



**East Carolina University Foundation, Inc.  
East Carolina Real Estate Foundation, Inc.  
Green Town Properties, Inc.  
ECU Innovation Foundation, LLC**

**Gift Acceptance Policy**

**Applicability**

This policy is applicable to the East Carolina University Foundation, ECU Real Estate Foundation, Green Town Properties, and the ECU Innovation Foundation.

The ECU Foundation, ECU Real Estate Foundation, Green Town Properties, and the ECU Innovation Foundation (collectively the "Foundation") solicits and accept gifts for purposes that will help further and fulfill the charitable purposes described in the Foundation's articles of incorporation and corporate bylaws. These purposes include supporting ECU and promoting student success, public service, and regional transformation.

**I. Purpose**

The purpose of this policy is to govern the acceptance and reporting of current and planned gifts by the Foundation, and to provide guidance to donors and their professional advisors in making gifts to the Foundation. The goal is to encourage donors to direct gifts to the foundation and associated entities. In unique situations gifts of real property or tangible personal property may be directed to the University to further the mission of ECU. This policy has been adopted by the Foundation's Board of Directors (the "Board") in order to outline straightforward and objective processes for analyzing and accepting charitable gifts to the Foundation for the benefit of East Carolina University (the "University"). This policy does not supersede existing policy of the University.

**II. General Gift Acceptance Policy**

The Foundation will accept unrestricted gifts and grants, and gifts and grants restricted to specific purposes, provided that such gifts are (a) consistent with the Foundation's mission, its bylaws, and its operating agreement with the University, (b) do not jeopardize the Foundation's tax-exempt status; and (c) are in compliance with the Internal Revenue Code of 1986, as amended, and other federal and state statutes, regulations, or court decisions governing contributions to charitable organizations. Planned Gifts are recorded and documented under the guidelines of the National Association of Charitable Gift Planners which also align with the UNC System counting guidelines.

The Foundation may elect to decline the acceptance of a donor's offer of a gift. Circumstances that could cause a gift to be declined would include gifts that are not aligned with the mission of the University, gifts that are too restrictive in purpose or those that are likely to generate a cost or obligation that is disproportionate to the benefit of the gift.

The President of the Foundation reviews and acts as an agent of the Foundation for acceptance of gifts. Noncash gifts of \$ 5,000 or more should be reviewed by Financial Services and Gift Records. Gift proposals that are complicated or unusual in nature will require Foundation approval and will be referred to the Executive Committee of the Foundation's Board of Directors. Financial Services and Gift Records will also be consulted in the situations.

Any proposals of donated or discounted real property, personal property, and/or partnerships must comply with the Administrative Directive of the Office of the Chancellor of the University.

The Foundation shall adhere to IRS regulations that govern charitable contributions and follows the gift recording and reporting standards established by the Council for the Advancement and Support of Education (C.A.S.E.). Planned gifts are recorded and reported by standards established by the National Council on Planned Giving (N.C.P.G).

The Foundation will endeavor to respect the intent of the donor relating to gifts for restricted purposes and those relating to the desire to remain anonymous. With respect to anonymous gifts, the Foundation will restrict information about the donor to only those staff members with a need to know.

The Foundation will not compensate, whether through commissions, finders' fees, or other means, any third party for directing a gift or a donor to the Foundation.

The Foundation desires to avoid even the appearance of impropriety in business relationships with persons or entities that are in a position to sell or otherwise supply items to the University.

All donors are advised to consult with professional advisors about legal and tax matters related to their gifts. The Foundation will not give specific personal advice on legal, financial, or tax matters.

### **III. Authority to Review and Accept or Reject Proposed Gifts**

#### **A. Primary Authority/Limitations**

The President of the Foundation is the primary agent of the Foundation for purposes of determining the acceptability of any proposed gift, provided that the general discretion of the President to accept or reject gifts is limited as follows:

1. All proposals for gifts consisting of donated or discounted real property or tangible personal property estimated at \$49,999 or less shall be reviewed by the President of the Foundation, or their designee(s).

