This manual is for internal use only within UHS!

This manual is subject to change and will also be updated when relevant Board of Regents, SAM, and MAPP policies are released. Updates to this manual are distributed to all UHS Advancement
staff members, and all Development Officers and Business Administrators within other UHS universities and support organizations.
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Introduction

Purpose and Scope
The purpose of this manual is to provide guidance to University Advancement and other faculty and staff within the University of Houston System (UH System) regarding the acceptance of various types of gifts. Any questions about the information contained in this manual should be directed to the designated Gift Acceptance Coordinator via gik@central.uh.edu.

Mission of the UH System
The University of Houston System provides, through the complementary missions of its four universities, access to comprehensive higher education programs and services to the diverse community of students in the Houston metropolitan area and beyond. The UH System's research and scholarship are globally significant, nationally competitive, and serve as an engine for economic development, while its public service activities enhance the quality of life in the region.

Each university also has their own individual mission statement which can be found at...

University of Houston - http://www.uh.edu/about/mission/
University of Houston – Downtown - https://www.uhd.edu/about/Pages/about-mission.aspx
University of Houston - Clear Lake – http://www.uhcl.edu/about/mission
University of Houston – Victoria - http://www.uhv.edu/president/mission/

Guiding Principles
All fundraising efforts are coordinated through University Advancement (UA). UA generally adheres to the Council for Advancement and Support of Education’s (CASE) Statement of Ethics and the Internal Revenue Service’s (IRS) regulations. UHS reviews all gifts received to ensure that they comply with applicable law and university policies. UHS also subscribes to the Donor Bill of Rights (see Appendix) that was developed by the American Association of Fund-Raising Council (AAFRC), Association for Healthcare Philanthropy (AHP), Council for Advancement and Support of Education (CASE), and the Association of Fundraising Professionals (AFP), and adopted in November 1993.
All fundraising initiatives and events must be approved by the Office of Development prior to disseminating any information. Solicitations and response devices to be utilized for such initiatives and events must also be approved by the applicable areas of University Advancement.

Annual Giving
- reviews and approves all direct-mail mass solicitations
- assigns appeal codes

Campaign Strategic Initiatives (CSI)
- reviews and approves branding

Gift Processing and Records
- creates allocations
- ensure data needed for gift entry is present
- confirm calculation of QPQ to be disclosed
- collaborates with Gift Compliance on endowments

Advancement Reporting and Analysis
- fulfills data requests, as needed, for solicitations

Gifts to the UH System and to the universities comprising the UH System are received by University Advancement and processed by the System Office of Gift Processing and Records (GPR). GPR maintains donor records and is responsible for preparing and distributing original gift receipts (in accordance with IRS rules and guidelines) to all donors with some UH System approved exceptions such as membership gifts to public broadcasting stations and private grants deposited and processed by the Division of Research and Intellectual Property Management.

All gifts to the university are accepted based on their ability to further the mission of the university. The university makes every effort to accommodate and accept all charitable contributions from donors. The university reserves the right to refuse any gifts that are:

- Not in the best interests of the university
- Too difficult or expensive to administer
- Create unacceptable liability or cause the UHS to incur future unanticipated expenses
- Damage the reputation of the university
- Jeopardize the university's tax-exempt status
- Provide a donor with goods or services in exchange for the gift where the fair market value (FMV) of the benefits was not disclosed at the time of solicitation of the gift.
For gifts that fall into one of the above categories, a formal request for review may be made to the Gift Acceptance Committee which fully assesses the gift and recommends whether to accept or decline the gift.

**Donor Anonymity**

UHS honors donor requests for anonymity of the gifts and pledges. Donors have two options for anonymity. In both cases, reporting of anonymous gifts will be counted in all fundraising reports.

1) **Public Anonymity** means that a donor does not wish their gift to be acknowledged in a press release or “published” in any other manner. In this case, the donor is not anonymous in the database, but the gift will be coded as “anonymous.” However, it should be noted that any user of the donor database will be able to view the donor and the gift.

   **End Result:**
   - No publication, recognition, or press release for the gift in question
   - Donor will be reflected in giving societies but should be excluded from any printed or published recognition
   - No listing in donor honor roll or wall of honor other than “Anonymous”

2) **Institutional Anonymity** is where the donor wishes to be completely anonymous and that no one within the institution is able to track their name or gift with the exception of employees who are involved in receiving and processing the gift. In this case, the donor will have a separate anonymous entity record in the donor database. The anonymous entity will not have any identifying information.

   **End Result:**
   - No publication, recognition, or press release for the gift in question
   - No listing in donor honor roll or wall of honor
   - No thank you letter unless the donor requests
   - No Advance record with identifying personal information
   - No soft credit in fundraising system linked to donor’s record
   - True anonymous donors will not be reflected in any giving societies or on any lists.
Usage of This Guide

This manual uses the term “Development Officer” in a broad sense to include “Relationship Managers.” Development Officers should coordinate all fundraising efforts, for both outright gifts and pledges, with Relationship Managers whenever one is assigned.

Development Officers located at University of Houston – Downtown, University of Houston - Clear Lake, and University of Houston – Victoria may have a designated University Advancement point of contact at their location who acts on their behalf related to the various Acceptance and Processing Procedures described in this manual.
Purpose

The purpose of the UHS Gift Acceptance Committee is to review and make recommendations on all non-marketable gifts valued at $5,000 and above, and all gifts of real property, closely held securities, intangible property, unique gifts of tangible property, and other gifts referred to the Committee by senior Advancement staff due to their complex or unusual nature or circumstances. The Committee delegates its authority for the approval of usual and minimal value gifts as defined by the Committee.

Refer to SAM 08.A.03 and SAM 08.A.06 for more information. A copy of the document can be found in the Appendix of this manual. Please confirm at http://www.uh.edu/policies/ if a more recent version is applicable.
Items That Cannot Be Counted, and/or Deducted by the Donor

Appraisal Fees

Policy
Appraisal fees incurred by the donors are not accepted as a gift to UHS.

Contributions to a Specific Individual

Policy
Gifts made to benefit a specific individual are not considered a gift to UHS. The donor is not receipted and the gift is not counted within university gift counting totals.

Corporate Membership Dues

Policy
UHS accepts gifts of corporate membership dues provided they support the mission of the university. The donor is not receipted and the gift is not counted within UHS gift counting totals.

Faculty and Staff Designated Gifts

Policy
UHS welcomes gifts from faculty and staff. It also recognizes the donor's right to designate a preferred, restricted purpose for the gift. Because a donor may not benefit personally from the use of the funds by UHS, all gifts from faculty and staff must be credited to departmental or institutional accounts that are controlled by a dean or other administrator other than the donor or a member of the donor's immediate family. Faculty and staff members may designate gifts to a departmental discretionary fund that is controlled by the chair or director of the department and can be used to support research or teaching of any faculty member or other departmental activity.

A university faculty or staff member may not designate his or her gift to:
- Support his or her salary, travel, or research
- Purchase research or instructional materials to be used in a faculty member donor’s laboratory, office, or home

As with all gifts, donations from faculty and staff members must be routed through University Advancement.

**Foreign Currency**

**Policy**
UHS does not accept any transactions made in foreign currency.

**Gift Cards & Gift Certificates**

**Policy**
UHS accepts gift cards and gift certificates to be sold or auctioned provided they support the mission of the university.

- Gift cards from service providers and restaurants that do not have a cash value are not gifts. They may be accepted and acknowledged but the donor is not receipted and the gift is not counted within UHS gift counting totals. A sample acknowledgement for non-gifts can be found in the Appendix.
- Refer to the Gift-in-Kind section of this manual for information about gift cards that can be counted and deducted by the donor.

**Government Agency Gifts**

**Policy**
UHS accepts funds from government agencies that are separate from the research dollars already accounted for by Institutional Research provided they support the mission of the university. The donor is not receipted and the gift is not counted within UHS gift counting totals.

**Partial Interest**

**Policy**
UHS accepts gifts of partial interests to be sold or auctioned or used within the university provided they support the mission of the university and are irrevocable. Because a partial interest gift allows the right to use property, the contribution is less than the entire interest in that property.

- Partial interest gifts donated by the issuing entity (owner or event/service provider) are not gifts. They may be accepted and acknowledged but the donor is not receipted and the gift is not counted within UHS gift counting totals. A sample acknowledgement for non-gifts can be found in the Appendix.
- Refer to the Gift-in-Kind section of this manual for information about partial interests that can be counted and deducted by the donor.

**Personal Expenses**

**Policy**
An individual’s decline of the reimbursement of personal expenses does not constitute a gift to UHS. In such cases, the reimbursement should be accepted and a subsequent gift made.

**Raffles / Door Prizes**

**Policy**
Raffles are games of chance with serious legal implications. Furthermore, revenue from the purchase of raffle tickets is not considered a gift. UHS highly discourages use of raffles for any purpose. Consult the System Office of General Counsel with any questions.

Purchasing a mulligan as part of a golf tournament is another example of a game of chance and is not gift countable.

Door prizes by definition do not require a ticket purchase and therefore do not have a gift component. Donations of items used for door prizes follow the Gift-in-Kind guidelines below.

**Rental Items**

**Policy**
Rental items are accepted by UHS but constitute a service. Because ownership is not transferred to the university, rental items are not considered gifts. The donor is not receipted and the gift is not counted within UHS gift counting totals.

**Sales Tax**

**Policy**
Sales tax is not included in the value of the gift for donor receipting nor gift counting.

**Services**

**Policy**
UHS accepts gifts of services provided they support the mission of the university. The donor is not receipted and the gift is not counted within UHS gift counting totals.

Examples: installation fees, warranties, valet parking, printing set up charges, tips

It is encouraged that the donor bill for their service, accept the payment from the university, and then make a cash donation to the university. This cash donation is considered as an outright gift. At least 8 weeks prior to the service, contact the Purchasing Department and request a Sole Source due to the gift.

**Shipping or Delivery Fees**

**Policy**
Shipping and delivery are considered a service and not a tangible item. The donor is not receipted and the gift is not counted within UHS gift counting totals.

**Software**

**Policy**
UHS accepts gifts of software and software licenses provided they support the mission of the university. This includes commercial software products, industry software unique to specific professional fields, or productivity software. Donations of software licenses are not recognized by the IRS as tax deductible donations since software licenses (i.e. right to use) are only a partial interest in property, as defined by the IRS, and therefore no transfer of ownership takes place. The
donor is not receipted and the gift is not counted within UHS gift counting totals. A donor must transfer ownership of the product, irrevocably, to UHS in order to be considered an outright gift.

**University-Purchased Items**

**Policy**

Items purchased directly by UHS are not accepted or counted as gifts.

**Waived Fees**

**Policy**

Waived fees are accepted by UHS. Since waived fees do not include transfer of ownership to the university, they are not considered gifts. The donor is not receipted and the gift is not counted within UHS gift counting totals.

**Reference**

IRS Pub. 526


SAM 03.F.04 Cash Handling (Rev. 7/28/2015)
Monetary Gifts Acceptance

Cash, Check, and Credit/Debit Card

Policy
UHS accepts monetary gifts, except for foreign currency (i.e. paper, coins), provided they support the mission of the university.

Acceptance and Processing Procedures

- Social Security, Driver License, Checking Account, and Credit/Debit card numbers are not emailed or stored electronically.
- Donors should be encouraged to make credit/debit card gifts via the general UHS giving website (https://giving.UH.edu/gift/) or through various departmental giving websites as this is the most efficient and secure way to process credit/debit card transactions.
- The department is responsible for ensuring that donor name and address information is collected, and forwarded to Gift Processing and Records (GPR) with gift documentation, to ensure compliance with IRS receipting requirements and for accurate campaign counting.
- All endowment gifts should be forwarded to GPR via UHPD even if a holding account is used while the minimum funding is being raised. They should not be processed by the department.
- Checks are made payable to “University of Houston” unless a gift is made to a separate UHS university or support organization that has a separate tax ID number and deposits their own gifts. Checks are never accepted if made payable to a university faculty/staff member.
- Gifts from foreign sources are subject to disclosure requirements in accordance with federal and state laws.
- To ensure prompt processing and donor receipting, it is recommended that business reply envelopes used for university approved solicitations bear the address of the System Office of Gift Processing and Records:
  
  Gift Processing and Records
  
  PO Box 867
  
  Houston, TX 77001-0867

- The System Office of Gift Processing and Records must receive the following to process a gift:
o Tender to be processed or documentation of funds deposited

o Gift Transmittal Form (GTF) or an approved substitute
  • GTFs help ensure the proper cost center has been determined.
  • GTFs may be downloaded from the Finance website, under the Forms section, or the University Advancement Intranet.

o Any internal or donor-provided supporting documentation

• UH departments with cash, check and credit/debit card information for deposit and manual processing by the System Office of Gift Processing and Records hand-deliver, or transport via UHS Police, all tender and gift documentation to the System Office of Gift Processing and Records located in ERP1 #272.
  o Money Transfer Requests via UHS Police are made at http://UH.edu/police/transfers.html. Contact your Business Administer for assistance in obtaining the required deposit bags and forms.

• UH departments who use remote deposit for gift checks forward deposit and gift documentation to the System Office of Gift Processing and Records via gifts1@central.UH.edu after all security sensitive information is properly redacted.

• System Universities, the UH Law Foundation, and other UHS support organizations that deposit and process cash, check, and credit/debit card gifts internally forward deposit and gift documentation to the System Office of Gift Processing and Records via gifts1@central.UH.edu (preferred) or via email after all security sensitive information is properly redacted.

• Any gift documentation that contains security sensitive information is sent to a secure FTP site.

**Gift Counting**

Face Value less quid pro quo

**Reference**

IRS Publication 526 Charitable Contributions


SAM 03.F.04 Cash Handling

SAM 08.A.03 Gift Acceptance – Gifts from Individual Donors

MAP 05.01.01 Check and Cash Management
Electronic Fund Transfer (ACH, Wire Transfer)

**Policy**
The university accepts electronic fund transfers for gifts provided they support the mission of the university.

**Acceptance and Processing Procedures**
1. The Development Officer contacts the System Office of Gift Processing and Records to request instructions the donor needs to make the gift. Instructions include the UHS routing/account information along with the information the donor needs to provide in the addenda:
   a. Name of donor
   b. Gift allocation
2. The Development Officer forwards instructions to the donor.
3. The Development Officer completes and submits a Gift Transmittal Form (GTF) to the System Office of Gift Processing and Records once they are notified by the donor that the transaction is complete.

**Gift Counting**
Face Value less quid pro quo

**Reference**
IRS Publication 526 Charitable Contributions
SAM 03.F.04 Cash Handling
SAM 08.A.03 Gift Acceptance – Gifts from Individual Donors
UHS – Receipt of Electronic Payment Guidelines
[http://www.UH.edu/finance/Departments/Accounting%20Services/E-Payment%20Guidelines.pdf](http://www.UH.edu/finance/Departments/Accounting%20Services/E-Payment%20Guidelines.pdf)
MAP 05.01.01 Check and Cash Management
Departmental Template – Credit Card Policy and Procedures
[http://www.UH.edu/treasury/index.htm](http://www.UH.edu/treasury/index.htm)
Payroll Deduction

Policy
UHS accepts gifts made via payroll deduction provided they support the mission of the university.

