



The
UNIVERSITY
of **VERMONT**

Policy V. 5.0.2.1

Responsible Official: Vice President for
Development and Alumni Relations

Effective Date: November 27, 2006

Gifts

Policy Statement

It is important that the University of Vermont offer its donors as many opportunities as possible to make gifts to the University. It is also important that the University has systems in place to expedite the processing of gifts from receipt to deposit so that it is maximizing the effectiveness of that gift to the University.

The University values and is responsible for maintaining its integrity, independence, and academic freedom. No gift can be received which is overly restrictive in purpose or which sets limits on research that a faculty member or student can perform. The University will not accept gifts which involve discrimination based upon race, religion, gender, sexual orientation, age, national origin, color, disability, or any other basis prohibited by federal, state, and local laws.

Reason for the Policy

This policy is designed to provide guidance to the University community and the general public to facilitate the gift giving process. The intent of this policy is to provide prospective donors with the greatest flexibility possible in formulating their gifts within governing policy and legal parameters while assuring that gifts obtained will support programs consistent with the mission of The University of Vermont. This policy is also intended to streamline handling of gift transactions in a professional manner and assist the donor in completing his/her gift to the University of Vermont. Furthermore, it is intended to provide the UVM community with gift acceptance guidelines by directing staff, and donors, to the proper office to transact a gift for UVM.

Strategic Direction

This policy supports the following goals in the University's Strategic Plan http://www.uvm.edu/president/?Page=strategic_planning/strategicplan.html :

- Focus the human, fiscal, environmental, technological and physical resources of the University on institutional values and priorities
- Strengthen and focus academic programs, emphasizing liberal education, health and the environment
- Strengthen financial resources
- Strengthen research, scholarship and the creative arts

Applicability of the Policy

This policy applies to all University of Vermont faculty, staff, and students

Policy Elaboration

- The University seeks gifts from individuals, corporations, foundations and public agencies, to fulfill its purposes of teaching, research, and community service. The University can only accept gifts that will advance the core mission of the institution; we cannot accept gifts that do not meet these criteria.
- The Board of Trustees accepts all gifts to UVM at normally scheduled meetings. The Office of Development and Alumni Relations and Office of the Treasurer are responsible for compiling gifts for Trustees' approval.
- In accepting a gift, the University also accepts a responsibility to the donor to steward that gift. This includes administering the gift properly, directing the gifts use as the donor intends, providing the donor with appropriate financial information about the gift, and reporting to the donor about the use of the funds.
- Routine gifts, including cash, publicly traded securities, and tangible personal property valued at less than \$10,000 are administered through the University's Office of Development and Alumni Relations.
- Gifts in kind to be retained by the University for University use may be administered by the department that will be responsible for the maintenance and expenses of the gift. However, some proposed gifts may expose the University to adverse publicity, require undue expenditures, or involve the University in unexpected responsibilities because of their source, conditions, or purposes. Gifts in kind which may involve the aforementioned issues will be

referred to the Gift Review Committee, whose members are appointed by the Vice President for Development and Alumni Relations.

- The Gift Review Committee is established to review gifts offered to the University with values greater than \$10,000 and to recommend whether to accept or decline these gifts. The final decision authority on gifts brought to the Gift Review Committee lies with the University President and finally the Board of Trustees.
- Various methods of gift giving can provide flexibility, security, and tax savings to donors. Unrestricted resources are essential to ensure the continued quality of the institution's academic programs and supporting services and to sustain and enhance the institution's financial strength and flexibility. Gifts accepted by the University must not inhibit it from seeking gifts from other donors, be they similar or different, foreign or domestic.
- Gifts must be designed and administered in a manner consistent with legal requirements.

Procedures

- Any gifts other than cash, publicly traded securities, gifts in kind to be retained for University use, or those valued at more than \$10,000 must be brought to the Gift Review Committee for review.
- Donations for certain purposes are not acceptable as charitable gifts to the University. For example, gifts cannot be accepted as payment for tuition, fees, loans, room, board, or other student expenses. Gifts made with the condition that the proceeds will be spent by the University for the personal benefit of a named individual or individuals are generally not deductible as charitable contributions.
- Examples of some common gift giving vehicles that are addressed in this policy include (1) cash (2) publicly traded securities (3) tangible personal property (4) real estate (5) partnership interests (6) gifts-in-kind (7) stock options, and (8) bargain sales.
- Examples of common gift giving methods that are addressed in this policy include (1) pledges (2) will bequests (3) life income arrangements (4) retirement plan designations (5) life insurance policies (6) charitable lead trusts, (7) retained life estates, and (8) charitable funds managed by others.
- Gift officers from Development and Alumni Relations are available to provide personalized assistance to donors seeking to understand and choose from the wide range of gift giving vehicles. The gift officers should also inform donors about the specific protocols involved in University approval and acceptance of various gift vehicles. Donors should note that in certain cases, such as gifts of real estate or tangible personal property, the University will generally look to the donor to bear expenses incurred in receiving or maintaining gifts. These expenses may include, but are not limited to, real estate appraisal fees, environmental

audit expenses incurred by the University as part of their due diligence, and on-going maintenance costs incurred for holding the asset prior to sale.

- While the University's gift officers strive to maintain a high level of familiarity with current tax laws and policies, neither they nor other University officials are able to give legal or tax advice to donors. The information that those officers provide, and the information provided in this policy, are presented for discussion purposes only and should not be considered or used as legal advice. Donors and prospective donors should always confer with their own legal counsel, tax or financial planning advisors for opinions about the tax or other legal consequences of specific situations.
- On behalf of the institution, the University will seek the advice of legal counsel as needed in all matters pertaining to gifts of a complex nature. For example, counsel's advice will be sought in the execution of trusts when the University is a co-trustee, or with unusual specialized legal obligations, such as life interest in real estate. Planned giving agreements will generally follow the format of specimen agreements approved by legal counsel. Prospective donors are urged to seek their own counsel in matters relating to their planned gifts, tax circumstances, and estate planning.

Definitions

Gift Review Committee: The Gift Review Committee shall be appointed by the Vice President for Development and Alumni Relations (DAR) and shall be chaired by the Vice President or his designee. Other members of The Gift Review Committee shall include the Associate Vice President of DAR, the Director of Principal Gifts, the Director of Major Gifts, Director of Planned Giving, the DAR Financial Operations Manager, and a member appointed by the University Treasurer. Representatives from Risk Management, Finance, Campus Planning Services, General Counsel, Student Financial Services, and Development and/or representation from other departments will be invited to attend on an ad-hoc basis depending on the issues being considered.

Forms

None

Contacts

Questions related to the daily operational interpretation of this policy should be directed to:

Vice President Development and Alumni Relations
656-2010
656-8678 (fax)

The Vice President Development and Alumni Relations is the official responsible for the interpretation and administration of this policy.

Related Documents/Policies

[Proposal Clearance Policy](#)

Effective Date:

Approved by the President on November 27, 2006