2. All gifts of real property or tangible personal property valued at \$50,000 or above shall require formal approval by the Executive Committee of the Foundation, and all such gifts valued at \$500,000 or more shall require formal approval by the Foundation.
3. Any other questions regarding the acceptability of a proposed gift (e.g., gifts that are complicated or unusual in nature) will be resolved as a result of collaborative discussion among the President of the Foundation, the Executive Committee of the Foundation, and, when appropriate, legal counsel.

## **B. Rejection of Proposed Gifts**

The Foundation, in its discretion, may decline or reject any proposed gift offered by a donor. Specifically, the Foundation will not accept any gift which, in its sole discretion:

1. is deemed to be inconsistent with the mission or charitable purpose of the Foundation as described in the articles of incorporation or corporate bylaws;
2. could result in the Foundation losing tax-exempt status as an IRS § 501(c)(3) not-for-profit charitable organization;
3. is overly restrictive in purpose;
4. would be likely to result in significant ongoing costs or other management, administration, or oversight obligations that are disproportionate to the anticipated benefit to the Foundation; or
5. may result in any other unacceptable consequences for the Foundation.

Questions regarding the acceptability or potential rejection of a proposed gift will be resolved through collaborative discussion among the President of the Foundation, the Executive Committee of the Foundation, and, when appropriate, legal counsel.

Certain categories of gifts will never be accepted, except in extraordinary circumstances with specific approval by the Foundation. For example, the Foundation is not equipped to accept gifts that require ongoing management including gifts of livestock or other animals, vehicles, boats, cemetery plots, or gifts of real property in which the Foundation is a partial owner (i.e., timeshares). In addition, the Foundation cannot act as a pass-through organization between donors and other unaffiliated nonprofits. No irrevocable gift, whether outright or life-income in character, will be accepted if it is reasonably determined that the gift would jeopardize the donor's financial security.

## **C. Legal Review**

The President of the Foundation and/or the Executive Committee may seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review by counsel is recommended for:

1. Gifts of securities that are subject to restrictions or buy-sell agreements;
2. Documents naming the Foundation as trustee or requiring the Foundation to act in any fiduciary capacity;

3. Gifts requiring the Foundation to assume financial or other ongoing obligations;
4. Transactions involving potential or perceived conflicts of interest; and
5. Gifts of real property, especially property which may be subject to environmental or other regulatory restrictions.

#### **IV. Types of Acceptable Gifts**

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

Gifts in the form of currency, checks, electronic funds transfer, and credit cards may be accepted in any amount. All checks should be payable to the ECU Foundation. Checks payable to East Carolina University may be deposited to Foundation funds with sufficient documentation of intent from the donor. Foreign currencies will be valued at the exchange rate on the date of receipt.

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

Securities that are traded on an exchange or other publicly reported market may be accepted by the Foundation and will be recorded as a gift based on the average of high and low on the day of the gift. The Foundation will sell such securities as soon as possible after the securities have been transferred to the Foundation. In special circumstances, stocks may be held for future investment, only after approval from the Executive Committee and the Investment Committee of the Foundation's Board of Directors.

If a donor is assigning ownership of a stock certificate to the Foundation, the donor must present a signed Stock Power form and a Third-Party Release form to the office of Gift Records.

If the donor is transferring securities to the Foundation, the donor should contact the Development Officer directly related to the gift, the President of the ECU Foundation, or it's Controller for instructions on transferring ownership of securities.

In some cases marketable securities may be restricted, for example, by applicable securities laws or the terms of the proposed gift; in such instances the decision whether to accept the restricted securities shall be made by the President of the Foundation in consultation with the Executive Committee and/or legal counsel as appropriate. No formal committee or board action, unless deemed appropriate by the President, is required for the acceptance of marketable securities.

The gift receipt that the donor receives will acknowledge the securities received. This acknowledgement shall include the high, low and mean value of the stock on the day the stock was received, as well as an estimated value calculated by multiplying the mean value by the number of shares. The donor, or their broker, or investment firm may use a different method of calculating the value of the transferred securities, therefore an exact gift amount will not be offered.

