBF and the interests of its donors.

The following pages outline general policies regarding the types of assets and the form of gifts that SBF accepts. It also describes the administrative responsibilities and procedures developed in connection with the University's fundraising programs. By defining the types of gifts that are acceptable, the different forms gifts may take, and the requirements for accepting gifts, these guidelines will facilitate the appropriate use and accountability of gifts received by SBF.

The purpose of this Gift Policies Statement is also to provide SBF's management, advancement staff, and volunteers with guidelines that enable them to assist prospective donors, their families, and advisors in making gifts to the University. The ideal gift to SBF is one that is both consistent with the donor's intent and financial plans, and also supports SBF's stated goals and programs without imposing undue financial or legal burden upon the University. The donors are ultimately responsible for ensuring that the proposed gift furthers their own charitable, financial, and estate planning goals. These guidelines are intended to be both flexible and realistic in order to accommodate unpredictable giving situations and opportunities as well as variability in donor expectations.

SBF does not provide tax, financial, or legal advice to donors. The University strongly recommends that donors seek advice from independent professional financial advisors or attorneys.

These guidelines supersede all existing gift policies at SBF; they are subject to change, in keeping with SBF's mission and programs, without prior notice by the University.

Principle 1

A gift shall not be accepted by SBF if such acceptance would not be in the interest of the donor. A determination of the donor's “interest” shall include, but not be limited to, the donor's financial situation and philanthropic interests, as well as any tax or other legal matters revealed while planning for a gift. SBF shall not encourage any gifts that are inappropriate in light of the donor's personal or financial situation.

Principle 2

In certain unique cases, a gift may be considered inappropriate due to particular restrictions imposed by the donor. By its very definition, a gift cannot be associated with a private benefit that would jeopardize the charitable contribution deduction under Internal Revenue Code (“IRC”) Section 170 if the donor and beneficiary of the restriction have less than an arms-length relationship. There must be a distance between the donor and recipient such that the recipient does not receive benefits that are otherwise not available to colleagues of similar status and interest. For example, in the capacity of donor, an individual such as a SBU faculty member or staff cannot subsidize his/her own salary, travel funds, or fringe benefits.

Principle 3

A gift shall not be accepted by SBF unless there is a reasonable expectation that acceptance of the gift will support the University’s mission of attaining the highest quality in education and research. Consistent with SBF's non-discrimination policies, terms of a gift must not discriminate against anyone on the basis of race, religion, color, age, gender, sexual orientation or disability. SBF reserves the right to refuse a gift that does not meet the gift acceptance policies.

I. AUTHORIZATION

The SBF Board of Trustees has full and final authority over all policies and procedures for solicitation activities and acceptance of all gifts to the Foundation.

Operationally, the Executive Director has the authority to implement policy and make day-to-day decisions. In making those decisions the Executive Director will normally consult with the Controller.

The Executive Director and President are responsible for the development of Advancement-related policies for Board approval and subsequent implementation of Board-approved policies. All fundraising efforts, campaigns and appeals made on behalf of SBF must be approved by the Executive Director and/or the Board of Trustees as appropriate.

- No general or group solicitation of funds for specific purposes may be undertaken by any staff, department, or operating unit of SBF without the approval of the Executive Director.
- Solicitation of all gifts from individuals, foundations or corporations must be cleared through the Executive Director.
- Any fundraising event proposed by an outside individual or group for the benefit of the University, must be approved by the Executive Director and adhere to all applicable guidelines for a third party event.
- All endowment and capital gift agreements must be reviewed by senior management prior to presentation to the donor prospect. See “**Endowment and Capital Gift Agreements-Review Process**” **DEV-OPER002** for more details.

Only the Executive Director or his or her designee is approved by SBF to accept gifts to SBF that meet the guidelines stated in this document.

Requests for waivers to these guidelines will be evaluated by the Executive Director who will decide whether to refer this waiver to the President for review. The Executive Director will make recommendations to the Board of Trustees for its approval to grant exceptions to the policies contained herein.

SBF reserves the right to decline any proposed gift that is deemed by the Executive Director and the President not to be in the best interests of SBF or is inconsistent with its mission, programs or strategic goals.

The Office of University Advancement is responsible for the following functions:

- Coordinating and managing the solicitation, receipt, acknowledgment, documentation, and stewardship of all gifts to SBF;
- Managing the process of solicitations by faculty, staff, and volunteers in accordance with approved gift policies;
- All gifts should be processed, recorded by SBF, and acknowledged by University Advancement. Gifts received by other offices should be forwarded to SBF or the Advancement Office for proper recording and acknowledging of the gift;
- Identifying, recording and timely deposit and safeguarding of gift receipts;
- Documenting all pledge and gift receipts for input into SBF's fundraising database;
- Tracking, monitoring, and collecting pledge payments; and
- Implementing and complying with Gift Policies as adopted by the Board of Trustees.