Acceptance and Processing Procedures –UHS (Internal)
1. Employees may sign up to participate in the payroll deduction program at any time during the year by establishing a deduction through Employee Self Service (PASS) or by submitting a faculty/staff giving form to GPR directly or through the System Office of Development at their university. The minimum contribution amount through the UHS payroll deduction program is $2.00 per month ($24.00 annually) per designation. Deductions are made on an after-tax basis. They are not tax deferred.
2. Paper forms submitted elsewhere should be forwarded to GPR for processing.
3. Payroll deductions established through PASS for gifts are automatically forwarded to GPR for entry into donor database.

Acceptance and Processing Procedures –non-UHS (External)
- Payroll deductions for charitable giving are authorized by the donor through their employer if the employer offers that option. The donor contacts their payroll department for details about their particular employer’s process.
- Donors ask their company what is needed to ensure gift designation information is passed along with the payment from the company.
- Depending upon the company’s procedures, the donor receives their gift receipt from the company, the company’s agent or UHS.

Gift Counting
Face Value less quid pro quo

Reference
SAM 08.A.05
Corporate Matching

Policy
UHS accepts monetary corporate matching gifts provided they support the mission of the university.

Acceptance and Processing Procedures

- Matching company information is available on the HEPdata website at http://www.matchinggifts.com/UH/.
- A donor wishing to maximize his or her contribution to the UHS with a match from his or her employer obtains information from their corporate employment or benefits office.
- If using a paper matching gift claim form,
  - The donor completes the employee's portion of the form and submits the form to the System Office of Gift Processing and Records.
  - The System Office of Gift Processing and Records completes the matching gift claim form and submits it to the company or foundation according to the instructions on the claim form.
- After the matching gift is received, the System Office of Gift Processing and Records notifies the original donor that their matching gift claim has been fulfilled by their employer.
- Matching gifts received in non-cash forms should be treated as a Gift-in-Kind.
- The time frame of receiving the matching amount from the company varies and might take several months. Matching gifts are not included in campaign totals until the match is received.

Gift Counting
Face Value (quid pro quo not allowed)

Reference
Policy and Procedure GPR-03-006-Matching Gifts

Donor-Advised Fund

Policy
UHS accepts gifts made from donor-advised funds provided they support the mission of the university. Gifts from donor-advised funds are not applied toward personal pledge commitments and are not used to provide any benefit to the individual who recommended the gift.

**Acceptance and Processing Procedures**

- Donor contacts their donor-advised fund to initiate the gift to UHS.
- The donor-advised fund may contact UHS with qualifying questions prior to the release of the funds. If a Development Officer receives any of these calls, the call is directed to the System Office of Gift Compliance.
- The donor-advised fund sends gift directly to UHS.

**Gift Counting**

Face Value (quid pro quo not allowed)

**Reference**


Policy and Procedure GPR-03-014-Gift from a Donor-Advised Fund

**Memberships & Events with Fundraising Component**

**Policy**

UHS accepts gifts deriving from membership drives and events provided they support the mission of the university.

**Acceptance and Processing Procedures**

- The department establishes membership/ticket levels and benefits list.
- The department establishes the value of the membership benefits/tickets based on the fair market value (FMV). The fair market value identifies the quid pro quo (QPQ) the donor receives.
- The department contacts the System Office of Gift Processing and Records to review the membership/ticket information prior to publishing.
• The department publishes the membership/ticket levels, list of benefits, and the fair market value of the benefits on all solicitation materials, as applicable.

• Members/attendees make membership payments/purchase tickets.
  
  o Some payment types, such as donor-advised funds, do not allow donors to receive any benefit from the gift. If a gift is made by any payment type other than cash, personal check, or credit/debit card, please consult the System Office of Gift Processing and Records.
  
  o Members/attendees must waive benefits at the time of their gift or pledge if they intend to do so.

• Department submits Gift Transmittal Form (GTF), or approved substitute, to the System Office of Gift Processing and Records for processing. The Gift Transmittal Form must clearly indicate the quid pro quo (QPQ) information.

Gift Counting

Face value less quid pro quo

Reference

IRS Publication 526

IRS Publication 1771

IRS: Charitable Contributions - Quid Pro Quo Contributions

Gifts-in-Kind Acceptance

Overview

Definitions

A Gift-in-Kind is a non-cash gift of materials or long-lived assets, real property, or tangible and intangible property in which ownership is transferred to UHS through delivery of the property or clear title to the property.

There are three types of Gifts-in-Kind:

1. Materials or Long-Lived Assets, including:
   - Equipment
   - Software
   - Printed materials
   - Food or other items used for hosting dinners

2. Real Property - Real property (also called real estate or realty) is land, its natural resources, and any permanent buildings on it, including:
   - Residential property
   - Rental property
   - Commercial property
   - Farmland
   - Undeveloped land
   - Gas, oil, mineral, and timber interests

3. Tangible and intangible property - Anything other than real property that is subject to ownership.
   - Tangible assets include:
     - Personal collections of art, books, coins, or movies
     - Cars, boats, and aircraft
     - Animals
     - Securities
   - Intangible (intellectual property) assets include:
     - Patents
     - Copyrights of cultural, artistic, and literary works
General Considerations

- Is the donor the current legal owner of the Gift-in-Kind?
- Is the Gift-in-Kind relevant to the work of the university? (As a general rule, accept only gifts that further the mission of the university.)
- Does accepting the Gift-in-Kind jeopardize the reputation of the donor or the university?
- Does the donor’s intent match the interests of the university?
- Will the Gift-in-Kind cost money in the future, such as maintenance, repair, or preservation costs?
- Are there any risks associated with accepting the Gift-in-Kind?
- Will the Gift-in-Kind require a special facility in which to house it?
- Are there any special conditions the donor wishes to impose?
  - General Counsel must provide their stamped approval on any Gift-in-Kind containing any type of contractual component.
- If the Gift-in-Kind cannot be utilized, will the donor allow it to be sold?

Use (Related vs. Unrelated)

A Gift-in-Kind is accepted only if it falls within one of these two categories:

- Related Use - The Gift-in-Kind is useful to the university in fulfilling its purpose or mission.
  - Gifts of related use items may have subsequent tax consequences to the donor if the item is retained by the university for less than 3 years.
- Unrelated Use - The Gift-in-Kind does not fulfill the purpose or mission of the university and will be sold to benefit the mission of the university.
  - Items that are for an “unrelated use” and are not going to be sold cannot be counted as a Gift-in-Kind.

Determining and Documenting Fair Market Value

Definition of Fair Market Value

Fair market value is the price at which property would change hands between a willing buyer and a willing seller, neither having to buy or sell, and both having reasonable knowledge of all the relevant facts. Note: “Priceless” is not an acceptable fair market value.
**Educational Value**

Educational value is applied to gifts that normally can be purchased at an educational discount or if there is a state agreement enabling the university to pay a standard amount. Educational value normally applies to such items as computer hardware, software, scanners, etc. If no educational discount is available, it must be so stated in the valuation documentation and the established fair market value is used. Sample letters related to educational value can be found in the Appendix.

**Acceptable Fair Market Documentation for Gifts Valued $5,000 or less**

- **New Items**
  - Paid bill of sale
  - Invoice and a copy of the check or credit/debit card statement showing payment
  - Quoted price from a reputable website (not eBay)
    - Include with the gift documentation: a screenshot and a letter stating the date retrieved and the person who retrieved it
- **Used Items**
  - Value placed on the gift by an independent qualified appraiser made within 60 days before or after the date of the gift
    - The conditions upon which it is based must be carefully reviewed to determine whether or not it provides a credible assessment of the value of the gift
  - The value determined by a qualified expert on the faculty or staff of the university, but not an individual whose fundraising totals are directly affected by the gift
    - Note: A sample letter of a qualified expert faculty/staff appraisal can be found in the Appendix

**Additional Guidance:**

- Manuscripts, autographs, signatures, books and similar items are difficult to value. It is recommended either a qualified faculty/staff member evaluate the item for value or an independent qualified appraisal is obtained.
  - Note: A sample letter of a qualified expert faculty/staff appraisal can be found in the Appendix.
• Items that are handcrafted by a non-professional or non-business-owning individual are valued based on the cost of the materials to make the item.
• IRS Publication 561: Determining the Value of Donated Property provides extensive information on determining the value of a gift.

Acceptable Fair Market Documentation for Gifts Valued Above $5,000

• Required for IRS Form 8283
  o Value placed on the gift by an independent qualified appraiser made within 60 days before or after the date of the gift
    ▪ The conditions upon which it is based must be carefully reviewed to determine whether or not it provides a credible assessment of the value of the gift
• Not Required for IRS Form 89283 (rare instances)
  o New Items
    ▪ Paid bill of sale
    ▪ Invoice and a copy of the check or credit/debit card statement showing payment
    ▪ University's appraisal obtained independently for insurance purposes
  o Used Items
    ▪ University's appraisal obtained independently for insurance purposes
    ▪ Value determined by a qualified expert on the faculty or staff of the university, but not an individual whose fundraising totals are directly affected by the gift
      • If a subsequent independent qualified appraisal is received, an adjustment is made to the gift value
      • Note: A sample letter of a qualified expert faculty/staff appraisal can be found in the Appendix.

Gifts without Valuing Documentation

• Gifts submitted without acceptable valuing documentation are valued at $1.
• If valuing documentation is received after the gift has been processed and prior to the end of the fiscal year, request a valuation change by submitting supporting documentation to the designated Gift Acceptance Coordinator.
Donor’s Responsibility for the Qualified Independent Appraisal

The donor is not required by the IRS to provide the university with a qualified independent appraisal unless they submit an IRS Form 8283. Both the qualified independent appraisal and the IRS Form 8283 are only required by the IRS if the donor wishes to use the gift for tax deductible purposes. It is the donor’s responsibility to provide the university with the appraisal. The university never purchases and provides the donor a qualified independent appraisal for their tax needs. The university also never refers the donor to a specific qualified independent appraiser, but may provide the names of at least three appraisers as a courtesy to the donor (not a recommendation).

UHS Responsibility for the Qualified Independent Appraisal

The Development Officer may submit a formal written request to the Gift Acceptance Committee for the university to purchase a qualified independent appraisal if the university wishes to count the full value of a significant gift and the donor does not provide a qualified independent appraisal. If the Gift Acceptance Committee approves the request, a quid pro quo is placed on the overall value of the gift for gift counting purposes, subtracting the cost of the appraisal from the value of the gift. Only in rare cases, or in situations required by university policy, such as with gifts of real property, should the university purchase a qualified independent appraisal for gift counting purposes. In instances where the university purchases an appraisal, the university does not provide the appraisal to the donor.

Requirements for a Qualified Independent Appraiser

Per IRS Publication 561, a qualified appraiser is an individual who meets all the following requirements:

1. The individual either:
   a. Has earned an appraisal designation from a recognized professional appraiser organization for demonstrated competency in valuing the type of property being appraised, or
   b. Has met certain minimum education and experience requirements. For real property, the appraiser must be licensed or certified for the type of property being appraised in the state in which the property is located. For property other than real property, the appraiser must have successfully completed college or professional-
level coursework relevant to the property being valued, must have at least 2 years of experience in the trade or business of buying, selling, or valuing the type of property being valued, and must fully describe in the appraisal his or her qualifying education and experience.

2. The individual regularly prepares appraisals for which he or she is paid.

3. The individual demonstrates verifiable education and experience in valuing the type of property being appraised. To do this, the appraiser can make a declaration in the appraisal that, because of his or her background, experience, education, and membership in professional associations, he or she is qualified to make appraisals of the type of property being valued.

4. The individual has not been prohibited from practicing before the IRS under section 330(c) of Title 31 of the United States Code at any time during the 3-year period ending on the date of the appraisal.

5. The individual is not an excluded individual. (Refer to IRS Publication 561 for more information.)

**Requirements for a Written Appraisal**

Note: A sample letter of a qualified expert faculty/staff appraisal can be found in the Appendix.

- Requirements for appraisals completed by both qualified independent appraisers and qualified expert faculty/staff include:
  - Please refer to Publication 561: Determining the Value of Donated Property for more information on determining the value of a gift.
  - Qualifications of the qualified expert faculty/staff appraiser including their background, experience, education, and any membership in professional appraisal associations
  - Evaluated within 60 days of the date the university accepts the property
  - Signed, and dated by appraiser
  - Detailed description of item
  - Number of items received
  - Physical condition of the item
  - Date the university will receive the item
  - Date item was valued
  - Stated purpose of what the item is used for at the university
• Appraised FMV on the date (or expected date) of contribution

• Additional requirements for qualified independent appraisal
  o Name, address, and taxpayer identification number of the qualified appraiser
  o If the appraiser is a partner, an employee, or an independent contractor engaged by a person other than the donor, the name, address, and taxpayer identification number of the partnership or the person who employs or engages the appraiser
  o A statement that the appraisal was prepared for income tax purposes
  o The method of valuation used to determine FMV, such as the income approach, the comparable sales or market data approach, or the replacement cost less depreciation approach including the specific basis for the valuation, such as any specific comparable sales transactions.

• Additional requirements for qualified expert faculty/staff appraisal
  o Prepared on university letterhead
  o A statement that the appraisal was prepared for gift counting purposes
  o The method of valuation used to determine FMV
    - The valuating method must align with IRS rules. Premade valuing charts are not accepted as a methodology because each item’s value is determined based on the condition, year produced, use, rarity, etc. Therefore, premade charts cannot accurately determine the value of an item.

**IRS Form 8283 & 8282**

The university does not require the donor to submit an IRS Form 8283 to receive credit for the gift. However, to receive a tax deduction, the IRS requires individual donors, partnerships, and S Corporations to file an IRS Form 8283 for all non-cash gifts of more than $500 to receive a tax deduction. C Corporations are required to file an IRS Form 8283 for all non-cash gifts of more than $5,000 to receive a tax deduction.

After the Gift Acceptance Committee agrees to accept the gift and the transaction has closed, a donor may choose to submit an IRS Form 8283 for university signature. By law, the individual acknowledging the gift must be an official authorized to sign the university tax return. In this regard, only designated representatives in the Division of Administration and Finance are approved to execute the IRS Form 8283 on behalf of the university. Before the university is able to sign any
Form 8283, the university shall receive a copy of the donor’s associated appraisal to review. The university may refuse to sign the Form 8283 if we believe that the bargain sale gift does not conform to tax laws, if the Form 8283 is incomplete, or if we have questions about the donor’s appraisal.

**Note:** When a donor submits IRS Form 8283 to the university, the donor may suffer adverse tax consequences if the university subsequently sells or disposes of the donated item within 3 years of acceptance.