### **C. Closely Held Securities**

Closely held or non-publicly traded securities, sole proprietorships, general or limited partnership interests, S-Corporation securities, interests in real estate investment trusts (“REITs”), limited liability company interests, and other interests may be accepted only after review and approval of the Foundation’s Executive Committee.

Valuation of closely held securities may be difficult due to infrequent trading which makes it difficult to establish a fair market value. If a donation of closely held stock is being considered, IRS Publication 561 should be followed in valuing this type of security. If the value of the gift is estimated to be \$ 5,000 or more, the donor must provide a documented appraisal prepared by a qualified appraiser.

The Executive Committee will consider the marketability of closely held securities before accepting such a gift. It is the intention of the Foundation to sell all securities as soon as possible after the transfer from the donor, unless there are special circumstances that have been considered by the Executive Committee leading them to direct the security to be held. If it appears that a gift of closely held securities will take months to sell, the Executive Committee may decide to decline the gift.

The gift receipt that the donor receives will acknowledge the securities received, but not their value. The donor will value the gift for their tax reporting purposes. The donor will provide the Foundation with a copy of IRS Form 8283. The Foundation will record the gift based on the sale price (if sold immediately upon transfer), the documented appraisal (if held for a period of time) or, if less than \$5,000, an internally determined fair market value (if objective criteria are not obtainable).

### **D. Personal Property**

Gifts of tangible personal property, including but not limited to works of art, manuscripts, literary works, boats, motor vehicles, journals, antique equipment and computer hardware, will be considered only after a thorough review indicates that the property is either readily marketable or property needed by the University.

The Development Officer will submit a written proposal for accepting the ownership of this property to the Foundation President with the following considerations.

- a. Does the property further the Foundation's mission?
- b. Are there any unacceptable restrictions imposed on the property?
- c. Are there any carrying costs for the property for which the Foundation may be responsible?
- d. Is the title/provenance of the property clear?

- e. Is there a potential business or operational use of the property that is consistent with the Foundation's charitable purposes?

Upon receiving a signed and dated acceptance, the Development Officer will communicate to the donor the acceptance of the gift.

A gift that may obligate the University to perpetual ownership or ongoing maintenance costs will not be accepted by the Foundation without the written approval of the Vice Chancellor for Administration and Finance.

Gifts with a value of \$5,000 or less will be reported at the value placed on them by the donor. Gifts with values greater than \$5,000 will be recorded at the value determined by a qualified independent appraiser. In accordance with IRS guidelines, the donor is responsible for obtaining an independent appraisal. The donor must submit a copy of IRS Form 8283 and a copy of the appraisal to the Foundation President for review and approval. Appraisals will not be required if the gift has a readily available documented market price, which must be provided by the donor.

#### **E. Gifts-in-Kind**

Gifts-in-kind are non-cash donations of materials or assets that serve to further the mission and purposes of the University or the Foundation. These gifts are valued according to IRS regulations.

Development Officers must get written approval from the Foundation President to accept a gift-in-kind. The Development Officer should obtain as much information as possible regarding the gift-in-kind, such as the donor's name, address, what is being donated, value of the gift as determined by the donor, and where and how the gift is to be used. They must prepare and submit a Gift-in-Kind and Acknowledged Support Transmittal Form, along with adequate documentation of the purpose, nature, and value of the gift. In cases where a member of staff receives the gift, s/he will notify the Development Officer or Foundation President as appropriate.

The donor is responsible for determining the value of the gift-in-kind. Gifts valued at \$5,000 or more must be documented by a qualified independent appraiser. Federal law requires that the donor pay for the appraisal. In the event that the gift was recently purchased within 90 days prior to donation, the bill of sale may be used for valuation using the comparable sales method. The donor must submit a copy of IRS Form 8283 and a copy of the appraisal to the Foundation President for review and approval. At a minimum, Form 8283 provided by the donor should contain their legal name, tax ID, description of the property and its physical condition at the time of donation. The Foundation will complete Section IV of Form 8283 and present the completed form to the Foundation President for signature. Signature by the President provides confirmation of receipt of the gift but DOES NOT acknowledge agreement with the valuation presented by the donor. A copy of the signed 8283 must be kept for internal records. The Foundation will record the gift based on the documented

appraisal or, if less than \$5,000, an internally determined fair market value (if objective criteria are not obtainable). Related use gifts by a donor generally receive an income tax charitable deduction for the full fair market value only if the tangible personal property will be used by the University in a way related to carrying out its purpose.