Any formal changes to the Gift Policies can only be made after the approval of the Executive Director.

II. DEFINITIONS

A. Types of Gifts

Types of Gifts and Valuations

A gift is defined as a voluntary, irrevocable transfer of assets from an individual or private organization to SBF. A gift is consideration given for which the donor receives no direct benefit and requires nothing in exchange beyond an assurance that the intent of the contribution will be honored.

A gift may also include a “quid pro quo contribution” portion within the meaning of Section 6115 of the Internal Revenue Code (IRC) where goods or services may be provided to the donor in recognition of the consideration given by the donor. Where there is a quid pro quo contribution, the disclosure and substantiation requirements will comply with the Internal Revenue Code requirements.

Conditional Gifts

Some gifts, because of some qualifier or restriction, are considered non-routine. Conditional gifts may commit SBF to an act within a specified time or use a gift for a specific purpose. Conditional gifts will be reviewed by the Executive Director and a recommendation will be made to the President to either accept, modify the gift terms or reject the gift.

SBF will value gifts for gift and campaign credit purposes in accordance with its internal procedures following, in general, the Council for Advancement and Support of Education “CASE” Reporting Standards & Management Guidelines (4th edition). Such valuation and credit may be independent of the valuation and date of the gift as reported by the donor to the Internal Revenue Service, or the value placed on the gift by the donor or an independent qualified appraiser as required by the IRS for federal income tax purposes. Such valuation may also differ from valuation for financial statement purposes as required by FASB 116 and 117.

Gifts will be valued for the purpose of recording in the books of record on the date that ownership is recognized by SBF in accordance with its policies. The donor is responsible for supplying and signing all legal documents necessary or advisable in connection with the transfer of any property to SBF. No SBF staff shall provide the appraisal of a gift of property for a donor’s tax purposes.

Neither gains nor losses realized by SBF's sale of a non-cash gift will affect the value credited toward fundraising goals. Realized gains or losses, and any fees incurred by SBF in the disposition of the asset, or the maintenance of the asset until sale (e.g., utilities, taxes, insurance, etc.) may be added to or deducted by the Business Office from the amount available for the purpose designated by the donor but will not be included in the gift value.

Gifts Made by a Third Party on Behalf of a Donor

A third party making a gift to SBF on behalf of an individual or other donor will receive the legal or “hard” credit. Such gifts will include, but not be limited to, gifts from family foundations, community foundations, family or closely held corporations, and other donor directed gifts which are not personally given.

All such third party gifts may be entered as a memo or “soft” credit or “on behalf of gifts” under the individual’s record to acknowledge gift credit affiliated with the third party. The individual donor who received the memo/”soft” credit cannot treat the gift as a charitable contribution for tax purposes.

B. Definitions of Unrestricted and Restricted Gifts

Unrestricted Gifts

Unrestricted Gifts are those given by donors with no limitation, prohibition or constraint on the specific purpose or use of the gift funds regardless of any subsequent designation by SBF.

Temporarily Restricted Gifts

Temporarily Restricted Gifts are gifts with a donor-directed purpose that has yet to be fulfilled or a gift subject to restrictions that will lapse or expire upon a certain event. For instance, a gift restricted for use in building a new structure will not be used until SBF needs the funds to begin construction. Likewise, a gift restricted to support a new program may not be expended until the program is ready to be implemented.

Permanently Restricted Gifts

Permanently Restricted Gifts are gifts to fund an endowment that must be maintained at their original value in perpetuity by SBF and subject to the revisions of the New York Prudent Management of Institutional Funds Act (“NYPMIFA”). They may be limited by donor directed conditions that neither expire over time nor can be removed by SBF, except as provided by law. The distribution of income from endowments will be in accordance with SBF's spending policy as approved by the Board of Trustees.

Endowed funds may be further defined as follows:

1. Endowment-Unrestricted Income gifts are permanently restricted by donors for endowment but not bearing any restriction from the donor as to the use of the endowment income distribution.
2. Endowment-Restricted Income gifts are permanently restricted by donors for endowment with their income restricted to a specific use, such as scholarships, faculty support, program support, or other purposes.

III. GIFT TYPES AND VALUATION

A. Cash

Cash and Cash Equivalents

Cash is often the easiest way to give and the most frequently received form of gift accepted by SBF. These gifts can take the form of currency, check, or credit card contribution. Donors can also use their credit card to donate using the SBF online giving webpage. Cash may be delivered in person, by mail, by Electronic Funds Transfer (EFT), or by wire transfer. Cash gifts are reported the date the cash is received in the Development Services processing area. If gifts are transferred by EFT or wire, the date of the gift is the date that the money is transferred into SBF's bank account. Credit card gifts are reported on the date that the credit card charges are processed. SBF accepts American Express, Discover, MasterCard and VISA credit cards.

