



Foundation

Winthrop University Foundation Gift Acceptance Policy

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Purpose and Philosophy

The purpose of this Gift Acceptance Policy (GAP) is to provide operational procedures for gift officers and development staff working with prospective donors interested in making current and planned gifts to benefit Winthrop University.

Winthrop University, through the Division of University Advancement, seeks to encourage its alumni and friends to make current and planned gifts that will provide financial support to meet the needs of the University and its related foundations. Gift officers and development staff are expected to facilitate only those current and planned gifts that are consistent with each donor's overall personal, financial and estate goals.

Definitions

The Winthrop University Foundation (hereinafter referred to as the Foundation) is an independent, tax exempt, nonprofit 501(c)(3) institution. Its sole purpose is to accept, manage, and disburse private resources for the benefit of Winthrop University (hereinafter referred to as the University) in the accomplishment of the University's stated goals and objectives and in accordance with donor directives.

A gift, or donation, is a voluntary and irrevocable transfer of money, securities, tangible personal property or real property to the Foundation made by a donor without any expectation or receipt of direct economic benefit or provision of goods or services from the recipient. Donors may be individuals, sole proprietors, partnerships, corporations, foundations, or organizations.

General Guidelines for Management and Reporting

The Foundation receives gifts to the University and for its benefit. Upon receiving a gift, the terms, restrictions, and conditions of the gift will be recorded. The Foundation will deposit gifts toward designations specified by donors and send, in a timely manner, an official receipt together with an

acknowledgment of the gift, which shall comply with the substantiation regulations of the IRS and message of gratitude to all donors.

Pledges will be recorded, and the Foundation will work with University Advancement to implement and maintain a pledge payment reminder system that maximizes fulfillment of pledges as well as reflects current best practices of relationship management according to the higher education fundraising sector.¹

Outright gifts to the Foundation shall be reported only when assets are actually and irrevocably transferred to the institution.

- Planned gifts shall be reported only when the assets are actually and irrevocably transferred to the institution by trust or gift instrument.
- Documented provisions in wills or other revocable instruments shall be acknowledged and reported separately but not treated as charitable gifts to the Foundation until funds are actually received.

Total fundraising at the Foundation shall be the sum of all new pledge commitments documented in the reporting period and all new cash/cash equivalent gifts received by the Foundation in the same period.

The amount of actual gifts received will be reported separately and will be the sum of all cash/cash equivalents received in the reporting period, including payments on pledges.

Income from ticket-based operations and investment earnings are excluded from gift income. Net proceeds from special events benefiting University programs shall constitute gift income.

In the normal course of business, the Foundation prepares financial statements based on GAAP (Generally Accepted Accounting Principles.)

Additionally, the Division of University Advancement will prepare fundraising statements to capture philanthropic activity. Fundraising statements and financial statements may differ due to counting practices for campaign versus GAAP standards for financial accounting.

¹ Conformance to Financial Accounting Standards Board, rule 116, requires that the Foundation record pledges as assets of the institution, since FASB 116 interprets a “pledge” as an unconditional promise to give an asset to the Foundation.

Conformity to National Reporting Standards

The standards of accounting and reporting established by the Council for Advancement and Support of Education (CASE) and the National Association of College and University Business Officers (NACUBO)² as printed in *CASE Reporting Standards & Management Guidelines for Educational Fundraising*, shall govern the management and reporting of gifts to the University.

The Annual Gift Report by the Foundation shall also conform to the Council for Aid to Education's (CAAE) annual Survey of Voluntary Support of Education (VSE).

Campaign Gift Counting

Whenever Winthrop University launches a comprehensive fundraising campaign, the Foundation's Operations Committee will be responsible for recommending all campaign-specific policies and procedures for campaign gift accounting and reporting to be adopted by the Winthrop University Foundation Board of Directors.