If a donor submits an IRS Form 8283 to the university:

1. Submit the completed original Form 8283 (both pages) bearing the appraisers original signature, plus a copy of the appraisal and any other supporting documentation, to the System Office of Gift Processing and Records.
2. The System Office of Gift Processing and Records updates the donor database and forwards documents to the Senior Associate VC/VP of Finance or designee for signature.
3. The Senior Associate VC/VP of Finance or designee
   a. signs the form
   b. sends a copy to the unit or department
   c. sends the original to the donor
4. If the gift is sold or disposed of within 3 years of acceptance,
   a. The department notifies the Senior Associate VC/VP of Finance or designee of the need to prepare the IRS required Form 8282.
5. The Senior Associate VC/VP of Finance or designee
   a. completes the form
   b. sends a copy to the donor
   c. sends the original to the IRS

**GIK@central.uh.edu**

All Gift-in-Kind related documents and/or questions should be submitted to GIK@central.uh.edu. When contacting GIK@central.uh.edu, please include the donor name in the subject line of the email. If the communication relates to an auction or similar event, please include the name of the event in the subject line of the email instead of all the individual donor names. Documents received will be reviewed to determine if the GIK requires review by the Gift Acceptance Committee prior to
acceptance. If any additional documents, corrections to the GTF, etc. are needed for processing, please resubmit a complete package with GTF, fair market value documentation and all other supporting documentation included.

**Securities**

**Policy**
UHS accepts gifts of marketable, closely held, and other restricted securities provided they support the mission of the university. A Gift Planning Officer is introduced into the conversation with the donor when gifts of closely held securities and/or other restricted securities are contemplated. Gifts of closely held securities and/or other restricted securities also require approval of the Gift Acceptance Committee prior to acceptance.

**Acceptance and Processing Procedures**

- The Development Officer contacts the System Office of Gift Processing and Records to receive instructions the donor needs to make the gift. Instructions for electronic transfer of the securities include the UHS brokerage account name and account number.
- The Development Officer forwards instructions to the donor.
- Paper certificates are forwarded directly to the System Office of Treasury. The USPS postmark, or the date hand-delivered certificates are received by UHS, help determine the proper valuation date.
- The Development Officer sends Gift Transmittal Form (GTF) to the System Office of Gift Processing and Records. In the comments, include the name of the security, ticker symbol, the number of shares being donated, and any additional identifying information about the gift. Leave the amount blank on the Gift Transmittal Form (GTF) as this information is provided by the System Office of Treasury after the gift is valued.
- Once the gift is received, the System Office of Treasury values the gift and notifies the System Office of Gift Processing and Records.
- Documentation needed from UHS support organizations that value their own gifts of securities:
  - Date stock gift received and supporting documentation
Gift Counting

Marketable securities are valued at the average of the high and low quoted selling prices on the date the donor relinquishes control of the asset. Other securities are valued by the System Office of Treasury based on IRS regulations.

The proceeds from the sale of the securities will be higher or lower than the gift valuation. Although the proceeds amount is recorded in the donor database, it is not used for gift counting. The proceeds amount is critical to establish a “fully funded” status for endowments. When cumulative proceeds for a particular endowment are lower than the minimum required for fully funded status, additional funding is required even though the gift valuation may indicate otherwise. The proceeds received from the sale of the securities can be found on the Tender Detail screen in Advance. To access this information, open the donor record, double-click in the Giving Summary box, identify gifts of securities using the Payment Type field, double-click on the entry of interest, and double-click in the Primary Gift Tender Type box. The Value field indicates the gift valuation amount and the Reval Amt field indicates the proceeds received from the sale of the securities.

Reference

SAM 08.A.03 Gift Acceptance – Gifts from Individual Donors
Policy and Procedure GPR-03-008-Securities

Tangible and Intangible Property

Refer to the Gift-in-Kind Overview section for more information.

Policy

UHS accepts Gifts-in-Kind of tangible and intangible property provided they support the mission of the university and meet gift regulations and UHS standards for acceptance.

Acceptance and Processing Procedures
When the university accepts gifts of tangible and intangible property it also accepts the risks and responsibilities of maintaining that asset. Gifts of tangible and intangible property can also create risks for the donor. Some Gifts-in-Kind are complex and sometimes their tax deductibility or ability to count as a gift may be unclear. If unsure about an item being a Gift-in-Kind, please contact the designated Gift Acceptance Coordinator for guidance in accepting the gift.

- The Development Officer is responsible for securing documentation related to the gift:
  - For all gifts
    - Fair market value documentation (see Determining and Documenting Fair Market Value section)
    - Photos of item (required for gifts of works of art, jewelry and gems, equipment, furniture, and unusual items)
    - Any additional correspondence or documentation related to the gift
  - If applicable,
    - Contracts
    - Blue prints
    - Letter from Dean of College or Chair of Department, stating he/she is aware of the gift and would benefit from receiving it
    - Letter from Facilities Planning and Construction stating the department approves of the location where the gift is stored
    - Approval from appropriate departments should the gift require construction or renovation to any buildings or areas
    - Letter stating whether insurance is required
    - Estimated annual maintenance or upkeep costs
    - Any applicable research related to the gift
    - Additional documentation may be requested by the committee
- The Development Officer may accept routine gifts valued less than $5,000. Examples of non-routine gifts can be found in SAM policy 08.A.03 and 08.A.06. A copy of the current policy is provided in the appendix of this manual. Please confirm at http://www.uh.edu/policies/ if a more recent version is applicable.
- The Development Officer completes the Gift-in-Kind GTF and submits it, along with the supporting documentation to the designated Gift Acceptance Coordinator.
- The designated Gift Acceptance Coordinator
• reviews the documentation for completeness,
• approves gifts that do not require any further approval as indicated in the Summary of Gift Approvals Needed Prior to Acceptance document found in the Appendix, and
• forwards other documents to the Chair of the Gift Acceptance Committee.

• If acceptance is approved, the Development Officer will be notified how to proceed.
• Upon formal acceptance and transfer of ownership, the Development Officer notifies the designated Gift Acceptance Coordinator. The designated Gift Acceptance Coordinator sends the GTF and supporting documentation to the System Office of Gift Processing and Records.

Gift Counting
The lesser of the educational value or the fair market value, as stated either within the approved appraisal or other approved valuing documentation.

Reference
IRS Publication 561, Determining the Value of Donated Property
IRS Publication 526, Charitable Contributions
SAM 08.A.03

Real Estate
Refer to the Gift-in-Kind Overview section for more information.

Policy
UHS may accept gifts of real estate with a market value that justifies due diligence, acquisition and holding costs (generally at least $100,000) subject to the recommendation of the Gift Acceptance Committee. Real property may be recommended only after due diligence work performed in accordance with Board policy 51.01 and SAM 01.C.08.

Acceptance and Processing Procedures
Gifts of real property are complex and can expose the university to potential liability. Therefore, at no time prior to full acceptance of a gift of real property by the Chancellor and Board of Regents should a staff member or volunteer accept a gift of real property or suggest to the prospective donor that such acceptance is likely to occur.
Real property (also called real estate) is defined as land, and generally whatever is affixed to the land, as well as those rights that issue out of land. Real property may include residential property, rental property, commercial property, farmland, undeveloped land, oil and gas interests, mineral interests, timber, and similar interests.

A gift of real property cannot be accepted until the procedure below is completed. A gift of real property cannot be recorded as a gift in the donor database until after ownership of the property has been transferred.

After receiving a proposal for a gift of real property, the Development Officer notifies the Assoc. VP of Development, the System Office of Gift Planning, the System Office of General Counsel, and the System Office of Real Estate Services. The Development Officer then secures the following documents and submits them to the System Office of Gift Planning:

- Completed Donor’s Disclosure Form
- Copy of deed or conveyance documents
- Copy of survey, if available
- Current appraisal by a qualified appraiser (provided by donor), if available

The System Office of Gift Planning then works with the System Office of Real Estate and the System Office of General Counsel to submit the following additional documents to the designated Gift Acceptance Coordinator:

- Parties’ Letter of Intent
- Purchase Sale Agreement
- Copies of any condominium agreements, restrictive covenants, leases and/or management agreements, and deed restrictions, and homeowner association documents (if in donor's possession)
- Copies of most recent property tax statement, title report and title insurance policy
- Two independent appraisals obtained by the System Office of Real Estate and paid for by the UH unit benefiting from the gift
- Copy of building inspection report, if required
- Phase 1 Environmental Study ordered by System Office of Real Estate and paid for by donor
- If the real estate is being gifted from a donor's estate, the System Office of Gift Planning submits a copy of the probated will and other relevant probate documents
• Title commitment ordered by the parties and paid for by the donor
• Any additional reports or documents needed for due diligence

Once reviewed for compliance, the designated Gift Acceptance Coordinator submits the completed request including all accompanying copies of documents to the Chair of the Gift Acceptance Committee for consideration.

• Once approved by the Gift Acceptance Committee and the UHS Board of Regents then System Office of Real Estate and System Office of General Counsel prepare for transfer of title.
• Once ownership has been transferred to the UHS and the property is accepted, then the Gift-in-Kind GTF and all backup documentation, including a copy of the warranty deed, is submitted to the System Office of Gift Processing and Records for entry into the donor database.

**Gift Counting**
The value assigned to a gift of real estate is the average of the two independent appraisals that are obtained by the university and prepared by independent qualified appraisers.

**Reference**
IRS Publication 561, Determining the Value of Donated Property
IRS Publication 526, Charitable Contributions
UH System Board of Regents Policy 51.01
SAM 01.C.08
SAM 08.A.03

**Oil, Gas, Mineral, and Timber Interests (Natural Resources)**
Refer to the Gift-in-Kind Overview section for more information.

**Policy**
UHS may accept gifts of oil, gas, mineral, or timber interests after consideration by the Gift Acceptance Committee and requisite approval. Outright gifts of mineral ownership through deed
are preferred, but gifts of royalty and override interests are considered in individual circumstances. UHS does not accept a mineral working interest.

**Acceptance and Processing Procedures**

These gifts are complex and can expose the university to potential liability. Therefore, at no time prior to full acceptance of a gift by the Chancellor and Board of Regents should a staff member or volunteer accept a gift or suggest to the prospective donor that such acceptance is likely to occur.

A gift of natural resource interests cannot be accepted until the procedure below is completed and cannot be recorded as a gift in the donor database until after ownership of the property has been transferred.

After receiving a proposal for a gift of natural resources, the Development Officer notifies the Assoc. VP of Development and the System Office of Gift Planning. The Development Officer then secures the following documents and submits them to the System Office of Gift Planning:

- Completed Donor’s Disclosure Form (currently being developed)
- Copy of deed or conveyance documents
- Copy of current Division Order

The System Office of Gift Planning then works with the System Office of Real Estate and the System Office of General Counsel to consult with the UHS mineral manager to determine fair market value.

- Copies of any leases, management agreements, or other restrictive covenants. (if in donor's possession)
- Documentation of royalty or other revenues for the past two years
- Copies of most recent property tax statement
- If the natural resource interests are being gifted from a donor's estate, the System Office of Gift Planning submits a copy of the probated will and other relevant probate documents
- Any additional reports or documents needed for due diligence

Once reviewed for compliance, the designated Gift Acceptance Coordinator submits the completed request including all accompanying copies of documents to the Chair of the Gift Acceptance Committee for consideration.
Once approved by the Gift Acceptance Committee and the UHS Board of Regents (if applicable), then System Office of Real Estate and System Office of General Counsel prepare the deed transferring title.

Once ownership has been transferred to the UHS and the interests accepted, then the Gift-in-Kind GTF and all backup documentation, including a copy of the deed, is submitted to the System Office of Gift Processing and Records for entry into the donor database.

**Gift Counting**
Ownership of oil, gas, mineral and timber interests should be counted at the readily determinable face (or fair market) value after ownership transfer is properly recorded. If it's not known and cannot be readily determined, the asset is reported in the year the value becomes known.

**Reference**
- IRS Publication 561, Determining the Value of Donated Property
- IRS Publication 526, Charitable Contributions
- SAM 08.A.03

**Bargain Sales**
Refer to the Gift-in-Kind Overview section for more information.

**Policy**
UHS may purchase real property or other property or equipment pursuant to a bargain sale provided the assets support the mission of the university and the purchase meets gift regulation and UHS standards for acceptance.

A bargain sale occurs when an individual or entity transfers an asset to the UHS and receives less than the fair market value in return. Bargain sales can involve real estate as well as other property or assets. Typically, a bargain sale involves appreciated property. The difference between the sale price and the fair market value determines the gift amount, if any.

A bargain sale does not occur if the discount is the same as what applies to purchases made by the institution on a regular basis and is not uniquely identified and substantiated as a special reduction.
Acceptance and Processing Procedures

Because the tax rules regarding bargain sales are complex, all donors shall be strongly encouraged to obtain independent tax and legal advice. Donors must obtain an independent qualified appraisal for their own tax purposes.

The steps noted below must be taken when a bargain sale is contemplated:

- The Development Officer must notify the Assoc. VP of Development and the System Office of Gift Planning.
- The System Office of Gift Planning contacts Senior VC for Administration and Finance, System Office of General Counsel, the Chair of the Gift Acceptance Committee, and if the bargain sale involves real estate the System Office of Real Estate.
- Any donor involved in a bargain sale transaction shall sign a Letter of Intent clearly documenting the donor's desire to make a gift and outlining the terms and conditions of the gift, including possible tax consequences, as drafted by the System Office of General Counsel. All backup information regarding the donative intent must be provided to the offices noted above. These offices, together with the Gift Acceptance Committee, shall analyze a proposed bargain sale to confirm it is in the best interest of the University.
- UHS must determine the fair market value of the property in accordance with Board of Regents and University policies.
  - For real estate, UHS typically will not pay more than 75% of fair market value for a bargain sale. Bargain sales related to real estate must follow all procedures found in the Real Estate section of this manual.
  - In the case of property other than real estate, the University shall obtain an independent qualified appraisal and conduct due diligence as set forth in the Board of Regents and University policies or utilize other resources to assess educational and fair market values. The donor generally provides a bill of sale clearly indicating the retail or education/nonprofit discount price, less the charitable contribution of the discounted amount, and a net cost.
- Once all documentation has been submitted to the designated Gift Acceptance Coordinator, it is reviewed and forwarded to the Chair of the Gift Acceptance Committee.
- The Gift Acceptance Committee shall proceed in conjunction with other assessments and due diligence process conducted on the property relative to the sale.
• The Chair of the Gift Acceptance Committee notifies the appropriate parties of the acceptance or denial.

• If approved, the Purchase Sale Agreement will document the terms and conditions of the bargain sale. The UHS valuation will be utilized to record the amount of the gift. The Purchase Sale Agreement should address the true nature and value of the gift portion and the nature of any benefits or quid pro quo received by donor in the transaction.

• For all non-real estate purchases, the department conducting the purchase follows all UHS contracting procedures. If applicable, the department contacts the Department of Purchasing to request a Sole Source due to a bargain sale.

• Once the purchase and transfer of ownership have been completed, the designated Gift Acceptance Coordinator completes the GTF based on the valuation determined by the Gift Acceptance Committee and sends the GTF with all gift documentation to the System Office of Gift Processing and Records.