B. Securities

All marketable securities will be valued at the mean of their high and low market values on the date of transfer. The date of transfer is the date that:

- The electronically transferred securities are deposited in SBF's brokerage account.
- Hand-delivered stock certificates that are registered in the donor's name must be accompanied by a signed stock power with a medallion signature guarantee. The gift date is the date on the stock power certificate.
- The gift date for hand-delivered stock certificates that are registered in SBF's name will be the issue date of the certificate.
- The mailed stock certificate and a properly endorsed stock power should be mailed separately. If the dates on the documents differ, the date of the stock power certificate will determine the gift date.
- Gifts of otherwise publicly traded securities that are subject to tender offers or securities law restrictions may present particular tax or administrative issues for the donor and/or for SBF that may be referred to the appropriate Board committee(s) prior to acceptance of the gift.
- Any restrictions by the donor on the management or investment of a gifted security (public or closely held) will be referred to the Executive Director for review, and referred to the President when appropriate, prior to acceptance of the gift.

Publicly-Traded Securities

Securities (1) listed on an exchange in which quotations are published daily; (2) regularly traded in national or regional over-the-counter markets for which published quotations are available; or (3) that are shares of a mutual fund for which quotations are published on a daily basis, will be accepted as outright gifts or toward pledges.

Closely Held Securities (non-public)

SBF shall examine any issue that is not publicly traded prior to its acceptance as a gift and may decline a gift of such securities if it deems them difficult to value or not easily marketable. An independent appraisal provided by the donor is required prior to acceptance of the gift. SBF senior management, including but not limited to the Controller, must approve gifts of non-publicly held securities prior to acceptance.

Securities inconsistent with Stony Brook Foundation guidelines listed above, will be considered on a case-by-case basis by the Executive Director in consultation with the prospective donor.

C. Pledges

A pledge is defined as a written statement of an intention to make an unconditional gift or grant signed by the donor or her/his authorized agent. Pledges are commitments to give a specific dollar amount according to a fixed time schedule. A conditional pledge is a pledge that contains a definable condition that the University must meet prior to the pledge being fulfilled. (A conditional pledge is not the same as a pledge made for a restricted purpose.)

The following minimum information must exist to substantiate a pledge:

- The pledge must be documented in writing and signed by the donor and in the receipt of SBF. The amount of the pledge must be clearly specified.
- There should be a clearly defined payment schedule; the pledge payment period cannot exceed five years unless approved by the Executive Director (and the Controller for pledges of \$100,000 or more).
- The donor may not prescribe contingencies or conditions that require an undue burden of financial resources by SBF.
- Gifts to permanently restricted funds (endowments) will be documented by an endowment gift agreement signed by the donor and SBF's designee. Such an agreement will be framed in preferential language which would allow SBF, in the event that the original restrictions cannot be followed, to use the funds for a compatible, related, or other worthy purpose.
- The donor must be considered to be financially capable of making the gift.

- Changes to the original pledge must be documented in writing (letter or email) by the donor and accepted by SBF.

Pledge Recording

- Anticipated matching gifts will not be included in donor's pledge amount. The matching gift, when received, will be booked with legal or hard credit to the matching entity. A soft credit will be recorded to the original donor for recognition of the matching gift as per University Advancement recognition guidelines.
- Pledges and expected matching gifts paid in full will qualify for donor recognition in appropriate giving level groups.
- If a final pledge payment exceeds the pledge balance, a gift will be recorded for the amount of the overpayment. De minimis underpaid pledges (as a result of rounding, gift valuation, or incremental giving) may be recorded as paid in full when donors' intents are clearly to pay commitments in full. Before taking action, each situation will be evaluated for the underpaid amount and other circumstances concerning the donor.
- Before defaulted pledges are written off, pledges over \$5,000 must be reviewed and approved by the Executive Director. See policy on pledge write-offs for further details.
- Pledge balances will be written off when SBF is notified of a donor's death only after unsuccessful attempts to secure the balances either through a provision in the donor's will identifying SBF as a beneficiary or if the donor's family fails to demonstrate an intent to complete the pledge.
- Annual Fund pledges are unrestricted gifts usually for amounts less than \$50,000 and payable within the fiscal year. Annual Fund pledges that are not fulfilled will be removed from pledge records within three months after the end of the fiscal year.

The SBF will maintain all pledge documentation and copies of all endowment gift agreements. The donor receives a signed original of the endowment gift agreement and one original is maintained in the SBF Finance Office.