These policies and procedures may differ from gift policies and procedures stated elsewhere, e.g., campaign gifts may include charitable commitments from donors that are not counted as assets of the Foundation under Financial Accounting Standards Board (FASB) accounting standards. The Foundation will count and report campaign gifts in categories as follows:

- A. Gifts that are usable or will become usable during the course of the campaign;
- B. Irrevocable Planned Gifts;
- C. Revocable Planned Gifts with appropriate discounted value due to the nature of the commitment.

²The Foundation is required to follow Financial Accounting Standards Board (FASB) requirements for financial reporting. Where NACUBO guidelines may propose Governmental Accounting Standards Board (GASB) rules, the Foundation has elected to follow FASB.

Total campaign giving will be counted as all gifts in Category A, plus all gifts in Category B, plus all gifts in Category C (see Appendix A).

Code of Ethical Principles and Standards of Professional Practice

All University Advancement gift officers and development staff at the Winthrop University will abide by the Association of Fundraising Professionals' *Code of Ethical Principles and Standards of Professional Practice*, as amended from time to time (adopted in 1964; amended October 1999).

Management of Scholarships

The Foundation's Executive Director will authorize senior Foundation staff to implement and manage the scholarship and foundation fund awarding process in conjunction with partners across the university, especially collaborating with the Division of Access & Enrollment Management, the Office of Financial Aid and the Office of the Provost.

Each spring semester, the Foundation will plan and host a Scholarship and Foundation Fund Summit. Representatives of scholarship and foundation funds awarding groups (as determined by the Provost) and Financial Aid will be invited to meet and receive notification of award amounts and criteria for scholarships applicable to the upcoming academic year, e.g. February 2015 Scholarship & Foundation Fund Summit will announce awards for the 2015-16 academic year beginning in August 2015. The agenda for the Summit will include updates and reminders, such as:

- Any changes to policies or legislation affecting the management, oversight, or application of scholarships will be shared during the Scholarship and Foundation Fund Summit.
- All scholarships available in an academic year are to be awarded for the following term no later than the first day of exams during the spring term of that academic year.
- Any funds overspent or not awarded according to the criteria of the respective scholarship(s) involved will become the financial responsibility of the office responsible for making the award.

All scholarships and awards will be made through Winthrop's Office of Financial Aid.

- In the event of awards that are paid directly to students, per legally approved deeds of gift signed by donors and approved by the Winthrop University Foundation, the Office of Financial Aid will be notified so that they may report the support each student receives, in compliance with Federal guidelines.
- Approved awards held by the Winthrop University Foundation will be legally viable to award as such and will be marked in the constituent relationship management (CRM) system (currently Blackbaud's Raiser's Edge) as awards.
- All scholarships and awards will be paid to the university, either through student accounts or via university payroll for awards which cannot be issued through an existing student account, or in the case of awards to faculty/staff.

Whistleblower Policy

The Whistleblower Policy of the Winthrop University Foundation encourages all Board members, staff, and volunteers, acting in good faith, to report suspected or actual occurrences of illegal, unethical, or inappropriate events; specifies that the Foundation will protect the individual from retaliation; and identifies where such information can be reported. Winthrop University employees are covered by the Code of Laws.

Encouragement of Reporting

The Foundation encourages reports of suspected or actual occurrences of illegal, unethical, or inappropriate events, including illegal or improper conduct by the Foundation itself, by its leadership, or by others on its behalf. Appropriate subjects to be raised under this policy would include financial improprieties, accounting or audit matters, ethical violations, misappropriation or misuse of Foundation resources, or other similar illegal or improper practices or policies. Other subjects on which the Foundation has existing complaint mechanisms should be addressed under those mechanisms, such as raising matters of alleged discrimination or harassment via the Foundation's human resources channels, unless those channels are themselves implicated in the wrongdoing. This policy is not intended to interfere with legitimate employment decisions.

Protection from Retaliation

The Foundation prohibits retaliation by or on behalf of the Foundation against individuals for making good faith disclosures under this policy or for participating in a review or investigation under this policy. This protection extends to those individuals whose allegations are made in good faith, but prove to be mistaken. The Foundation reserves the right to discipline individuals who report false

allegations that are both unsubstantiated and made with malice or who otherwise abuse this policy. Individuals who self-report their own misconduct are not afforded protection by this policy.