The gift receipt that the donor receives from the Foundation will acknowledge the gift-in-kind stating the full description of the donated item(s), but not its value in accordance with IRS Publication 561. The donor is responsible for determining the value the gift for tax reporting purposes.

## **F. Acknowledged Support**

There are some kinds of support provided by alumni and friends that benefit the Foundation and/or the University, but do not qualify as a charitable contribution, as defined by the IRS; therefore, cannot be counted as gifts to the Foundation. Free professional services (legal, tax, or consultation), use of an asset (a car, computer, or condominium), and hosting an event in a home or off campus location are some examples of this type of support.

Even though they do not meet the IRS requirements to be a tax deductible charitable contribution, they should be acknowledged by a thank you letter from the Foundation and a memo notation in the donor's records in the gift record system. This is accomplished by the Development Officer submitting the Gift-in-Kind and Acknowledged Support Transmittal Form, along with substantiating documentation, to the Foundation President for approval.

## **G. Real Property**

If a donor wishes to donate real property, it is to be gifted to, and accepted by the ECU Real Estate Foundation or Green Town Properties (subsidiaries of the ECU Foundation) when appropriate.

Gifts of real property are generally donated to be held and used for the benefit of the University, or to be sold with the proceeds designated for a purpose determined by the donor or in the absence of the donor by the ECU Foundation Executive Committee

The following procedures are to be followed and communicated to the donor before gift acceptance of real property:

1. Evaluation of the condition and characteristics of the proposed real property gift to include:
  - a. Donor must provide legal description and location of the property;
  - b. Copies of all relevant and available information about the property including tax evidence of clear title, covenants, conditions, easements, encumbrances, zoning restrictions, or other limitations associated with the property;
  - c. A recent appraisal by a qualified appraiser.

2. Information concerning any environmental problems on the property including the most recent environmental assessment, if available;
  - a. Does the environmental review or audit reflect that the property is damaged or otherwise requires remediation?
  - b. If the property is developed, what is the structural and mechanical condition of any buildings or other structures, and what level of repair is required?
3. An on-site evaluation by a designated representative of the ECU Real Estate Foundation or Green Town Properties.
4. The marketability of a property must be considered before a gift is accepted. The cost to hold the property for sale (including insurance, property taxes, mortgages, notes, or the like) or is important in deciding whether to accept a gift;
5. Due diligence must be performed to assess possible liabilities: clear title, debts, back taxes, environmental problems, and potential unrelated business income tax;
6. The Foundation is required to report to the IRS, on Form 8282, any such sale of real property occurring within three (3) years of the date of the gift; and
7. The University agrees to accept and hold the property for the purposes designated by the donor.

In addition, prior to acceptance of any gift of real estate, the Foundation shall require an initial environmental review by a qualified environmental firm, unless (a) the donor can provide documentation of a satisfactory environmental review conducted within the prior two years, or (b) in the case of residential property only, it may be determined that an environmental review is not needed. Whenever possible, the initial environmental assessment shall be at the donor's expense. In the event that the initial review reveals a potential problem, the Foundation may retain a qualified environmental firm to conduct an environmental audit.

To allow time for sufficient review and assessment in accordance with this policy, except in extraordinary circumstances the Foundation will not consider offers of proposed real estate gifts unless such offers are presented to the President of the Foundation on or before November 15 of the applicable calendar year. To be considered a timely offer of real property, at or around the time of offer the donor must provide (a) a legal description and location of the property, including applicable zoning restrictions; (b) information related to taxes, dues, maintenance costs, and homeowners' association or other fees, as applicable; (c) any recent appraisals or environmental assessments; (d) evidence of clear title; and (e) any other information reasonably requested by the Foundation.