Corporate Matching Gifts

Matching gifts will be credited to the purpose for which the donor's gift was made, as long as it is consistent with the company's policy. The matching gift is credited to the corporate donor's record; the individual donor whose gift is matched will receive associated acknowledgement by memo ("soft") credit. The memo ("soft") recognition credit for the matching amount will be included in donor records for the University's appropriate giving recognition.

D. Grants and Contracts

The term "grant" is used by many corporate and foundation charitable organizations to indicate philanthropic awards and does not necessarily denote a sponsored research grant or contract. The determination of whether funding awarded to the University is a gift or a grant will be made based on specific circumstances of the award.

Grants that are Equivalent to Contributions

A grant is defined as a voluntary transfer of assets or awards for specific or general purposes to SBF from a corporation, private foundation or other organization. The grantor receives no deliverable that may result in direct economic or other tangible benefit as a result of the gift. The grantor receives no rights to intellectual property derived from the research or exclusive rights to the data or information that results from the research.

According to Internal Revenue Service guidelines, "grants made to encourage an organization receiving the grant to carry on programs or activities that further the grant recipient's exempt purposes are grants that are equivalent to contributions. The grantor may specify which of the recipient's activities the grant may be used for ... A grant is still equivalent to a contribution if the grant recipient performs a service, or produces a work product, that benefits the grantor incidentally."

Government grants are not counted as philanthropic gifts.

Contracts

Contracts are not counted as gifts since a contract carries an explicit quid pro quo relationship between the contractor and SBF. There is an expectation that SBF is providing economic benefit(s) to the contractor such as exclusive rights to research results, intellectual or tangible property or services to the contractor.

E. Personal Property and Gifts-in-Kind

Personal Property

Personal property that may be considered as a gift includes but is not limited to works of art, patents, copyrights, antiques, stamp and coin collections, jewelry, furniture, rare books, manuscripts, or any other item that has a determinable value. **No SBF staff or Board member will provide appraisal information to a donor for tax purposes.** The IRS requires the donor acquire a qualified independent appraisal for any gifts valued over \$5,000 and file IRS Form 8283. An authorized SBF official must sign the form to indicate that SBF is eligible as a tax-exempt entity to receive the charitable donation and to confirm that SBF has received the property. SBF is not certifying the valuation of the gift by signing the form.

SBF may approve such donations only after a review indicates that the property is either readily marketable or can be used for education or research that supports the mission of SBF. SBF will sell or otherwise dispose of all gifts of personal property immediately or as soon as practical, unless the items can be used to support education or research. SBF's intention to either resell the property or to retain and use it to further its charitable activities shall be communicated to the donor in writing at the time of the gift. SBF must file IRS Form 8282 for gifts of tangible property valued over \$5,000 if the item is sold within three years of the date of the gift.

Intellectual Property and Unexpired Patents

Intellectual Property and Unexpired Patents (i.e. patents, copyrights, etc.) may be considered and shall require the review and approval of the Gift Acceptance Committee and, at their discretion, review by qualified experts in the industry.

Gifts-in-Kind

Gifts-in-Kind are generally defined as non-cash gifts of materials or long lived assets, other than real and personal property. Examples of gifts-in-kind may include equipment, printed materials, food (such as for a hosted event), or software. Gifts-in-Kind usually come from companies or corporations as opposed to individuals who usually give personal property. The IRS requires the donor acquire an independent appraisal for any gifts valued over \$5,000 and must file IRS Form 8283. It is the donor's responsibility to obtain an independent appraisal for tax purposes. No SBF staff will provide appraisal information to a donor for tax purposes. Regardless of what estimated value a company may place on a gift-in-kind, SBF must report the value it would have had to pay if it purchased the item outright, net of any educational discount. (See policy regarding fine art donation and Library policies for gifts of historical significance.)

See the Gift-in-Kind policies for both the Foundation (**SBF-ADMIN003**) and University for more detailed information.

F. Bargain Sales

A "bargain sale" is a sale of property to SBF for an amount less than the property's current fair market value. The excess value over the sales price represents a contribution. Routine standard discounts on items that SBF purchases are not considered gifts. The company should provide a bill of sale with the retail price, the educational discount and the charitable contribution of the bargain discount. SBF must obtain the approval of the Executive Director in consultation with the Controller and the Budget and Finance Committee of the Board, to purchase real estate, securities, or other property on a bargain sale basis. The terms of such bargain sale must result in a minimum gift of \$100,000; however, exceptions to this minimum can be made with the prior approval of the Executive Director and the Controller. The donor shall secure a qualified independent appraisal of the property or documentation of the retail price of comparable property. The cost of the appraisal shall be borne by the donor.

Volunteered Services

The value of a person's or organization's time or service is considered a volunteer activity and is not a charitable contribution as defined by the Internal Revenue Code (IRC).