• With bargain sales in particular, the contemporaneous written acknowledgment required by Section 170(f)(8) of the Internal Revenue Code may require additional review by the System Office of General Counsel and/or the Division of Finance. The written acknowledgement for bargain sales shall include at a minimum: (i) the date; (ii) reference to a charitable “bargain” sale; (ii) the description or address (but not value) of the property (the book and page number of the recorded deed may also be referenced); (iii) whether the University provided any goods or services in consideration, in whole or in part, for the property, and if so, a description and good faith estimate of the value of any such goods or services.

**Gift Counting**

Real Estate: the difference between the average of the two appraisals obtained by the university and the university purchase price.

Non-Real Estate: The difference between the appraisals obtained by the university and the university purchase price.

**Reference**

IRS Publication 561, Determining the Value of Donated Property

IRS Publication 526, Charitable Contributions
Life Insurance Policies

Refer to the Gift-in-Kind Overview section for more information.

Policy
UHS accepts gifts of life insurance policies, including whole life, variable life, and universal life policies that name UHS as both owner and beneficiary after consideration by, and requisite approval of, the Gift Acceptance Committee. UHS does not accept gifts of term life insurance.

Acceptance and Processing Procedures

Before accepting the gift

- Submit documents to the designated Gift Acceptance Coordinator
  - Copy of life insurance policy
    - Policy must have a minimum face value of $100,000
    - Company must have an investment grade rating
  - The donor agrees to UHS having sole discretion to cash in the policy, convert the policy to a paid up policy, or otherwise act in the best interests of UHS to secure the value of the policy to UHS.
  - For policies not fully paid, the donor makes a written commitment to cover the payment of all premiums due over the course of the policy.
- Designated Gift Acceptance Coordinator reviews documents for compliance and submits them to the Chair of the Gift Acceptance Committee for consideration.
- Once notified of approval, the System Office of Gift Planning contacts the donor to initiate transfer of ownership of the life insurance policy.
- Once confirmation is received that the transfer of ownership has occurred, the System Office of Gift Planning submits the Planned Giving GTF (PGTF) and all backup documentation to the System Office of Gift Processing and Records.
  - If the policy is not fully paid up at the time of gift, the university strongly encourages the donor to pay premiums directly to UHS (which in turn pays the premium to the insurer) and the System Office of Gift Planning submits the PGTF and backup
documentation to the System Office of Gift Processing and Records as each premium payment is made.

**Gift Counting**

- Partially or fully paid-up life insurance policies are counted as outright gifts at the cash surrender value as identified in writing by the insurance provider.
- For policies not fully paid up at the time of gift, the premium payments made by the donor to the university are counted as outright gifts at the full value of the premium paid.

<table>
<thead>
<tr>
<th>Insurance Type</th>
<th>Counting Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life Insurance Policy, Realized During Campaign Period</td>
<td>Face value less what was counted in the current or a previous campaign</td>
</tr>
<tr>
<td>Life Insurance Policy (UHS is Owner and Beneficiary of Paid Up Policy)</td>
<td>Cash surrender value as identified in writing by the insurance provider</td>
</tr>
<tr>
<td>Life Insurance Policy (UHS is Owner and Beneficiary of Policy Not Paid Up)</td>
<td>Premium payments made by the donor to the university or the insurer are counted as outright gifts at the full value of the premium paid</td>
</tr>
<tr>
<td>Life Insurance Policy (Donor Remains Owner with UHS Primary Beneficiary)</td>
<td>Face value of policy, or portion of policy devoted to UHS</td>
</tr>
<tr>
<td>Life Insurance Policy (UHS Secondary or Contingent Beneficiary)</td>
<td>Do not count</td>
</tr>
</tbody>
</table>

**Reference**

IRS Publication 561, Determining the Value of Donated Property
IRS Publication 526, Charitable Contributions
SAM 08.A.03

**Realized Estates**

Refer to the Gift-in-Kind Overview section for more information.

**Policy**

UHS accepts gifts of realized estates.
Acceptance and Processing Procedures
When any university, college, or non-academic program that comprises the UH System is notified of the death of a person who has named the UH System as a beneficiary, the UH System Office of Gift Planning must be notified immediately and forwarded copies of all available documentation and correspondence.

If the UH System Office of Gift Planning is notified of the death of a person who has named the UH System as a beneficiary, they shall promptly notify the beneficiary of the bequest.

The UH System Office of Gift Planning has exclusive authority to handle matters related to estates benefiting the UH System, including authority to sign partial or complete releases of liability, and will be responsible for promptly supplying documentation to other UH System administration offices as appropriate. The UH System Office of Gift Planning will provide instructions to estate executors and administrators regarding the disposition of estate assets bequeathed to the UH System. All estate distributions will be transmitted as directed by the UH System Office of Gift Planning.

Once confirmation is received that the transfer of ownership has occurred, the System Office of Gift Planning submits the Planned Giving GTF (PGTF) and all backup documentation to the System Office of Gift Processing and Records.

Gift Counting
Face value less what was counted in the current or a previous campaign

Reference
IRS Publication 561, Determining the Value of Donated Property
IRS Publication 526, Charitable Contributions
SAM 08.A.03

Auctions (Unrelated Use)
Refer to the Gift-in-Kind Overview section for more information.

Policy
UHS accepts Gifts-in-Kind for non-related uses provided they support the mission of the university. There are two possible gift contributions that are tied to auction events. The two possibilities relate to the auction item being donated and to the auction item being purchased.

**Note:** Please note that the Items That Cannot Be Counted, and/or Deducted by the Donor section of this manual is still applicable to Auctions.

**Acceptance and Processing Procedures**

**Prior to Auction**

- Refer to the gift acceptance procedure for Gifts-in-Kind for guidance on processing the gift to be auctioned.
- Prior to receiving the item, please discuss with the donor on how they wish the university to direct the item afterwards if not sold.
- Once the item to be auctioned is received, the item should be held in a secure area until the auction.
- Disclose the following to the bidders, prior to bidding:
  - Item descriptions should clearly explain what is included with each auction item
  - Include an estimate of the fair market value for each item
  - The bid sheet should also state that descriptions were provided by the item donor
  - Include the phrase “All items are sold “as is”

**After the Auction**

- Upon completion of the auction, the Development Officer who is the contact for the auction must submit the following to the System Office of Gift Processing and Records:
  - GTF Gifts-in-Kind (Events) Form
  - Valuing documentation
  - Qualified independent appraisals as needed
  - Bid sheets, or approved substitute
  - Optional: IRS Form 8283 (If donor submits)

**Note:** A Sample Auction Form is provided in the Appendix. This form helps to capture all the information needed for both sides of an auction transaction so that information does not need to be
transferred to individual GTF forms for each auctioned item. Only one GTF (coversheet) would need to be submitted if the form is utilized.

**Gift Counting**

There are two potential gifts associated with each auction transaction:

1) **Donor of Auctioned Item** – Assuming the donation is sold, the gift value is the fair market value

2) **Buyer of Auctioned Item** – Assuming the fair market value is made public before the auction and that the winning bid exceeds that stated value, the contribution is the difference between the purchase price and the publicized fair market value.

3) Refer to the Gift-in-Kind section for more information about gift counting for gifts cards and partial interests.

**Reference**

IRS Publication 561, Determining the Value of Donated Property
IRS Publication 526, Charitable Contributions
Policy and Procedures DAR-06-001-Extramural Non-Gift Transactions

**Gift Cards & Gift Certificates**

**Policy**

UHS accepts gift cards and gift certificates to be sold or auctioned provided they support the mission of the university.

- Gift cards for services and restaurants, donated by the issuing entity, that do not have a cash value are not gifts. They may be accepted and acknowledged but the donor is not receipted and the gift is not counted within UHS gift counting totals. A sample acknowledgement for non-gifts can be found in the Appendix.

- Gift cards for services and restaurants, donated by the issuing entity, that do have a cash value are gifts. The gift is counted within UHS gift counting totals at the cash value as documented by a copy of the front and back of the card.
• Gift cards for services and restaurants, purchased and donated by an individual follow the guidelines below for Gift-in-Kind. The gift is counted within UHS gift counting totals at the face value of the card.
• Gift cards for tangible items are gifts. The gift is counted within UHS gift counting totals at the fair market value.
• If a gift card is subsequently sold or auctioned, the winning bidder would be granted gift credit for the amount above and beyond the face value of the card, provided that the fair market is disclosed prior to any bidding occurring.

Reference

Food/Meal Donations, Including Hosted Dinners
Refer to the Gift-in-Kind Overview section for more information.

Policy
UHS accepts Gifts-in-Kind of food provided they support the mission of the university.

Acceptance and Processing Procedures – Restaurants and Other Service Providers
If a restaurant or other service provider is supplying food for an event, the company’s published FMV may be counted as a gift. Services related to the event cannot be counted as a gift. Examples of services include such things as catering, food and beverage service, and valet parking. Rental or borrowed items from a restaurant or service provider are never counted as a gift because ownership is not transferred to UHS.

The best way for a restaurant or service provider to get full gift credit for a gift is for the company to provide an invoice to UHS, UHS to pay the invoice, and the company make a voluntary (not as part of a written or verbal contract or agreement) outright gift to UHS for whatever amount they wish. When the outright gift arrives, a simple GTF form completed by the Development Officer is all that is needed.

Acceptance and Processing Procedures – Non-Restaurants and Service Providers
Similarly, having the event paid by UHS and the individual donor making a voluntary (not as part of a written or verbal contract or agreement) outright gift to UHS for whatever amount they wish is
also the best way for an individual donor to support an event. When the outright gift arrives, a
simple GTF form completed by the Development Officer is all that is needed.

The less desirable option for individual donors........If there is some reason UHS or the donor
wishes for the donor to pay for the event directly, things get more complicated.
First, the event.....

- Must help to fulfill the mission of UHS
- Must be an official UHS event that UHS would have paid for even if it was not underwritten
  by a donor
- Attendees are selected by UHS. The donor may provide recommendations into attendee
  selection.

Second, there are some drawbacks.....

- Only the portions of the event that the university planned to include, and would have paid
  for, are countable as a gift.
  - The donor will likely pay sales tax which cannot be counted in the gift portion
  - If the donor adds features to the event planned by the university, these costs are not
    countable
- The fair market value (FMV) of the benefits (aka: quid-pro-quo or QPQ) received in return
  for the gift are not countable.
  - FMV is how much a person would pay to attend a similar event including: food,
    average beverage consumption, ambiance, entertainment, etc. Rarely is this just a
    prorated portion of the event costs.
  - The donor's gift will be reduced by the FMV of their participation in the event (and
    the FMV of any leftovers they retain)
  - If the donor required any of the attendees to be included, the FMV of their portion is
    also QPQ.
  - If invitees are required to make a gift in order to attend the event, then their gift gets
    reduced by the FMV of event participation, even if they chose to not, or are unable
    to, attend the event. However, donors can waive their benefits at the time of making
    the gift.

Third, more documentation is required.....

- A GTF is still needed from the Development Officer (the GIK GTF is different)
- Donor itemized receipts must be submitted to ensure costs were reasonable and customary
Donor proof of payment must be submitted to ensure gift receipt is issued to legal donor (cancelled check or credit card statement)

Differences in receiving.....

- With an outright gift to UHS, the gift receipt states the amount the donor is eligible to claim as a charitable gift.
- With a gift-in-kind, the gift receipt only describes the item given and the donor must value the gift for IRS purposes.

Reference
IRS Publication 526, Charitable Contributions

Partial Interests

Policy
UHS accepts gifts of partial interests to be sold or auctioned or used within the university provided they support the mission of the university and are irrevocable. Because a partial interest gift allows the right to use property, the contribution is less than the entire interest in that property.

- Partial interest gifts donated by the issuing entity (owner or event/service provider) are not gifts. They may be accepted and acknowledged but the donor is not receipted and the gift is not counted within UHS gift counting totals. A sample acknowledgement for non-gifts can be found in the Appendix.
- Partial interests purchased and donated by an individual follow the guidelines below for Gift-in-Kind. The gift is counted within UHS gift counting totals at the price paid by the donor.
- If a partial interest is subsequently sold or auctioned, the winning bidder receives gift credit for the amount above and beyond the standard ticket price or fair market value of the partial interest, provided that the fair market is disclosed prior to any bidding occurring.

Reference
Revocable Deferred Gifts Acceptance

Bequests

Testamentary Provisions under a Revocable Trust

Pay on Death and Transfer on Death Provisions on Financial Accounts

Retirement Plan or IRA Beneficiary Designations

Life Insurance Beneficiary Designations

Transfer on Death Deeds

Policy

UHS encourages revocable deferred gifts such as the following:

- Bequest in donor’s will
- Testamentary provision under a revocable trust
- Beneficiary designation of IRA or retirement plan
- Beneficiary designation of life insurance policy
- Beneficiary of transfer on death deed

Acceptance and Processing Procedures

- The System Office of Gift Planning is introduced into the conversation with the donor when revocable deferred gifts are contemplated or in such case the donor notifies the Development Officer that a revocable deferred gift has already been made.
- UHS representatives are not allowed to draft estate planning documents.
- UHS representatives are not allowed to sign as witnesses to estate planning documents under which they know UHS has been named a beneficiary.
- The Development Officer works with the System Office of Gift Planning to obtain a copy of the estate document, or substitute approved by the System Office of Gift Planning.
- For retirement plan or IRA beneficiary designations, the donor’s spouse must sign a spousal consent form for the beneficiary designation if the donor is married.
• For pay on death or transfer on death provisions, the Development Officer obtains a copy of the documentation and provides it to the System Office of Gift Planning to validate compliance, particularly for a non-resident of Texas.

• For transfer on death deeds, follow the Acceptance and Processing Procedures related to Real Estate.

• The System Office of Gift Planning prepares the PGTF and submits it along with supporting documents to the System Office of Gift Processing and Records.

**Gift Counting**

If the donor discloses details about the gift and it meets the criteria identified below, the gift is counted at the value estimated by the donor. Otherwise, the gift is counted at $1.

- The donor, or one spouse for a joint gift, must be age 60 by the end of the campaign period. A minimum of the month and year of birth are required to be entered in Advance.
- The gift must be documented in writing (or through a copy of the gift instrument, or section of the gift instrument containing the gift provisions).
- There must be a solid written estimate of the value provided by the donor, whether the gift is a specific sum, a specific asset bequeathed by will, a percentage of the total estate, or a percentage of the residuary.
- The bequest, testamentary provision, or beneficiary designation is primary and not contingent.