**Disposition of Real Property Gifts:** In general, all gifts of real property will be marketed for sale as soon as reasonably practicable following acquisition, unless (a) market conditions are unfavorable to resale at a reasonable price; (b) the property is deemed in advance to be useful for a business or operational purpose consistent with the Foundation's charitable purposes; or (c) the property is deemed in advance to be more valuable to the Foundation as a longer-term investment. The President of the Foundation is authorized, in their discretion, to approve sales



of real property owned by the Foundation, and to execute any necessary documents in connection with such transactions, including without limitation listing agreements, purchase and sale contracts, deeds, and other legal documents, subject to the following limitations:

- a. A qualified appraisal of the property must be obtained within six (6) months prior to the closing date;
- b. If the appraised value is above \$50,000, the sale of the property must be approved by the Executive Committee;
- c. If the appraised value is above \$500,000, the sale of the property must be approved by the Foundation; and
- d. As appropriate, the President of the Foundation shall consult with ECU and the ECU Office of General Counsel.

If donated real property is sold within three years of receipt, the Foundation must notify the IRS and provide a copy of the applicable IRS forms (8282 and 8283) to the donor(s) of the property.

The determination of property value is the responsibility of the donor and not the receiving institution. The Foundation will record the gift based on the sale price (if sold immediately upon transfer), the documented appraisal (if held for a period of time) or, if less than \$5,000, an internally determined fair market value (if objective criteria are not obtainable).

## **I. Planned Giving**

A planned gift is a gift planned by the donor to be disbursed after his/her death or after a triggering event occurs. Some planned gifts are irrevocable, and others may be changed at any time. Donors are always encouraged to consult their tax and legal advisors when considering planned gifts. The Foundation follows the standards set by the National Association of Charitable Gift Planners which also align with the UNC System counting guidelines. Life Income Gifts which include Charitable Remainder Trusts, Charitable Gift Annuities and Charitable Lead Trusts are externally promoted from the Office of Charitable Gift Planning and managed through the NC Gift Planning, LLC based on preferred fee structures that benefit the donor and Foundation as part of this collaborative. However, in rare instances where the donor has their own custodian/financial institution they prefer to manage these life income gift agreements they can be permitted after review and approval from the ECU Foundation, President.

### **1. Charitable Remainder Trust – NC Gift Planning LLC [Gift Acceptance Policy for Life Income Gifts - Approved and Signed SOP for Planned Gifts- NCPG LLC - 6-30-2016.pdf](#) (Section 4.6 – 5.1)**

Charitable Remainder Trusts (CRTs) are irrevocable planned gifts that provide income to the donor or beneficiaries for life or a number of years not to exceed 20 years. At the end of the trust, the remaining gift assets are left to the benefit of the Foundation. There are two basic types of CRTs: Charitable Remainder Unitrust (CRUTs) that provides a variable

income based on a fixed percentage of the annual value of the trust and a Charitable Remainder Annuity Trust (CRATs) that pays a fixed income based on the initial value of the trust.

The Foundation is the beneficiary of the charitable remainder of the trust under the guidelines within the Signed and Approved SOP for Planned Gifts – NCCGP LLC. (In rare instances outside of NCCGP LLC the trustee appointment and investment strategy would have to be reviewed and approved by the ECU Foundation President.

**2. Charitable Gift Annuities – NC Gift Planning LLC [Gift Acceptance Policy for Life Income Gifts – Approved and Signed SOP for Planned Gifts- NCPG LLC – 6-30-2016.pdf](#) (Section 4.4 – 4.4.10.6)**

With a charitable gift annuity, the donor makes an irrevocable gift to the NCCGP, LLC and the NCCGP LLC contractually agrees to pay a fixed annuity payment to a maximum of two beneficiaries for life. The annuity may begin immediately or be deferred. The gift portion of the charitable gift annuities will be received at the death of the final beneficiary. Any residual amount in the annuity at the time of the annuitant’s death shall be used to support the purpose identified by the annuitant.