G. Real Property

Real Property is defined as improved or unimproved land, personal residences, commercial property and rights (e.g., mineral, air, water) and easements connected with land. Real property will be reviewed by the Executive Committee of SBF and SBFR, and upon acceptance will be sold by SBFR for the benefit of SBF, except for property to be used directly for institutional purposes as determined by the Trustees. Gifts of real estate will be evaluated to ensure conformity with state and federal laws, including EPA regulations, and the donor must provide satisfactory evidence of environmental compliance.

1. Donors may contribute real estate as a fee interest, as a life estate, or as a life income gift. Prior to acceptance, the donor must provide SBF with a qualified third-party appraisal of the property's fair market value. SBF will make no representation to the donor as to the value of the property for purposes of claiming a charitable deduction.
2. Real property must have a clear record and marketable title. Easements and/or restrictions must be disclosed. Prior to acceptance, the property should be thoroughly investigated, especially with regard to any environmental or marketability issues. The donor is responsible for obtaining a real estate property disclosure checklist containing the following:
 - a. General description of property;
 - b. Title of ownership;
 - c. Date of acquisition and cost basis;
 - d. Value of land versus value of buildings;
 - e. Complete mortgage information;
 - f. Form of acquisition;
 - g. Property tax assessment;
 - h. Zoning restrictions;
 - i. Environmental history;
 - j. Deed containing deed restrictions;
 - k. ADA and handicapped accessibility compliance, if appropriate;
 - l. Tenant information; and
 - m. Appropriate documentation if the property is part of a condominium cooperative.
3. The donor is responsible for all costs, expenses, and taxes incurred by the donor in maintaining the property or securing proper and legal documentation, until legal transfer of the property is completed. With a retained life estate, the donor is responsible for taxes, maintenance (routine and extraordinary) until death or permanent vacancy of the property.
4. Title to property that is contaminated with hazardous waste may not be accepted by SBF.
5. Consideration must be given to the costs of holding and maintaining any gift of real property prior to its sale. When appropriate, the donor will be approached to supplement the gift of real estate with cash or securities to cover operating costs and expenses.

6. The Executive Director of SBF and Controller of SBFR is responsible for performing due diligence procedures in order to recommend accepting gifts of real property. The Executive Director is responsible for recommending acceptance of any such gift. The SBFR Committee is responsible for accepting gifts of real property. Title will not be transferred or acknowledged until after acceptance of the gift of real property in accordance with this policy.

The right to rent-free use of a home, office, vacation home or other real property is not recognized by the IRS as a tax deductible contribution and SBF will not record this type of arrangement as a gift.

H. Bequests

A Bequest is defined as a gift of personal property, such as cash, securities, personal or real property or other assets (e.g., intellectual property and unexpired patents), that is owned by a decedent at the time of death and which is directed by the provisions of the decedent's will. Notification of the inclusion of SBF in a donor's will shall be in the form of a written Estate Intention form.

Estate Intention

An Estate Intention is the written notification by a donor that the Stony Brook Foundation is a beneficiary of the donor's estate. An Estate Intention is revocable and therefore is separately disclosed in fundraising activity reporting. It is not reported as a gift in the VSE survey or in the audited financial statements. An Estate Intention shall be recorded as a pledge when the following conditions are met:

- The signed Estate Intention form indicates a specified or estimated dollar amount of the estate based on a credible estimate of the future value of the estate at the time the commitment is made.
- A beneficiary designation from a 401K, IRA's, life insurance will be treated, documented, valued and recorded in the same manner as an Estate Intention. The donor must submit a copy of the beneficiary designation to book the Estate Intention.
- The donor has reached the age of seventy-two (72). Estate Intentions for those who will turn 72 during the campaign (to as young as 68) may be recorded at present value without the approval of the Executive Director.
- The donor is age 65 - 71 and SBF has verification of the commitment in a letter from the donor/attorney/legal representative or the signed SBF Estate Intention form and approval by the Executive Director.
- The donor is age 50 – 64 and SBF has a copy of the donor's last will and testament (or relevant portion thereof) as well as a signed Estate Intention form and approval by the Executive Director.

Age	Signed Intention Form	Copy of Will	Senior Management Approval
72+	Yes	-	-
65-71	Yes	-	Yes
50-64	Yes	Yes	Yes

I. Trusts/Planned Giving

Charitable Remainder Trusts

A Charitable remainder trust is a trust that provides for a specified distribution, at least annually, to one or more beneficiaries, at least one of which is not a charity, for life or a term of years, with an irrevocable remainder interest to be held for the benefit of, or paid over to, charity. SBF will not serve as trustee of any trust unless SBF is named as an irrevocable beneficiary.

Valuation: Charitable Remainder Trusts, will be credited for Advancement purposes at the fair market value of assets received. For VSE reporting and SBF's audited financial statements, the present value of the remainder is used and can only be counted when the designation of the remainder beneficiary is irrevocable per the trust document's language.