<table>
<thead>
<tr>
<th>Insurance Type</th>
<th>Counting Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life Insurance Policy, Realized During Campaign Period</td>
<td>Face value less what was counted in the current or a previous campaign</td>
</tr>
<tr>
<td>Life Insurance Policy (UHS is Owner and Beneficiary of Paid Up Policy)</td>
<td>Cash surrender value as identified in writing by the insurance provider</td>
</tr>
<tr>
<td>Life Insurance Policy (UHS is Owner and Beneficiary of Policy Not Paid Up)</td>
<td>Premium payments made by the donor to the university or the insurer are counted as outright gifts at the full value of the premium paid</td>
</tr>
<tr>
<td>Life Insurance Policy (Donor Remains Owner with UHS Primary Beneficiary)</td>
<td>Face value of policy, or portion of policy devoted to UHS</td>
</tr>
<tr>
<td>Life Insurance Policy (UHS Secondary or Contingent Beneficiary)</td>
<td>Do not count</td>
</tr>
</tbody>
</table>
Reference
IRS Publication 561, Determining the Value of Donated Property
IRS Publication 526, Charitable Contributions
SAM 08.A.03
Irrevocable Split Interest Gifts

Acceptance

Charitable Lead Trusts

Policy
UHS does not serve as Trustee but may be designated as income beneficiary of charitable lead trusts.

Acceptance and Processing Procedures
- The System Office of Gift Planning is introduced into the conversation with the donor when a charitable lead trust is contemplated or in such case the donor notifies the Development Officer that a charitable lead trust has already been created.
- The Development Officer works with the System Office of Gift Planning to obtain the documentation needed for full gift counting.
- Once the charitable lead trust is created, the System Office of Planned Giving prepares the PGTF and submits it along with supporting documentation to the System Office of Gift Processing and Records.

Gift Counting
Face value of the payment stream

Reference
IRS Publication 561, Determining the Value of Donated Property
IRS Publication 526, Charitable Contributions
SAM 08.A.03

Charitable Remainder Trust

Policy
UHS does not serve as Trustee of charitable remainder trusts. UHS encourages its donors to name UHS as a remainder beneficiary of a charitable remainder trust and to use a professional fiduciary to serve as trustee.

**Acceptance and Processing Procedures**

- The System Office of Gift Planning is introduced into the conversation with the donor when a charitable remainder trust is contemplated or in such case the donor notifies the Development Officer that a charitable remainder trust has already been created.
- The System Office of the General Counsel facilitates the creation of the trust account.
- Once the charitable remainder trust is created, the System Office of Planned Giving prepares the PGTF and submits it along with supporting documentation to the System Office of Gift Processing and Records.

**Gift Counting**

A charitable remainder trust where UHS is irrevocably named remainder beneficiary is counted at the face value of UHS's proportional share. Where UHS is a revocable beneficiary of a charitable remainder trust, please refer to the policy for counting bequests.

**Reference**

IRS Publication 561, Determining the Value of Donated Property

IRS Publication 526, Charitable Contributions


SAM 08.A.03

**Charitable Gift Annuities**

**Policy**

UHS does not issue charitable gift annuities. However, donors interested in creating charitable gift annuities for the benefit of UHS may be referred to a UHS support organization or third-party authorized to issue charitable gift annuities in the state of Texas and the state of the annuitant(s) residence outside of Texas.

**Acceptance and Processing Procedures**
• The System Office of Gift Planning is introduced into the conversation with the donor when a charitable gift annuity is contemplated or in such case the donor notifies the Development Officer that a charitable gift annuity has already been created.
• The System Office of Gift Planning obtains relevant information on the donor(s), annuitant(s), and proposed funding asset(s) in order to prepare illustrations.
• The System Office of Gift Planning coordinates the final execution of the gift annuity contract by the required parties and arranges for the transfer of the funding assets.
• Once the charitable gift annuity is created, the System Office of Planned Giving prepares the PGTF and submits it along with supporting documentation to the System Office of Gift Processing and Records.

Gift Counting
For cash equivalents, the face value of the amount contributed in exchange for the gift annuity as of the date it is received by the university. Marketable securities are valued at the average of the high and low quoted selling prices on the date the donor relinquishes control of the asset.

Reference
IRS Publication 561, Determining the Value of Donated Property
IRS Publication 526, Charitable Contributions
SAM 08.A.03

Retained Life Estate (Remainder Interests in a Residence or Farm)

Policy
UHS accepts remainder interest in a personal residence or farm subject to the provisions and procedures pertaining to gifts of real estate.

Acceptance and Processing Procedures
• The System Office of Gift Planning is introduced into the conversation with the donor when a retained life estate is contemplated or in such case the donor notifies the Development Officer that a retained life estate has already been created.
The System Office of Gift Planning, the System Office of General Counsel, and the System Office of Real Estate will work together to follow the applicable Acceptance and Processing Procedures related to Real Estate.

- All gifts of remainder interests in a personal residence or farm require an operating agreement between the life tenants and UHS setting out the obligations and responsibilities of the life tenant(s) and UHS over the term of the life tenancy. The agreement addresses the responsibility for maintenance of the property as well as the costs for maintenance, real estate taxes, insurance, and capital repairs on the property over the term of the life interest.
- UHS has sole discretion, at the recommendation of the Gift Acceptance Committee, as to whether, at the conclusion of the life tenancy, UHS continues to utilize or sell the property.

**Gift Counting**

The value assigned to a gift of real estate is the average of the two independent appraisals that are obtained by the university and prepared by independent qualified appraisers.

**Reference**

- IRS Publication 561, Determining the Value of Donated Property
- IRS Publication 526, Charitable Contributions
- SAM 08.A.03
Commitments (Pledges)

Overview

Policy

A pledge is a written commitment to make a gift over a specific period payable according to terms set by the donor. UHS accepts pledges to be paid over a period of five years or less. Exceptions approved in writing by the VC/VP for Advancement.

Acceptance and Processing Procedures

- A pledge may take either of two forms:
  - **Oral pledges**: Only oral pledges made through an authorized telethon, phone-a-thon, or crowd-funding campaign are to be counted and reported.
  - **Written pledges**: Pledge commitments must be written, signed by donors, and include the amount of the pledge, the pledge period, the date of first payment, and the frequency of payments. A sample pledge commitment form can be found in the resources listed in the appendix of this manual. In some case an e-mail from the donor is an acceptable format. However, a more detailed pledge agreement is a prudent measure in many circumstances, such as when the initiation of a construction project relies on pledge proceeds. Pledges which commit the University to specific actions, such as awarding scholarships, creating endowments and naming spaces, must be reviewed by the System Office of Gift Compliance prior to our accepting pledge payments.

- A donor's pledge cannot be paid with a payment by a third party such as a community foundation or donor-advised fund.

- Development Officers are responsible for securing the prior written approval of the Vice Chancellor of University Advancement for all pledges with terms longer than five years.

Gift Counting
Face value of written, enforceable commitments. During campaigns, the full face value is booked while only the part of commitments to be made within five years of the close of the campaign is counted.

Gift Agreements: Current Use Funds/Endowment/Naming

Policy
UHS requires a formal gift agreement when agreeing to terms specified by a donor, permanently endowing the funds, and/or agreeing to recognize a donor via a naming opportunity. UHS does not accept criteria for scholarships based on race or ethnicity, gender or religion. Please refer to the appendix for “Scholarship Guidelines” from General Counsel.

If the pledge is for unrestricted support such as each school’s annual fund or program where the donor does not specify terms for accepting the gift, then a signed pledge form will suffice to record the pledge. See appendix for sample pledge commitment form.

Acceptance and Processing Procedures

• Initiate Process
  o Once tentative terms have been agreed by the donor(s), the assigned Development Officer submits a gift agreement request via the Advancement Intranet.
    ▪  http://advrpt02.cougarnet.uh.edu/giftcomp/_layouts/15/listform.aspx?PageType=8&ListId=%7B04B62A28%2DD742%2D4407%2DAB6F%2D17A219557FA1%7D&RootFolder
  o If there is a naming opportunity involved, the naming opportunity must be approved prior to submitting the naming agreement request in accordance with Board policy 32.02, and SAM Policy 08.A.04 Naming Opportunities. (See Naming Opportunities section below).

• Prepare and Review
  o The System Office of Gift Compliance prepares a draft gift agreement based on the information submitted by the Development Officer via the Advancement Intranet and sends to the Development Officer for review with the donor.
  o Gift Compliance and the Development Officer collaborate to revise and amend the draft as needed.
After donor review and approval of the draft gift agreement, the Development Officer notifies the System Office of Gift Compliance for preparation of the final agreement.

- **Signature Process**
  - The System Office of Gift Compliance reviews and approves the documentation, prepares and prints two agreements and secures System Level signatures as required.

- **Notification to Faculty/Staff/Donor**
  - When the agreements have been signed by all appropriate UHS personnel and the donor(s), the System Office of Gift Compliance will forward a copy to the Development Officer, the benefitting unit, the Treasurer (if endowed), and the donor(s).

- **Submit Agreement to GPR for recording of pledge and pledge details**
  - Department submits Gift Transmittal Form (GTF), or approved substitute, to the System Office of Gift Processing and Records for recording of the pledge in the Advance donor database.
  - The System Office of Gift Compliance will attach a scanned copy of the executed agreement to the allocation in Advance.
  - If the agreement establishes an endowment, the System Office of Gift Compliance will coordinate the establishment of the endowment account with the System Office of Treasury.

### External Agreements (Grant Agreements)

#### Policy

UHS accepts externally drafted agreements to document terms by a donor provided General Counsel “approves the document to form”.

#### Acceptance and Processing Procedures

- When the development officer or other representative of the UHS receives the external agreement from the donor, the agreement must be sent to the System Office of Gift Compliance.
- The System Office of Gift Compliance reviews and submits the documentation to General Counsel for approval.
  - The external agreement must refer to the correct non-profit designation
- Suggested tax verbiage from General Counsel: Contributions to the University of Houston are tax deductible by donors under IRS sections 170(b)(1)(A)(ii) and (v). The University is eligible to receive tax-deductible charitable contributions under IRS Section 170(c).

- Upon approval from General Counsel, the System Office of Gift Compliance follows normal procedures for securing required signatures.
  - General Counsel (via an Approved to Form stamp or cover memo prepared by the System Office of Gift Compliance)
  - VC/VP of Advancement
  - Dean/Director (if applicable)
  - Notification to Faculty/Staff/Donor

- When the agreements have been signed by all appropriate UHS personnel, the System Office of Gift Compliance
  - Forwards a copy to the Development Officer and the benefitting unit.
  - Submits Agreement to GPR for recording of pledge and pledge details
  - Attaches a scanned copy of the executed agreement to the allocation in Advance.

- Department submits Gift Transmittal Form (GTF), or approved substitute, to the Office of Gift Processing and Records for recording of the pledge in the Advance donor database.

**Gift Counting**

Face Value

**Donor-Advised Funds (DAF)**

**Policy**

UHS accepts gifts made via donor-advised funds at the recommendation of the individual. Gifts from donor-advised funds may not fulfill pledge commitments of individual donors.

**Acceptance and Processing Procedure**

Gifts from donor advised funds are accepted and processed based on the type of tender received. Refer to the appropriate section of this manual.

- A donor may sign a Letter of Intent to document the intended amount and use of funds that a donor-advised fund will contribute on his/her behalf.
A Letter of Intent signed by an individual is not a legally binding pledge.

Suggested language to include in Letter of Intent:

“This document sets forth my intention to recommend a grant from the administrator of my donor advised fund, ________________, in the amount of ________________ to be paid by _____[insert date]______________. The purpose of this grant will be to support the ________________ [add if applicable].

The grant recommendations submitted to my donor advised fund will involve the following suggested payment schedule:

Because my donor-advised fund must accept and approve the recommendation, the expression of intent set forth in this document is not intended to create a legally binding or enforceable obligation.”

- A donor-advised fund may sign a standard pledge form or gift agreement. (see Gift Agreements section for details)
  - A standard pledge form or gift agreement signed by a donor-advised fund is a legally enforceable and countable pledge.

**Gift Counting**

Gifts from donor-advised funds are recorded at face value.

Pledges may be recorded at face value if the DAF signs as the donor.

**Naming Opportunities**

**Policy**

In accordance with Board policy 32.02, and SAM Policy 08.A.04 Naming Opportunities, the Board approves the naming of a building (new, existing, or expanded), college, school, program, institute, or center. The Board also approves removing a name from a building, college, school, program, institute or center. The Chancellor, or designee, approves all other naming opportunities such as facilities within buildings, chairs, scholarships, etc., and the removal of names. Specific amounts for colleges, schools, programs, and new buildings shall not be discussed with donors without first coordinating with the Naming Opportunities Committee Chair. All naming opportunities and agreements are coordinated by Development Officer through the System Office of Gift Compliance.

**Acceptance and Processing Procedures**
• Donor Interest/New Initiatives
  o Development Officer submits supporting documents for the proposed naming opportunity to the Naming Agreements Coordinator within the System Office of Gift Compliance.
  o Naming Agreements Coordinator will work with the Development Officer and/or Facilities Planning and Construction to confirm floor plans and determine base cost.

• Submit proposed naming opportunity
  o Naming Agreements Coordinator will submit Naming Opportunities Grid to the Naming Opportunities Committee for review.
  o Final approval is made by VC/VP of Advancement.

• Secure approval/Engage Donor
  o Once the naming opportunity is approved, Development Officer may approach donors with naming opportunities.
  o Once tentative terms have been reached with the donor the Development Officer will submit a Naming Agreement Request form on Advancement Intranet (see Gift Agreement section above).
  o The Naming Opportunities Coordinator will coordinate with the VC/VP of Advancement to ensure an agenda item is added for Board of Regents consideration.

**Gift Counting**
Face value of written, enforceable commitments. During campaigns, the full face value is booked while only the part of commitments to be made within five years of the close of the campaign is counted.

**Reference**
Policy and Procedure GPR-01-001-Gift Crediting Rules and Standards
Appendix
Definitions

**Bargain sale:** Bargain sales involve the university’s purchase of an asset at a price lower than the asset’s fair market value. Bargain sales generally involve real property or tangible property but can involve any type of asset.

**Bequest** - Provisions in a will, trust, or other testamentary legal document providing a gift to charity. The gift may be designated as a percentage of the donor’s estate, a specific dollar amount or description of property (such as securities, real estate, or other assets), or a residual of the donor’s estate. These may be revoked before the donor’s death unless accompanied by a legally enforceable contract. Bequests may also be made contingent upon a certain event happening.

**Bequest Notification:** A courtesy notification from the donor indicating his or her bequest intention.

**Bequest (Realized):** A will, trust, or other testamentary legal document that is administered upon the donor’s death fulfilling the donor’s bequest commitment.

**Cash:** U.S. Currency. Cash does not include foreign currency.

**Charitable Gift Annuity:** Charitable gift annuities are transfers of assets to a charity in exchange for that charity's promise to pay one or two named annuitants a fixed amount for life based on the annuitants’ age at the date the charitable gift annuity is created, using rates published by an organization such as the American Council on Gift Annuities.

**Charitable Lead Trusts:** Charitable lead trusts are irrevocable trusts that distribute either a fixed amount (Charitable Lead Annuity Trust) or a fixed percentage of the trust’s annual market value (Charitable Lead Unitrust) to one or more charities over the term of the trust and at termination distributes the remaining assets to the donor or one or more named individuals.

**Charitable Remainder Trust:** Charitable remainder trusts are irrevocable trusts that distribute either a fixed amount (Charitable Remainder Annuity Trust) or a fixed percentage of the trust’s annual market value (Charitable Remainder Unitrust) to one or more named individuals over the term of the trust and at termination distribute the remaining assets to one or more charitable organizations.