The Foundation/NCCGP LLC will accept gift annuities contributions made with property other than cash or publicly traded securities based on the same guidelines related to the donation of real estate as state in this policy. Further procedures and guidelines for the administration of CGAs, including management of reserve fund assets and conditions for reinsurance or self-insurance, are contained in separate policies.

**2. Charitable Gift Annuities Charitable Lead Trust - NC Gift Planning LLC [Gift Acceptance Policy for Life Income Gifts - Approved and Signed SOP for Planned Gifts- NCPG LLC - 6-30-2016.pdf](#) (Section3.6)**

Charitable Lead Trusts are gifts in trust that pay defined amounts of income to the Foundation over a period of time either during the donor’s life or at their death. The donor builds the trust with assets or investments that will generate income or appreciate in value. The trust makes annual gifts to the Foundation, that are used according to purposes specified by written agreements with the donor. At the end of the term of the trust the assets revert back to the donor or can be passed on to others with favorable tax considerations.

There are two types of Charitable Lead Trusts: Charitable Lead Unitrusts (CLUTs) and Charitable Lead Annuity Trusts (CLATs). The payout from a unitrust is based on a percentage of the annual market value of the assets. The payout from an annuity trust is a fixed amount. Charitable

lead trusts are one of the most complex instruments used for charitable giving and donors are encouraged to consult their tax and legal advisors when considering this as a method to make a charitable gift.

The NCCGP LLC or Foundation records and reports gifts received, for campaign purposes, from Charitable Lead Trusts in accordance with standards established by the National Association of Charitable Gift Planners.

#### **4. Retained Life Estate**

A personal residence, vacation home, or farm can be gifted to the Foundation, while still allowing the donor, a spouse, or survivors to continue their residence there (or rent the property) for life. The advantage of the retained life estate as a planned gift is the continued use of the property while being able to take advantage of an income tax deduction.

#### **5. Life Insurance**

There are three ways in which life insurance can be utilized as a charitable gift to the Foundation. Those are by the donor (a) transferring an existing policy to the Foundation as Owner/Beneficiary (in whole or part), (b) purchasing a new policy with the Foundation as Owner/Beneficiary (c) retaining ownership of a policy and designating the Foundation as Beneficiary (in this instance the gift is revocable).

In the scenarios where the Foundation is Owner/Beneficiary both if the policy is not paid in full, and the donor of the policy agrees to make gifts to the Foundation to pay the annual premiums on the policy, these gifts are treated as normal charitable contributions.

#### **6. Bequests**

Wills and living trusts are instruments by which a person may make a disposition of property, to take effect after their death. They may be altered or revoked at any time during life, thus these gifts are categorized as revocable. Revocable gifts may be included in gift reporting, using standards established by the National Council on Planned Giving.

#### **J. Gift Pledges**

A gift pledge should be a written commitment for a specific dollar amount that will be paid according to a fixed time schedule not to exceed five years. Only in unusual circumstances should a pledge payment schedule exceed five (5) years and requires pre-approval by the Vice Chancellor and/or President of the ECU Foundation. Anticipated matching gifts will not be included in pledge amounts.

#### **K. Donor Advised Funds**

A donor advised fund (DAF) is a legal nonprofit entity to which a donor can make a charitable gift. The donor can then suggest or recommend to the DAF to what other nonprofits they should further distribute these funds. The DAF cannot be required by the donor to make a specific distribution or to fulfill a legally binding pledge agreement. The IRS prohibits the DAF entity from distributing funds if it will provide benefits or privileges to the donor.