Types of Remainder Trusts

- Charitable Remainder Unitrust (CRUT) – A trust that pays to the beneficiary at least annually, a fixed percentage that is not less than five percent (5%) of the net fair market value of the trust assets as valued annually. Although the percentage remains fixed throughout the trust term, the unitrust amount may vary from year to year since the trustee bases this amount on the annual net fair market value of the trust assets. This trust may be established for a term of years not to exceed twenty (20), or for the life of the beneficiary, at the end of which time the principal goes to SBF.
- Charitable Remainder Annuity Trust (CRAT) – A trust that pays to the beneficiary at least annually a fixed dollar amount of not less than five percent (5%) of the initial net fair market value of the property placed in the trust. Because the annuity amount is a fixed sum, any subsequent appreciation in the value of the trust assets inures to the benefit of SBF. This trust may be established for a term of years not to exceed twenty (20), or for the life of the beneficiary, at the end of which time the principal goes to SBF.

If SBF serves as the trustee in a single-life agreement, the individual must be at least sixty (60) years of age. In a two-life agreement, the younger individual must be at least sixty (60) years of age.

The minimum amount to establish either a Charitable Remainder Unitrust or a Charitable Remainder Annuity Trust is \$100,000 if SBF is to be the trustee. This minimum amount assumes that trust assets are managed in a common fund. If a trust agreement requires trust assets to be managed separately, then the minimum amount to establish such trust must be at a negotiated higher level. If however, the donor selects an external trustee to manage the trust, the minimums for age and assets will be whatever is acceptable to the trustee.

Exceptions may be made subject to the prior approval of the appropriate Board committee.

Charitable Lead Trust

Under a Charitable Lead Trust (either testamentary or *inter-vivos*), the donor's assets are transferred to an irrevocable trust for a period of years with a fixed percentage of the trust's assets as valued annually, or a fixed dollar amount paid to SBF each year. The amount paid to SBF may be either a fixed sum (an "annuity trust" interest) or a percentage of trust assets as valued each year (a "unitrust" interest). At the termination of the trust, the principal reverts to the donor or other beneficiaries of his or her choice. If SBF serves as the trustee, the minimum amount to establish a Lead Trust is \$500,000.

When SBF is the trustee, the trust term will be decided by mutual agreement between the donor and the Executive Director.

Valuation: Annual payments to SBF from a Charitable Lead Trust will be recorded as outright cash gifts.

Gift Annuity

A Gift Annuity is an irrevocable transfer of assets to SBF in exchange for which SBF promises to pay the donor and, possibly a survivor if designated, fixed annual payments for life. Total annual payments are made in calendar quarter installments. Upon the death of the last beneficiary, the remainder interest is distributed to SBF.

A gift annuity may be issued on the life of an individual who is at least sixty-five (65) years of age for an amount not less than \$10,000. Gift annuity agreements will not be entered into for more than two lives, and, in the case of a two-life agreement, the younger beneficiary must be at least sixty (65) years of age.

A Deferred Gift Annuity allows for payment of the annuity to start at a later time than the date of the gift. The minimum age for entering into a Deferred Gift Annuity is fifty (50). The minimum age for the starting date of annuity payments under a deferred gift annuity is sixty (60).

Gift annuity maximum rates of return are determined by the donor's age at the time of the agreement. SBF adheres to the gift annuity rates approved by the American Council on Gift Annuities.

Valuation: A Gift Annuity will be valued at the fair market value of the assets received for fundraising activity reports. The gift will be recorded at the present value of the remainder due to SBF for VSE reporting and audited financial statements.

Planned Gifts

A Planned Gift is a gift in which the donor designates SBF as the charitable beneficiary, but the receipt of funds from the gift may be delayed until a future time, except in the case of Lead Trusts. Donors who make planned gifts normally receive tax and/or income benefits. Any exception to these guidelines for planned gifts must be approved by the Board of Trustees based on the recommendation of the Executive Director and the Controller.

Other Planned Gifts

From time to time, the nature of donor assets or IRS regulations may provide opportunities for other forms of planned gifts not enumerated above, or blending more than one form of gift. Such possible gift arrangements will be reviewed jointly by the Advancement Committee and the Budget and Finance Committee, so as to provide the appropriate recognition to the donor, while fulfilling the Trustees' fiduciary obligation and presenting SBF's financial condition fairly. Such gifts may involve a partial or future interest in a donor asset (e.g., a pension fund) or other forms of gift.

J. Retained Life Estate

A Retained Life Estate is a gift to SBF of a residence or other real estate (such as a farm) where the donor reserves the right to occupy or use the property for life, a term of years or for the lifetime of more than one tenant, after which the residence reverts to SBF.