**Check:** Written order on a standard printed form directing a bank to pay money including personal, business, bank, and cashier’s checks. Other equivalents include money orders, travelers’ checks, and foreign drafts.

**Company Products:** Tangible goods created and/or marketed by the company itself.

**Credit Card:** Credit card gifts represent a form of a loan transaction between the donor and the credit issuer.
**Electronic Fund Transfer:** Gifts made by automatic deductions from a donor’s bank account.

**Extramural Non-Gift Transactions:** An extramural non-gift transaction is a contribution of money, property, or service valued at $5,000 or more that would normally not be reported as a gift because it does not meet National Reporting Standards established by CASE. Extramural non-gift transactions do not typically qualify for a tax deduction and are not receipted. However, extramural non-gift transactions are an important source of support to UHS that University Advancement chooses to record and acknowledge.

**Foreign Currency:** Legal tender bills and coins for countries other than the U.S.

**Gift:** An irrevocable and voluntary transfer of something of value (money, securities, real estate, equipment, art, etc.) to a charity by a donor who has no expectation for compensation for the transaction.

**Gift Transmittal Form (GTF):** An approved document that lists pertinent gift processing information about a donor and gift such as donor name, purpose of the gift, account into which the gift will be deposited, etc. Departments must complete GTFs when they receive current gifts not accompanied by a response device.

**Gifts-in-Kind:** A non-cash gift of materials or long-lived assets, real property, or tangible property in which ownership is transferred to UHS through delivery of the property or clear title to the property.

**Grant:** Contribution received by the university for either restricted or unrestricted use in the furtherance of the university that typically comes from a corporation, foundation, or other organization, rather than an individual.

**Intellectual (Intangible) Property:** An intangible asset developed though creativity and innovation.

**Irrevocable Split Interests:** Irrevocable gifts, created by the donor, which split the interests of the gift between UHS and one or more named individuals.

**Life Insurance Policy:** A charitable gift vehicle in which the beneficiary at the donor's death is the charity.

**Natural Resource Interests (Mineral, Oil, Gas, Timber, etc.):** Refer to definition for Real Property.

**Payroll Deduction:** A Payroll Deduction is an amount that is subtracted from an employee’s paycheck. Some employers allow employees to voluntarily authorize deductions for charitable purposes. These funds are forwarded to the charity by the employer or they are routed through the company’s foundation, or other third-party entity, which in turn forwards the contribution to the charity.
**Planned Gift**: A planned gift is a gift an individual creates during their lifetime that will take effect at some point in the future, typically after the donor's death. Planned gifts are different from outright gifts in that the university does not actually realize an asset until some point in the future.

**Planned Gift Transmittal Form (PGTF)**: An approved document that lists pertinent gift processing information about a donor and gift such as donor name, purpose of the gift, account into which the gift will be deposited, etc. for planned gifts. The System Office of Planned Giving is responsible for completing all PGTF forms.

**Pledge**: A written commitment to make a gift over a specific period payable according to terms set by the donor.

**Pledge Payment**: The payment to fulfill a pledge commitment.

**Quid pro quo (QPQ)**: Benefits, usually of goods or services, received by an entity in direct exchange for gifts made to the UH System. QPQ must be accurately calculated and disclosed to the donor through all solicitation mediums prior to accepting any gifts. QPQ must also be accurately reflected in submitting information for gift processing so that QPQ is not counted in gift totals or donor tax deductibility.

**Real Property**: Real property (also called real estate) is defined as land, and generally whatever is affixed to the land, as well as those rights that issue out of land. Real property may include residential property, rental property, commercial property, farmland, undeveloped land, oil and gas interests, mineral interests, timber, and similar interests.

**Remainder Interest in a Residence or Farm (Retained Life Estate)**: An irrevocable transfer of the real property to UHS and provides a donor or other beneficiary with the use of property with the university receiving a remainder interest.

**Response Device**: An approved document that a donor returns with his/her gift. The response device should be coded with information about the donor, solicitation and purpose of the gift that enhances the speed and accuracy of gift processing. Response devices are usually used in mass solicitations and must be approved by the System Office of Development prior to be implemented.

**Revocable Deferred Gift**: A gift designed to pass to a charity in the future, usually upon time of death of the donor, which the donor may change or revoke at any time during life.

**Securities**: Securities are financial instruments that represent ownership position in a publicly-traded corporation (stock), a creditor relationship with governmental body or a corporation (Bond) or right to ownership as represented by an option. Marketable securities are those regularly traded on an exchange or publically reported market. Closely-held securities are not publicly traded.
**Services (Volunteer / Pro Bono):** Volunteer services are gifts of time and effort that, while vital to and valued by the university, are not included in gift counting totals. The IRS does not consider them as tax-deductible gifts. These gifts, however, may be stewarded and tracked in the donor/alumni information management system. Two primary reasons for tracking such transactions are to 1) document for matching gift opportunities (some companies match employees' volunteer time) and 2) to more wholly assess an individual's involvement with the university. *Pro Bono* services are gifts of donated services such as advertising, airtime, rentals (such as automobiles, homes, and equipment), licenses, installations, legal and financial counsel, etc.

**Tangible Property:** Anything other than real property subject to ownership, such as artwork, books, jewelry, collections, and so forth.
Donor Bill of Rights

The University of Houston System supports and promotes the Donor Bill of Rights as promulgated by the Council for Advancement and Support of Education (CASE).

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

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

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

All non-cash gifts are thoroughly reviewed before formal acceptance, processing, entry into the donor database, counting in the gift totals, and donor receipting. The Development Officer is responsible for gathering all documentation and completing the appropriate GTF before submitting it to the designated Gift Acceptance Coordinator for review and further approval as needed.

The designated Gift Acceptance Coordinator reviews for the following before approving or seeking further approvals:

- Gift benefits the mission of the university
- Fair market value is aligned with IRS and CASE standards
  - Qualified independent appraisal meets IRS standards
  - Letters stating the educational value, if applicable
- Compliance with IRS and CASE regulations
- Supporting and corresponding documentation is included
- Gifts needing notification to System Office of Corporate and Foundation Relations
- IRS 8283 Forms needing to be forwarded for completion

GTFs with incomplete documents are returned to the submitter for resubmission once all documentation is received.
<table>
<thead>
<tr>
<th>Gift Type</th>
<th>Approval Needed Prior to Acceptance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real Estate</td>
<td>Gift Acceptance Committee and Board of Regents</td>
</tr>
<tr>
<td>Oil, Mineral, Timber, and Gas Interests</td>
<td></td>
</tr>
<tr>
<td>Naming Opportunities</td>
<td>Naming Opportunities Committee and, in some cases, Board of Regents</td>
</tr>
<tr>
<td>Art for UHS Public Art Collection (to be visible to public)</td>
<td>System Wide Art Acquisition Committee and Gift Acceptance Committee</td>
</tr>
<tr>
<td>Closely-Held Securities</td>
<td>System Office of Gift Planning and Gift Acceptance Committee</td>
</tr>
<tr>
<td>Irrevocable Split Interests</td>
<td>System Office of Gift Planning</td>
</tr>
<tr>
<td>Revocable Deferred Gifts</td>
<td></td>
</tr>
<tr>
<td>Gifts-in-Kind valued at $5,000 or above</td>
<td></td>
</tr>
<tr>
<td>Gifts referred to the Committee by Senior Leadership</td>
<td></td>
</tr>
<tr>
<td>Unique Gifts</td>
<td>Gift Acceptance Committee (Usual gifts or gifts of a minimal value may be delegated to the Gift Acceptance Coordinator for approval)</td>
</tr>
<tr>
<td>- Gifts with documents naming UHS or an affiliated foundation as Trustee</td>
<td></td>
</tr>
<tr>
<td>- Gifts involving contracts or other documents requiring UHS to assume a</td>
<td></td>
</tr>
<tr>
<td>legal obligation</td>
<td></td>
</tr>
<tr>
<td>- Gifts with potential conflict of interest that may invoke IRS sanctions</td>
<td></td>
</tr>
<tr>
<td>- Gifts that are to be sold at a non-UHS sponsored event such as an auction house</td>
<td></td>
</tr>
<tr>
<td>- Physically large items</td>
<td></td>
</tr>
<tr>
<td>- Gifts with special storage needs</td>
<td></td>
</tr>
<tr>
<td>Special Gift Types</td>
<td></td>
</tr>
<tr>
<td>- Computer Hardware &amp; Software</td>
<td></td>
</tr>
<tr>
<td>- Bargain Sales</td>
<td></td>
</tr>
<tr>
<td>- Cars, Boats, Aircraft and Other Modes of Transportation</td>
<td></td>
</tr>
<tr>
<td>- Intellectual/Intangible Property</td>
<td></td>
</tr>
<tr>
<td>- Services</td>
<td></td>
</tr>
<tr>
<td>All other Gifts-in-Kind valued less than $5,000</td>
<td>Development Officer</td>
</tr>
<tr>
<td>Cash</td>
<td></td>
</tr>
<tr>
<td>Checks</td>
<td>None</td>
</tr>
<tr>
<td>Credit/Debit Cards</td>
<td></td>
</tr>
<tr>
<td>Electronic Fund Transfers</td>
<td></td>
</tr>
<tr>
<td>Corporate Matching</td>
<td></td>
</tr>
<tr>
<td>Marketable Securities</td>
<td></td>
</tr>
<tr>
<td>Payroll Deductions</td>
<td></td>
</tr>
</tbody>
</table>
Summary of Gift Counting

A. Three Categories of Gifts
UHS uses counting standards that generally adhere to guidelines advanced by the Council for Advancement and Support of Education (CASE). All campaign gifts are counted in three categories:

1) Outright Gifts and Pledges,
2) Irrevocable Deferred Gifts, and
3) Revocable Deferred Gifts.

B. Special Rules for Revocable Deferred Gifts
Revocable deferred gifts may be counted only if those gifts meet the following criteria:
1) Donors must be age 60 by the end of the campaign period.
2) These gifts must be documented in writing through a Planned Gift Intention form or other approved substitute. A copy of the form is provided in the appendix.

Gift Acceptance vs. Gift counting
No gift is counted within the UHS gift counting totals until full ownership has been transferred to the university. The counting value is determined by the gift counting guidelines. UHS generally adheres to CASE reporting standards and IRS regulations that guide the university to determine documentation that is required to accept and count the gift. Gifts without the proper valuing documentation may not be counted at the value supplied to the university.

On a case by case basis, determined by UHS policies and guidelines, CASE standards, IRS regulations, and the impact of the contribution to the mission of the university, a gift with no, or inadequate, valuing documentation can be accepted. In this case, a value of $1 is placed on the gift for gift counting purposes.

Also on a case by case basis, the UHS periodically accepts monetary funds, or property, that do not further the mission of the university and do not constitute a “gift” under CASE reporting standards, UHS gift counting, or IRS regulations. In this case, the donor may be acknowledged for their contributions to the university but are not provided a gift receipt and their contribution is not included in the gift counting totals.
<table>
<thead>
<tr>
<th><strong>Outright Gifts</strong></th>
<th><strong>Counting Value</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash, Check, Credit and Debit Card, Electronic Fund Transfer, Payroll Deduction</td>
<td>Face value less quid pro quo</td>
</tr>
<tr>
<td>Corporate Matching, Private Foundation, Community Foundation, Corporate Grants</td>
<td>Face value</td>
</tr>
<tr>
<td>Donor-Advised Funds</td>
<td>Face value</td>
</tr>
<tr>
<td>Pledges</td>
<td>Face value of written, enforceable commitments. During campaigns, the full face value is booked while only the part of commitments to be made within five years of the close of the campaign is counted.</td>
</tr>
<tr>
<td>Government Grants and Contracts</td>
<td>Do not count</td>
</tr>
<tr>
<td>Marketable Securities</td>
<td>Average of the high and low quoted selling prices on the date the donor relinquishes control of the asset</td>
</tr>
<tr>
<td>Closely-Held Securities</td>
<td>Valued by the System Office of Treasury based on IRS regulations.</td>
</tr>
<tr>
<td>Tangible and Intangible Property</td>
<td>Lesser of the educational value or the fair market value, as stated either within the approved appraisal or other approved valuing documentation</td>
</tr>
<tr>
<td>Tangible and Intangible Property (Bargain Sale)</td>
<td>Difference between the average of the two appraisals obtained by the university and the university purchase price</td>
</tr>
<tr>
<td>Gift Cards / Certificates</td>
<td>From service provider - cash value (not face value) listed on card / certificate; From non-service provider - purchase price</td>
</tr>
<tr>
<td>Real Estate</td>
<td>Average of the two independent appraisals that are obtained by the university and prepared by independent qualified appraisers</td>
</tr>
<tr>
<td>Real Estate (Bargain Sale)</td>
<td>Difference between the average of the two appraisals obtained by the university and the university purchase price</td>
</tr>
<tr>
<td>Oil, Gas, Mineral, and Timber Interests (Natural Resources)</td>
<td>Readily determinable face (or fair market) value after ownership transfer is properly recorded (reported in year that value becomes known)</td>
</tr>
<tr>
<td>Bequest, Realized During Campaign Period</td>
<td>Face value less what was counted in the current or a previous campaign</td>
</tr>
<tr>
<td>Life Insurance Policy, Realized During Campaign Period</td>
<td>Face value less what was counted in the current or a previous campaign</td>
</tr>
<tr>
<td>Charitable Remainder Trust - UHS is Revocable Beneficiary</td>
<td>(see Bequests)</td>
</tr>
<tr>
<td>Irrevocable Deferred Gifts</td>
<td>Counting Value</td>
</tr>
<tr>
<td>----------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Charitable Lead Trust Beneficiary Interest</td>
<td>Face value of the payment stream</td>
</tr>
<tr>
<td>Charitable Remainder Trust - UHS is Irrevocable Beneficiary</td>
<td>Face value of UHS's proportional share</td>
</tr>
<tr>
<td>Charitable Gift Annuity</td>
<td>(see Cash or Securities, as applicable)</td>
</tr>
<tr>
<td>Retained Life Estate (Remainder Interest in a Residence or Farm)</td>
<td>(see Real Estate)</td>
</tr>
<tr>
<td>Life Insurance Policy (UHS is Owner and Beneficiary of Paid Up Policy)</td>
<td>Cash surrender value as identified in writing by the insurance provider</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Revocable Deferred Gifts</th>
<th>Counting Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bequest (New)</td>
<td>Face value estimate provided by the donor</td>
</tr>
<tr>
<td>Bequest (Increase/Decrease)</td>
<td>Face value estimate provided by the donor less value already counted</td>
</tr>
<tr>
<td>Bequest - Contingent Beneficiary</td>
<td>Do not count</td>
</tr>
<tr>
<td>Transfer on Death Deed</td>
<td>(see Real Estate)</td>
</tr>
<tr>
<td>Retirement Plan/IRA Beneficiary Designation (Primary)</td>
<td>Face value estimate provided by the donor</td>
</tr>
<tr>
<td>Retirement Plan/IRA Beneficiary Designation (Contingent)</td>
<td>Do not count</td>
</tr>
<tr>
<td>Life Insurance Policy (UHS is Owner and Beneficiary of Policy Not Paid Up)</td>
<td>Premium payments made by the donor to the university or the insurer are counted as outright gifts at the full value of the premium paid</td>
</tr>
<tr>
<td>Life Insurance Policy (Donor Remains Owner with UHS Primary Beneficiary)</td>
<td>Face value of policy, or portion of policy devoted to UHS</td>
</tr>
<tr>
<td>Life Insurance Policy (UHS Secondary or Contingent Beneficiary)</td>
<td>Do not count</td>
</tr>
<tr>
<td>Charitable Remainder Trust with Revocable Beneficiary</td>
<td>(see Bequests)</td>
</tr>
</tbody>
</table>
Summary of Gift Crediting

Overview

Gift crediting is reported in the following manner:

- **Hard Credit** – Net of QPQ is used for management and external reporting, and donor tax deductibility
- **Soft Credit** – used for donor recognition purposes only and is not related to donor tax deductibility.