When the Foundation receives a gift from a DAF, the DAF entity will receive gift credit and a receipt for the donation. The donor to the DAF, who was responsible for requesting the grant to the Foundation, will receive soft credit. This allows the Foundation to include DAF gifts in individual donor gift totals for recognition and membership in various circles and societies (clubs). ECU has its own DAF which has been set up as a collaborative through shared services with the UNC System. The account custodian is Ren PSG and currently 5 UNC System schools participate. The guidelines above still exist for the ECU DAF however, with establishment of the ECU DAF 50% of the total and remainder amount must be distributed to any ECU foundation that can support any/all areas of the University. Upon establishment of the ECU DAF the one half designated gift totals can be counted within the ECU fundraising totals.

#### **L. Matching Gifts**

Many companies make matching gifts for charitable donations of their employees to university foundations. The Foundation follows policies established by CASE and individual corporate policies for matching gifts. Gift credit is given to the company for their matching gift, and “soft credit” is given to the person. Individuals are given recognition for matching funds for membership in various circles and societies (clubs). Matching gifts must be used for the same purpose as the original gift.

#### **M. Bargain Sale**

A “bargain sale” is a sale of an asset or property to the Foundation for an amount less than the property’s fair market value. The excess value over the sales price is considered to be a charitable contribution by the donor. The bargain sale price may be paid either in a lump sum or in installments. The determination of property value is the responsibility of the donor and not the receiving institution.

The Foundation, upon review and approval of the President of the Foundation and legal counsel and Executive Committee may purchase real estate, securities, or other property on a bargain sale basis valued up to \$50,000. A bargain sale of \$50,000 or more must be approved by the Foundation’s Executive Committee.

#### **N. Grants**

The Foundation does not accept or administer sponsored program grants on behalf of the University. These grants are not gifts. They are cash awards from a grant-making organization to be spent for a specific purpose. Sponsored program grants normally require a detailed report of how the funds were spent and a

summary of the program results at the end of the project. The grantor may require a refund of all or part of the award if certain conditions are not met.

This statement does not apply to “grants” from family foundations and other foundations that do not require reporting and/or return of unused funds. The word “grant” may be used in these cases, but these “grants” are considered gifts by the donors.

Grants secured by the Director of Corporate & Foundation Relations, will be reported on a monthly basis to the President of the ECU Foundation.

On occasion, a University proposal to a grant-making organization must be submitted by a 501(c)(3) organization. The Development Officer will consult with the Director of Corporate & Foundation Relations and the Grants office to confirm they will accept and administer the grant. With this verification, the President of the ECU Foundation will sign the appropriate paperwork for processing the funds through the Foundation. Funds are processed through the Gift Records Office and then transferred to Grants and Contracts to administer.

## **V. PROCEDURAL GUIDELINES**

### **A. Recording Gifts**

Gifts will be recorded as “with donor restriction” or “without donor restriction” as directed and documented by the donor. In the event the donor does not indicate a restriction, the gift will be recorded as unrestricted. Recording of gifts will be accomplished by Office of Gift Records.

### **B. Donor Acknowledgement**

The Foundation supports expeditious and sincere acknowledgement of all gifts. ECU Foundation development staff assigned to the Foundation will develop and follow internal established procedures for determination of appropriate signatures on acknowledgment letters. All gifts will be acknowledged in accordance with applicable IRS regulations and other legal or regulatory requirements.

### **C. Donor Recognition**

Donors may receive naming opportunities for major gifts including endowment gifts and gifts to capital campaigns. Naming opportunities may be offered by the Development team only after consultation with the President of the Foundation/Vice Chancellor of University Advancement in accordance with the ECU Board of Trustees policy on naming.

### **D. Return of Gifts**

In general, gifts to the Foundation shall not be returned or refunded at the request of the donor or otherwise. However, there are specific incidents which may prompt the return of a gift upon approval by the President of the Foundation and the Executive Committee. For example, the Foundation may elect to return a gift to a donor when:

- a gift is considered to be "tainted". A tainted donation is money that was derived illegally or through a socially unacceptable manner;
- a gift total was given in error in the process of an Online donation;
- the Foundation determines that it cannot fulfill donor intent due to unforeseen circumstances.

#### **E. Policies and Procedures**

Further detailed policies and procedures for soliciting, receiving, and administering the categories of gifts authorized under this policy will be maintained and updated by Foundation staff.