SBF may accept a gift of a personal residence or other real estate with a retained life estate after assessing the length of the life tenancy and after examining all factors that are otherwise relevant to accepting gifts of real estate.

The donor or other person(s) for whose benefit the life estate has been retained shall continue to be responsible for real estate taxes, insurance, utilities and maintenance after title to the property has been transferred unless SBF, upon prior approval of the appropriate Board committee, agrees to assume responsibility for any of these items. In any event, SBF shall enter into a retained life estate arrangement only if it is also party to an agreement that specifies the respective rights and responsibilities of SBF and of the person(s) for whose benefit the life estate has been retained.

Valuation: The retained life estate gift will be recorded at the fair market value of the property. The donor is responsible for providing an independent real estate appraisal sixty days prior to the date of recording the gift. The donor must file the IRS Form 8283 for tax purposes.

K. Life Insurance

1. SBF must be assigned as both an irrevocable beneficiary and owner of an insurance policy before a policy can be recorded as a gift. Such gifts must be fully paid and in the form of a whole life policy that has a face value of at least \$250,000. Paid up policies for lesser amounts may be recorded as gifts at the recommendation of the Executive Director to the President. Every gift of insurance must be subject to a written gift agreement. SBF will not accept any policy with an outstanding loan(s).
2. The current cash surrender value of the policy will be credited toward fundraising goals. Increases in the cash surrender value of the policy are not recorded as gifts.
3. The difference between the cash value and the insurance company's settlement at the donor's death will not be reported as a gift, but as a gain on the disposition of assets.
4. In cases where SBF receives the proceeds of an insurance policy in which SBF is named beneficiary but is not the owner, the full amount received will be reported as an estate gift on the date the proceeds are delivered.

L. Gifts with special risks

Gifts of the following types of property must be reviewed and approved by the Executive Director, Controller, and the Board as deemed appropriate by the Executive Director:

1. Real estate;
2. Closely held stock;
3. Gifts of real or tangible personal property subject to donor restrictions regarding the use or disposal of such property;
4. Bargain sales;
5. Oil and gas interests;
6. Partnership interests;
7. Any other property interest which is not readily marketable;
8. Gifts that require the expenditure of significant SBF funds; and
9. Gifts-in-kind.

Before acceptance, relevant information about the property shall be ascertained, including a copy of any appraisal secured by the donor. SBF also reserves the right to secure its own appraisal if it determines that it is prudent to do so.

SBF reserves the right to decline non-cash gifts or illiquid assets accompanied by a liability. No gift of real or personal property will be accepted if such acceptance would cause SBF to incur a financial or other obligation (to display, store, insure, clear of legal restrictions, sell, etc.) which the Executive Director deems to be burdensome. In the event the Executive Director or other officer of SBF should decide to accept a financial or other obligation, he/she shall so recommend it to the Board of Trustees for its review and approval. SBF reserves the right to sell personal property at any time unless otherwise agreed to with the donor.

M. Planned Gift Administration

1. The Office of University Advancement will take responsibility for the following functions related to planned gifts:
 - a. Prepare with legal counsel and the donor's attorney all planned gift documents for execution by the donor and the President, with the advice and consent of the Board of Trustees, as appropriate;
 - b. Secure all necessary gift information for the donor to calculate applicable charitable tax deductions and income tax treatment of life income payments;
 - c. Convey such information to the donor, Executive Director, Controller, President or other designated official;
 - d. Notify the appropriate beneficiary regarding any life income gifts and their purpose; and
 - e. Arrange for stewardship.
2. Trusts subject to income agreements will be credited at a value as stipulated in this document. The Senior Director of Planned Giving will be responsible for recommending gift valuations to the Executive Director.
3. A change in this valuation policy requires approval by the Board of Trustees based on the recommendation of the Executive Director and the Controller.
4. SBF reserves the right to determine or change the trustee(s) of any charitable funds established by SBF.
5. Changes in the value of the trust assets will be considered a gain or loss on the disposition of the assets and will be recorded annually on SBF's financial statements.

IV. GIFT ASSIGNMENT AND REPORTING

A. Gift Assignment, General

1. All gifts will be recorded by the SBF Office and will be recorded by donor, by date, by gift type, by purpose (general ledger account number), and by solicitation program (e.g. Annual Fund mailings).
2. In addition to recording all gifts, all documents related to a gift (e.g., wills, trusts, deeds, annuity agreements, contracts, correspondence establishing gift conditions, etc.) will be retained by the SBPF Office.