The following gift crediting rules apply to different entities and are used by UA when the System Office of Gift Processing and Records makes entries of either a soft credit or a hard credit to a donor. If a request is made that varies from the standard UHS crediting rules, it is mandatory to have explicit written instructions from a donor and approval from leadership. UA adheres to the donor’s instructions when reasonable and within acceptable legal, industry, and business practices.

Chart Notes:

* A pass-through agent does not take ownership of the funds; they are only a custodian for the donor

** Soft credit cannot be applied to an individual’s record unless specifically authorized by the business/foundation. If approved and the individual donor has a one-time payment pledge, cancel it. If donor has multiple payment pledge, reduce total pledge amount. Note: In case where a business or foundation has authorized ongoing soft credit to an individual, a covering account can be created to automatically soft credit all future gifts to the appropriate individuals.

*** A donor-advised fund is a tax exempt organization that takes ownership of the gift and provides tax receipt to donor. Not tax deductible to individual. Soft credit cannot be used to satisfy an individual’s pledge. If donor has a one-time payment pledge, cancel it. If donor has multiple payment pledge, reduce total pledge amount.

**** A donor-directed fund acts as a holding agent for the donor and does not take ownership of the funds.

QPQ Allowed to cover QPQ of an individual?
A - allowed;
N - not allowed:
P - allowed with permission from legal owner of funds

<table>
<thead>
<tr>
<th>Source of Gift</th>
<th>QPQ</th>
<th>Hard Credit (tax) &amp; Soft Credit (Net of QPQ)</th>
<th>Soft Credit only (recognition)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual Donor</td>
<td>A</td>
<td>Individual Donor Entity</td>
<td>None</td>
</tr>
<tr>
<td>------------------</td>
<td>---</td>
<td>-------------------------</td>
<td>------</td>
</tr>
<tr>
<td>Joint Gift from Individuals</td>
<td>A</td>
<td>Alumnus Entity, if only one; Primary donor if both/neither are alums</td>
<td>Spouse Entity</td>
</tr>
<tr>
<td>Group of Donors</td>
<td>A</td>
<td>Entity of Legal Owner of Funds (checking / credit/debit card account/etc.)</td>
<td>Other entities as instructed by legal donor</td>
</tr>
<tr>
<td>Pass-Through Agent *</td>
<td>A</td>
<td>Individual Entities, as instructed by pass-through agent</td>
<td>None</td>
</tr>
<tr>
<td>Corporation **</td>
<td>P</td>
<td>Business Entity</td>
<td>Entity of Principal who played an instrumental role in securing gift, if applicable</td>
</tr>
<tr>
<td>Sole Proprietorship / Partnership **</td>
<td>P</td>
<td>Business Entity</td>
<td>All Individual Owner Entities, as applicable</td>
</tr>
<tr>
<td>Private / Corporation Foundation ** (non-matching gifts)</td>
<td>N</td>
<td>Foundation Entity</td>
<td>None</td>
</tr>
<tr>
<td>Private / Corporate Foundation (matching gifts)</td>
<td>N</td>
<td>Foundation Entity</td>
<td>Employee Portion - None (comment added to gift to associate individual donors): Company Portion - Matching Company Entity if foundation not part of corporate hierarchy</td>
</tr>
<tr>
<td>Family Foundation**</td>
<td>N</td>
<td>Foundation Entity</td>
<td>Entity of Principal who played an instrumental role in securing gift, if applicable</td>
</tr>
<tr>
<td>Donor-Advised Fund***</td>
<td>N</td>
<td>Sponsoring Organization of the Fund Entity</td>
<td>Individual Entity</td>
</tr>
<tr>
<td>Donor-Directed Fund****</td>
<td>N</td>
<td>Individual Entity</td>
<td>None</td>
</tr>
<tr>
<td>Estate</td>
<td>N</td>
<td>Individual Entity (aka: Estate of....)</td>
<td>None</td>
</tr>
<tr>
<td>Trusts</td>
<td>N</td>
<td>Trust Entity</td>
<td>None</td>
</tr>
<tr>
<td>Trusts (living)</td>
<td>N</td>
<td>Individual</td>
<td>None</td>
</tr>
<tr>
<td>Clubs / Associations**</td>
<td>P</td>
<td>Club / Association Entity</td>
<td>Entity of Principal who played an instrumental role in securing gift, if applicable</td>
</tr>
<tr>
<td>Third-Parties (Assignment of Income)</td>
<td>n/a</td>
<td>Individual Entity - when third party reports gift amount as income to individual; Third-Party Entity - when third-party does not report gift amount as income to individual</td>
<td>Individual Entity - when third-party does not report gift amount as income to individual</td>
</tr>
</tbody>
</table>

**Special Gift Types:**
Pledges – Same hard/soft crediting as outright gifts described above.

Gift-in-Kind – Same hard/soft crediting as outright gifts described above.

Honor/Memorial Gifts –
- If an entity record exists for the honoree, the gift record is linked to the tribute entity providing a soft credit to the tribute.
- If an entity record does not exist for the honoree, no soft credit is made. A comment is added to the gift record to associate it with the individual.

“On Behalf of” Gifts – The “OBO” entity receives soft credit. A new entity record is created if one does not already exist.

Securities – If the proceeds from the sale of the securities exceed the gift value, an additional soft credit is given to the legal donor of the securities.

Auctions
- If item not sold – no hard/soft credit is granted.
- If item sold and FMV not disclosed prior to auction bidding
  - Hard credit – purchaser for purchase price
- If item sold and FMV disclosed prior to auction bidding
  - Hard credit item donor for FMV same as outright gifts described above
  - Hard credit purchaser for purchase amount less QPQ of the FMV same as outright gifts
  - An “under water” soft credit transaction can be recorded for the purchaser if the amount paid is less than or equal to FMV
Scholarship Guidelines

SCHOLARSHIP RESTRICTIONS

Federal law (such as Title VI of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, and the Equal Protection Clause of the US Constitution), correlating state law and University policies restrict the ability of the University of Houston from accepting gifts for scholarships restricted to certain protected classes. Examples may be those based upon race, ethnicity, national origin, gender and gender identity, sexual orientation, religion, age, disability, veterans status, genetic information, and marital and parental status.

Involvement of University personnel in the administration of such scholarships, other than advertising the availability of such scholarships, can subject the University to claims based upon violation of civil rights or the US or state constitution. When encountering these situations, it is best to ascertain the donor’s true objectives for the restriction. Sometimes, that intent is quite different than what the donor’s original language suggests.

To the extent the University may accept scholarships that utilize neutral language (using, for example, references to certain experiences, goals, areas of study, or interests) to achieve donor intent, the scholarship must be treated neutrally.

If the donor is not interested in using neutral language to achieve donor’s objective, legally impermissible scholarships should be directed to and administered by outside third parties, such as the UH Foundation. Please contact the Office of General Counsel for assistance in designing guidelines and parameters if a donor insists on keeping restricted scholarships with the University.
Sample Pledge Commitment Form

UNIVERSITY of HOUSTON

PLEDGE COMMITMENT

If I irrevocably pledge $__________ length of pledge ________ years

To Support: Gift designation or purpose/UM program, college, department, etc.

Donor Name(s): ____________________________________________

Address: ____________________________________________________

City: ____________________________ State: __________ Zip: ________

Phone: ____________________________ Home ☐ Business ☐ Mobile ☐ Email: ______________

PAYMENT SCHEDULE:

☐ Enclosed is my/our first payment of $______________ (if applicable).
☐ I/We would like to pay $______________ ☐ One Time ☐ Monthly ☐ Quarterly ☐ Semi-Annually ☐ Annually
Starting: ______/____/_______ (University Advancement will send pledge reminders to the address provided above.)

METHOD OF PAYMENT:

☐ Check – Make payable to University of Houston and send to the address listed below.

☐ Stock/Securities – Please contact me about fulfilling my pledge with a gift of securities.

☐ Credit Card – Please charge my credit card for the amount of my one time gift or installment as indicated above.

☐ Visa ☐ MasterCard ☐ American Express ☐ Discover

Name of Cardholder: ____________________________________________

Card Number: ____________________________ Expiration Date: ______

Billing Address (if different than above): ____________________________

City: ____________________________ State: __________ Zip: ________

Authorized Signature: _________________________________________

GIFT RECOGNITION (Please check one box):

☐ My/Our name(s) and gift may be publicized. Name(s) as I/we wish to be listed for recognition:

☐ Do not publicize my/our name(s) and gift amount.

☐ I/we request my/our name(s) and gift to be completely anonymous.

COMPANY MATCH (if applicable):

☐ My gift is eligible for company match. Company Name: ____________________________

My match request form: ☐ is enclosed ☐ will be submitted online

Donor Signature: ____________________________ Date: __________

Donor Signature: ____________________________ Date: __________

APPEAL CODE: AKAMC

P.O. Box 869 • Houston, TX 77201-0869
Tel: 713.743.9100 • giftpro@central.uh.edu • www.uh.edu

HERE, WE GO. JOIN THE CAMPAIGN FOR THE UNIVERSITY OF HOUSTON
Gift Transmittal Form (GTF) – Cash Equivalents & Securities

<table>
<thead>
<tr>
<th>Name of cash receiver</th>
<th>Address</th>
<th>NYS ID No</th>
<th>Bank Code</th>
<th>Account No</th>
</tr>
</thead>
<tbody>
<tr>
<td>John Doe</td>
<td>123 Main St</td>
<td>123-4567</td>
<td>123456</td>
<td>789012</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Bank Address</th>
<th>City</th>
<th>State</th>
<th>Zip Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>123 Main St</td>
<td>Houston</td>
<td>TX</td>
<td>77225</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Pledge Number</th>
<th>Pledge Type</th>
<th>First Name</th>
<th>Last Name</th>
<th>Pledge Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>12345</td>
<td>Cash</td>
<td>John</td>
<td>Doe</td>
<td>1000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Additional Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Test Pledge Amount</td>
</tr>
<tr>
<td>12345</td>
</tr>
</tbody>
</table>

Gift Transmittal Form (Cash, Equivalents & Securities)
Gift Transmittal Form (GTF) – Gift-in-Kind (Non-Events)
Gift Transmittal Form (GTF) – Gift-in-Kind (Events Only)
Sample Letter of Appointment to the Gift Acceptance Committee

(Prepared on UHS letterhead)

Month Day, Year

Dear ________,

The Gift Acceptance Committee and I would like to thank you for agreeing to serve on the Gift Acceptance Committee. We are grateful that you are willing to contribute your expertise to review, share feedback and make recommendations regarding the acceptance of non-marketable gifts as required by SAM policy.

As a member of the Gift Acceptance Committee, you will be expected to participate in monthly meetings. You will be provided a meeting agenda outlining the items to be reviewed beforehand. As a part of this participation, you will need to submit your voting decisions at the meetings. If you are unable to attend the monthly meetings in person or via phone, please electronically submit your proxy to the Gift Acceptance Committee Chair and Gift Acceptance Committee Administrative Coordinator prior to the meeting.

As a part of our process for all such gifts to be reviewed, the Chair will send a formal memo to the Gift Acceptance Committee members that outlines the details of the item and any documents pertaining to the item. The Committee shall then meet within 14 business days of the original memo by telephone or in person to review the recommendation (on that timetable—either before or during the meeting-- you will need to submit your vote to accept or decline the gift). Please request any additional information regarding the item from the Gift Acceptance Committee Administrative Coordinator, preferably no later than EOB seven calendar days from the date of the original memo for that gift.
I have identified University of Houston subject-area leaders with specific expertise, that are not Gift Acceptance Committee members, who will be engaged as needed for the review of certain gifts that align with as needed expertise. I am very grateful to them as well for lending their expertise. The list of these experts include, but is not limited to, the following:

Expert Name, Title

You will be a part of the following group of individuals as a member of the Gift Acceptance Committee:

Beth Ladd – Executive Director of Gift Management, University Advancement
Sherrie Mueller – Associate Director of Planned Giving, University Advancement
Patrick O’Hara – Gift Acceptance Committee Chair, Associate Vice President of Development, University Advancement
Robbie Puryear – Treasurer, Division/Dept.
Ashlee Ross – Executive Director of UHS Real Estate Services, Division/Dept.
Beverly Rymer – Executive Director of Contracts and Grants, Division/Dept.
Ruth Shapiro – General Counsel Senior Assistant, Division/Dept.

Thank you for your service and please let me or Patrick know if you have any questions.

Best Regards,

Eloise Brice, Vice Chancellor/Vice President – University Advancement

Cc: Patrick O’Hara, Gift Acceptance Committee Chair
    Austin Stanford, Gift Acceptance Committee Administrative Coordinator
Sample Letter of Recommendation of the Gift Acceptance Committee

(Prepared on UHS letterhead)

MEMO

To: Eloise Brice, Vice Chancellor of University Advancement
From: Patrick O’Hara, Chair of the Gift Acceptance Committee
Date: July 6, 2017
Re: Decision regarding the acceptance of the ________ gift

After careful review, this memo formally confirms that the Gift Acceptance Committee has recommended that the ___(gift description)___ be accepted by the University of Houston.

All of the members of the Gift Acceptance Committee unanimously voted to accept this gift.

OR

All of the members of the Gift Acceptance Committee, except Committee member _______, voted to accept this gift. ______ voted to decline this gift for the following reasons:

- Reason #1
- Reason #2
- Reason #3

Thank you.
UHS Qualified Expert Faculty/Staff

Appraisal for In-Kind Gift Form

Appraiser Name: ________________________________________________________________

Title: ___________________  Department: _______________________

Describe professional background that qualifies as an expert: ________________________________

____________________________________________________________________________________

Description of Gift, including current condition: _________________________________

____________________________________________________________________________________

Original Cost: $________________ Date Purchased: __________________________

Item’s Previous Usage: __________________________________________________________

Gift will be used for: ___________________________________________________________

Date gift to be received: ______________________________________________________

Yes / No The gift is relevant to the mission of the university.