B. Consideration in the Assignment of Restricted Gifts

1. Gift restrictions must be received and accepted by the Executive Director or his or her designee. Gift restrictions must support the mission of SBF and be acceptable as outlined earlier in this policy.
2. Should ambiguities regarding a donor's intention exist, they will be resolved by the Advancement Office, in consultation with the donor and SBF's legal counsel where necessary.
3. All restricted gifts will be recorded according to the assigned restricted purpose category. The donor's written instructions shall be made part of the permanent record in the donor's file.
4. If a restricted gift commitment is not fulfilled within five years or according to the agreed-upon terms of the gift agreement, the gift will be used for a purpose similar to the intent of the original commitment or treated as unrestricted.

C. Assignment of Unrestricted Gifts: Special Cases

1. The Board of Trustees may internally designate unrestricted gifts to specific purposes. The Advancement Office and the Business Office will record these gifts in accordance with the purpose assigned, using the following guidelines:
 - a. Annual Fund gifts with no donor-imposed designations will be credited to the unrestricted gift income account and credited toward Annual Fund program goals.
 - b. Special or campaign gifts with no donor-imposed designations will be credited towards campaign goals and will be recorded accordingly in SBF's accounts.
 - c. Undesignated bequests will be assigned based on the amount of the bequest. Bequests of less than \$50,000 will be credited to the Annual Fund. Bequest of \$50,000 or more will be reviewed by the Executive Director and the Controller and credited to a designated account pending the results of the review.

D. Campaign Crediting

1. Campaigns are defined as fundraising efforts that take place over a specified time period, including the “quiet phase”, to raise funds for specified purposes. During the course of a capital campaign, all gifts given in support of campaign objectives will be recorded against campaign goals.
2. For campaign purposes, gifts will normally be credited according to the standards promulgated by this document.
3. Generally, gifts will be credited to a campaign if they meet the following criteria:
 - a. The gift or pledge is made during the active fundraising period of the campaign and the purpose of the gift meets the needs defined as part of the campaign. To be counted against current campaign totals, gifts cannot be payments on pledges counted in previous campaigns.
 - b. Realized bequests received during the course of the campaign will be counted at full face value to the extent that no gift amount has been counted in a previous campaign or reporting period.
 - c. The value of any unfulfilled or cancelled pledges shall be deducted from campaign totals if and when it is determined that these commitments will not be realized.
 - d. Gifts and pledges made prior to the start of the campaign may be “grandfathered” only if they meet one of the following criteria and are approved by the Executive Director and the President:
 - The gift or pledge was in support of a capital project which will be a fundraising priority in the campaign.
 - The gift or pledge was made with the explicit understanding that it would be counted in the campaign totals.
 - e. Corporate sponsorships will be evaluated on a case-by-case basis for campaign crediting purposes. The only portion that will be considered for credit in campaign totals will be that part of the sponsorship net of direct costs associated with supporting the sponsorship agreement (e.g., cost of signage, tickets provided to the sponsor, design costs, etc.). Under the authority granted by the Stony Brook Foundation Board of Trustees, the Executive Director will review and approve sponsorships for inclusion in campaign totals. If approved, sponsorships will be counted toward campaign totals at the face value of the gift net of direct costs.

4. Pledges should be paid within five years; any exceptions to this term limit must be approved by the Executive Director and the President.
5. Irrevocable life income gifts having a remainder value equal to or greater than 25% shall be counted at full market value for campaign purposes. These life income gifts will be disclosed separately in campaign reports.
6. Bequests will be recorded as outlined earlier in this document in the Trust/Planned Gift Section.
7. Conditional Gifts will be accounted for in campaign totals with approval of the Executive Director, when they occur within an approved capital campaign fundraising cycle.

VI. NAMING OPPORTUNITIES

A. Naming Policies

See **SBF-ADMIN002** policy on naming opportunities and minimum funding requirements.

ATTACHMENT A - COUNTING AND RECOGNIZING GIFTS

RECONCILING FUNDRAISING ACHIEVEMENT AND FINANCE

QUALIFYING GIFT	FUNDRAISING ACHIEVEMENT	FINANCE
<p>Documented bequest intentions from donors 72+. Funded by:</p> <p style="padding-left: 40px;">Cash, securities, real estate; donor establishes value; retirement plan (e.g. 401k, IRA)</p>	Face value	Not recorded
<p>Irrevocable planned gifts from donors 65+ and deferred from 50+:</p> <p style="padding-left: 40px;">Charitable gift annuities Deferred gift annuities Charitable remainder trusts Charitable lead trusts</p>	<p>Face value</p> <p>Face value</p> <p>Face value</p> <p>Face value of income stream</p>	Net present value
Pledges (up to 7 years)	Face value	Net present value
Conditional gifts	Face value	Disclose until conditions are satisfied
Verbal pledges	Not credited	Not recorded for financial reporting
Electronically assigned (by e-commerce, e-signature or e-mail exchange plus gift)	Face Value	Net present value