Yes / No The donor’s intent matches the interests of the university.

Yes / No The donor will allow the item to be sold if it cannot be utilized.

Yes / No Acceptance of these gifts will jeopardize the reputation of the donor or the
university.

Yes / No The gift will cost money in the future. (ex: maintenance)

Yes / No Special facilities are required for storage of this gift.

Yes / No There are special risks associated with the acceptance of this gift.

Yes / No There are special conditions the donor will impose.

Yes / No There is an educational discount value related to this gift.

The valuation used to determine the FMV is based on my professional experience and takes into
account standard industry practices, the original purchase price, previous usage, and current
condition.

I value the gift at $______________ which is (_______% of original cost).

This appraisal was prepared for gift counting purposes and I certify that I have prepared the
appraisal of this gift to the best of my knowledge and that I do not have any fundraising
accountabilities associated with my position.

_______________________________________________________________ __________________
Signature of UHS Qualified Expert Faculty/Staff Appraiser    Date
Sample Letters Related to Educational Value

Sample Letter for Items with Educational Value

[Date]
[Donor Name]
[Donor Address]

To Whom It May Concern at the UHS,

[Donor Name] wishes to make a charitable contribution of [Define Gift] to the UHS, [Department] for [Purpose of Gift]. We are also including a document that states the educational value of [Define Gift] is [Value of Gift] as determined by [Insert Determining Factors].

Thank you,

[Donor’s Signature]
[Donor’s Name]

Sample Letter for Items with No Educational Value

[Date]
[Donor Name]
[Donor Address]

To Whom It May Concern at the UHS,

[Donor Name] wishes to make a charitable contribution of [Define Gift] to the UHS, [Department] for [Purpose of Gift]. There is no educational value applied to [Define Gift]. Therefore, the established retail value is [Value of Gift] as determined by [Insert Determining Factors].

Thank you,

[Insert Donor’s Signature]
[Insert Donor’s Name]
Sample Letters Related to Bargain Sales
(Except Real Estate)

[Date]

[Relationship Manager at UH]

[Address]

Dear ________________:

[Donor’s Name] wishes to make a charitable contribution to the University of Houston, [Name of Designation – ], in the form of a bargain sale, as defined in Sections 170 and 1101(b) of the Internal Revenue Code and Treasury regulation Section 1.170A-4, by selling the [Name of Item] at a price below fair market value. Included is documentation indicating the fair market value of [Name of Item] is [$appraised price]. This amount is based upon: SELECT ONE:

_____ (1) the typical price charged to all industries;

_____ (2) the typical price to: ___educational institutions, or ___institution of higher education;

_____ (3) independent appraisal.

We understand that the University may choose to independently assess the fair market value of the [Name of Item] to assess this proposal.

Please let us know if the University wishes to document this proposal in a formal written agreement to set forth the terms of this bargain sale and to document our intent to benefit the [Name of Designation] by providing these items for [State the purpose and benefit to the university]. Our intent is to gift the University the difference between the agreed fair market value of [Name of Item] and the proposed bargain sale price of [Purchase Price]. Thus, the charitable contribution to the University would be [Price of Gift to University] to benefit [Name of Designation]..

Thank you,

[Donor’s Signature]

[Donor’s Name]
Educational/Retail Value Disclosure Form

Donor Name: ________________________________________________________________

Donor Address: ______________________________________________________________

I wish to make a charitable contribution to the University of Houston System.

Department: ________________________________________________________________

Purpose of Gift: _____________________________________________________________

Description of Gift: __________________________________________________________

Established Retail Value (attach documentation): $________________________

Check one:
( ) There is no educational value related to this gift
( ) The educational value related to this gift is $___________________. (Attach documentation)

__________________________________________________________  __________________
Donor Signature         Date
Sample Acknowledgement for Non-Deductible, Non-Countable Gifts-in-Kind

Thank you for providing ________ to benefit our ___ event (and auction). We appreciate your thoughts and support and understand that without people like you, we would not have achieved this level of excellence. Because certain gifts are not tax-deductible, we encourage you to consult your accountant or tax attorney regarding any tax benefits associated with your contribution.

Notes:
- No values should be listed in the acknowledgement letter
- The word “receipt” or similar reference that would indicate such should not be included.
## Sample Auction Form

### Event Name & Date

<table>
<thead>
<tr>
<th>Donor Information</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Donor Name</td>
<td></td>
</tr>
<tr>
<td>Address</td>
<td></td>
</tr>
<tr>
<td>City, State, ZIP code</td>
<td></td>
</tr>
<tr>
<td>Phone</td>
<td></td>
</tr>
<tr>
<td>Business Phone</td>
<td></td>
</tr>
<tr>
<td>Email</td>
<td></td>
</tr>
<tr>
<td>Business Email</td>
<td></td>
</tr>
</tbody>
</table>

Contact person name & title if donor not an individual

### Gift Transaction Information

Description of item, including make, model, serial number, etc.

<table>
<thead>
<tr>
<th>Condition of item:</th>
<th>New</th>
<th>Used:</th>
<th>Good</th>
<th>Fair</th>
<th>Poor</th>
</tr>
</thead>
</table>

### Gift Cards

<table>
<thead>
<tr>
<th>Face Value</th>
<th>Cash Value</th>
<th>Non-Gift Cards</th>
<th>Non-Gift Cards</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Face Market Value</td>
<td>Educational Value</td>
</tr>
</tbody>
</table>

Source of Valuation:

- ☐ Qualified Independent Appraiser
- ☐ Donor
- ☐ Qualified Faculty/Staff Appraiser
- ☐ Other: ________________________________

How should item be directed if not sold?

### Office Use Only

<table>
<thead>
<tr>
<th>Donor Advance ID#</th>
<th>Entity Type</th>
<th>Spouse Advance ID#</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buyer Advance ID#</td>
<td>Entity Type</td>
<td>Spouse Advance ID#</td>
</tr>
</tbody>
</table>

### Buyer Information

<table>
<thead>
<tr>
<th>Donor Name</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Address</td>
<td></td>
</tr>
<tr>
<td>City, State, ZIP code</td>
<td></td>
</tr>
<tr>
<td>Phone</td>
<td></td>
</tr>
<tr>
<td>Business Phone</td>
<td></td>
</tr>
<tr>
<td>Email</td>
<td></td>
</tr>
<tr>
<td>Business Email</td>
<td></td>
</tr>
</tbody>
</table>

Contact person name & title if donor not an individual

When using this form, complete 1 “Events Only” GTF with: “See attached [#] forms”, “Describe in detail the benefit to the institution...” box, donor and buyer speed type and cost center information, and the “Form Submission Information” section.
Event Name & Date

Name of item
Description:
Donated By:
Value:  
Min Bid Increment:

<table>
<thead>
<tr>
<th>Name</th>
<th>E-Mail</th>
<th>Phone Number</th>
<th>Bid Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
</tr>
</tbody>
</table>
Planned Gift Intention Form

UNIVERSITY of HOUSTON SYSTEM

Planned Gift Intention Form

Your gift will have a lasting impact on the University of Houston System (UHS). Whether it is through scholarship opportunities, critical research, community-based programs, or capital improvements, your gift and your membership will inspire others to make a similar investment. Sharing information about your gift will allow the UHS to be more effective in its long-term planning.

Name(s): ____________________________________________________________

Spouse's name (if applicable): ________________________________________

Preferred address: ____________________________________________________

City: __________ State: __________ Zip: __________

Email: ___________ Preferred phone number: ___________________________

Date of birth: ___________ Spouse's date of birth: _______________________

I have provided for the University of Houston System in my estate plans in the following way:

☐ Through a bequest in a will or revocable trust
☐ As a beneficiary of an IRA, 401(k), or other retirement plan
☐ As a beneficiary of a life insurance policy
☐ As a beneficiary of a charitable trust (please describe) _______________________
☐ Other (please describe) ____________________________________________

Today's value of my future gift provision to UHS is approximately $ _____________.

However, UHS and I both understand that future fluctuations/changes in the market/economy may have an impact on this current value.

Purpose of my planned gift:

☐ I would like the University of Houston System to use this gift in the way that has the greatest impact on students and the University's long-term goals.
☐ I have completed a gift agreement that governs the use of these funds.
☐ I would like to direct this gift to the following purpose or use (please describe):

________________________________________________________________________

I would like my support to benefit a specific university or location:

☐ University of Houston
☐ University of Houston - Victoria
☐ University of Houston - Clear Lake
☐ Houston Public Media
☐ University of Houston - Downtown
☐ Albert Magnus Law School Foundation
☐ Other __________________________

Name(s) as you would like to be recognized (or please indicate if anonymous):

Signature _________________________ Date: __________________

Please contact: Andrea Olczak, Executive Director of Gift Planning
Energy Research Park, 5000 Gulf Freeway, Building 1, Room 260, Houston, TX 77204-0914
Andrea.Olczak@central.uh.edu, 713-743-6313

UHS tax ID #: 74-6001399
Disclosure Form for Possible Gift of Real Estate

Thank you for contacting us about the possibility of making a gift of real estate to the University of Houston. In order to begin this process, please provide us with the following documents:
- Copy of the most recent Deed or conveyance document (a certified copy is not necessary)
- Copy of the most recent survey
- A current appraisal by a qualified appraiser

So that we may begin evaluating this possible gift, please complete and sign the following to the best of your knowledge and ability so we may gather additional information about the property. Thank you.

<table>
<thead>
<tr>
<th>Property Information</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Property Questionnaire</th>
</tr>
</thead>
<tbody>
<tr>
<td>Are there any hazardous materials/waste located on the property?</td>
</tr>
<tr>
<td>To the best of your knowledge, have any hazardous substances or petroleum products, unidentified waste materials, automotive matter, or other waste materials been dumped above ground, buried and/or burned on the property?</td>
</tr>
<tr>
<td>Has the property been tested for soil and groundwater contamination? (If &quot;Yes,&quot; attach documentation)</td>
</tr>
<tr>
<td>Has the water quality been tested on the property? (If &quot;Yes,&quot; attach documentation)</td>
</tr>
<tr>
<td>To the best of your knowledge, is the property or any adjoining property be used for an industrial use in the past or is it currently used for an industrial use?</td>
</tr>
<tr>
<td>Has this property ever been owned by a government entity?</td>
</tr>
<tr>
<td>Is this property designated for conservation or wetland use?</td>
</tr>
<tr>
<td>Does this property require any regular maintenance or upkeep? (If &quot;Yes,&quot; please attach documentation describing what is required)</td>
</tr>
<tr>
<td>Are there any current legal disputes related to the property? (If &quot;Yes,&quot; describe below)</td>
</tr>
<tr>
<td>Is this property a historical landmark or is it tied to a historical moment? (If &quot;Yes,&quot; describe the historical background linked to this property below)</td>
</tr>
<tr>
<td>Are there any restrictions on the property including how we may use the property or what may be built?</td>
</tr>
</tbody>
</table>

To the best of my knowledge, the above information is true and correct.

Possible Donor’s Name and Date

Possible Donor’s Name and Date
Gifts-in-Kind Overview for Student Events

What is a Gift-in-Kind?
Gifts-in-Kind are generally defined as non-cash donations of materials that meets the mission of the university. In addition, the university must be able to take ownership of that material.

Examples
- Bottles of Water
- Equipment
- Printed Materials
- Food

What items do not count as a Gift-in-Kind?
- Waived Fees
- Services
- Most Gifts Cards or Certificates*
- Rental Items
- Shipping
- Appraisal Fees
- Borrowed Goods
- Hotel Rooms

Can we accept items that do not count as a Gift-in-Kind but benefit our event?
Yes, but the donor receives an acknowledgment thanking them for his/her contribution but does not receive a tax receipt from the university. Please advise the donor to consult his/her tax advisor for questions about tax deductible items. A sample acknowledgement for non-gifts can be found in the Appendix of the Gift Acceptance Manual.

What documentation is required for a Gift-in-Kind?
All Gifts-in-Kind are required to have valuing documentation attached to the Gifts-in-Kind Event Form.

<table>
<thead>
<tr>
<th>Value Level of Gift</th>
<th>Type of Documentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>$500 and Above of Used Household Items</td>
<td>Qualified appraisal*</td>
</tr>
<tr>
<td>$5,000 or Less of Most Items</td>
<td>Invoice, receipt, staff/faculty estimation*, and/or other valuing documentation</td>
</tr>
<tr>
<td>$5,000 or More</td>
<td>Qualified appraisal*</td>
</tr>
</tbody>
</table>

Who do I contact if I have questions?
For all Gifts-in-Kind valued above $5,000, or questions related to any Gift-in-Kind, please contact (Development Officers Name), (College/Department) at (DO’s Phone) or (DO’s Email). All Gifts-in-Kind forms and gift documentation should be submitted to the above mentioned contact.
## Reference Table

<table>
<thead>
<tr>
<th>Reference</th>
<th>Web Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advancement Services- Enhancing Fundraising Success, 3rd Edition, John H. Taylor</td>
<td>None (Book Only)</td>
</tr>
<tr>
<td>Association of Advancement Services Professionals</td>
<td><a href="http://www.advserv.org">www.advserv.org</a></td>
</tr>
<tr>
<td>CASE Reporting Standards and Management Guidelines</td>
<td>None (Book Only)</td>
</tr>
<tr>
<td>Council for Advancement and Support of Education</td>
<td><a href="http://www.case.org">www.case.org</a></td>
</tr>
<tr>
<td>FERPA regulations regarding disclosure of student information to donors</td>
<td><a href="http://www.finaid.org/educators/ferpa.html">http://www.finaid.org/educators/ferpa.html</a></td>
</tr>
<tr>
<td>Fund Services</td>
<td><a href="http://www.fundsvcs.org">www.fundsvcs.org</a></td>
</tr>
<tr>
<td>---------------------------------</td>
<td>--------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Higher Education Compliance Alliance</td>
<td><a href="http://www.higheredcompliance.org">www.higheredcompliance.org</a></td>
</tr>
<tr>
<td>IRC Section 6714: Penalty rules IRC Section 664 Charitable remainder trusts, Reg §1.664-2 Charitable remainder annuity trusts.</td>
<td><a href="https://www.law.cornell.edu/uscode/text/26/6714">https://www.law.cornell.edu/uscode/text/26/6714</a></td>
</tr>
<tr>
<td>IRS Art Appraisal Services</td>
<td><a href="https://www.irs.gov/individuals/art-appraisal-services">https://www.irs.gov/individuals/art-appraisal-services</a></td>
</tr>
<tr>
<td>--------------------------------------------------</td>
<td>---------------------------------------------------------</td>
</tr>
<tr>
<td>Resource</td>
<td>URL</td>
</tr>
<tr>
<td>-------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------</td>
</tr>
<tr>
<td>National Association of Charitable Gift Planners</td>
<td><a href="http://www.charitablegiftplanners.org">www.charitablegiftplanners.org</a></td>
</tr>
<tr>
<td>Tax Economics of Charitable Giving</td>
<td>None (Book Only)</td>
</tr>
<tr>
<td>----------------------------------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
</tbody>
</table>
SAM Policies