Where to Report

Complaints, reports, or inquiries may be made under this policy on a confidential or anonymous basis. They should describe in sufficient detail the specific facts demonstrating the basis for the disclosure and should be directed to the Foundation's Executive Director or the President of the Foundation Board as appropriate. If both of those persons are implicated in the report it should be directed to the Vice President of the Foundation Board. The Foundation will conduct a prompt, discreet, and objective review or investigation. An investigation of unspecified improprieties or broad allegations will not be undertaken without verifiable evidentiary support.

It is the intent of the Foundation to take whatever action may be needed to prevent and correct activities that violate this policy and to protect individuals against false allegations of illegal or improper conduct.

At any time when a staff member, volunteer, or donor has a concern related to Foundation business and its compliance with local, state, or federal law, or the legislation and regulations governing non-profit organizations, s/he may express these concerns and be heard without fear of reprisal and may do so safely and anonymously.

In these instances, please contact the Executive Director, Chairperson of the Audit Committee, or the President of the Winthrop University Foundation.

Governance

Winthrop University Foundation Committees

The President of the Winthrop University Foundation Board of Directors shall appoint directors of the Foundation to serve on the standing committees of the board. Committees such as Operations, Budget and Allocation, and Investment shall be responsible for the regular review of, and proposal of amendments to, existing policies and procedures for Foundation operations, all of which must be approved by the Foundation's Board of Directors.

Related Policies and Procedures

Policy on Accepting Gifts

The Operations Committee shall be responsible for recommending and implementing all Foundation gift acceptance policies to comply with best practices in the nonprofit fundraising sector. All gift acceptance policies must be approved by the Foundation's Board of Directors through the recommendation of the Operations Committee.

Gift Acceptance Committee

Additionally, the Operations Committee may direct the Foundation's Executive Director to convene a Gift Acceptance Committee comprised of senior leadership for the university and its foundations, to periodically review, approve or decline all gifts or gifts that are unusual in nature and/or fall outside of the parameters as defined in established policies of the Foundation.

Naming Opportunities for Major Gifts

By making a significant gift to the University, donors may be offered the opportunity to select the name of a program, facility, professorship, academic unit, scholarship or other purpose.

Naming gifts may be offered in honor or memory of the donor or another individual or entity of the donor's choosing.

The Winthrop University Board of Trustees shall retain authority for final approval for all naming opportunities but generally delegates this authority to the President of Winthrop University.

Any offer to name buildings, spaces and academic units or programs must follow the Naming Opportunities policies & procedures, included herein, as approved by the Winthrop University Foundation Board on December 10, 2009, amended September 17, 2014.

It is the responsibility of the gift officer or development staff member, once (s)he becomes aware of a potential naming opportunity gift, to bring it to the attention of his or her immediate supervisor as soon as is practicable in order to facilitate meaningful and timely discussion and action by the Foundation Board and Winthrop University Board of Trustees.

Academic Appointments

The Executive Director of the Winthrop University Foundation or his/her designee, shall consult with the Provost, for the purpose of approving all gifts to establish professorships, chairs or other similar academic appointments.

Forms of Giving

Cash Transactions

All charitable gifts contributed in the form of cash, checks, money orders, traveler's checks, electronic fund transfers, and credit or debit card transactions shall be received at face value and will be recorded, receipted, and acknowledged in accordance with Foundation cash handling internal control policies, and current IRS and FASB regulations. The Foundation will provide a high level of security to donors who make online gifts. The date of gift for cash gifts will be determined by one of the following criteria recognized by the IRS:

- the date legal tender is received by the Foundation by hand delivery;
- the date of the U.S. postal marking indicated on the mailing envelope containing the gift;
- the date electronically transferred funds are received into a Foundation account;
- the date a credit or debit card transaction is authorized by the donor (if such authorization is obtained through the mail, the above criteria apply).

Checks should be made out to "Winthrop University Foundation." In the event that Winthrop University Foundation receives a check mailed to the Winthrop University Foundation which bears "Winthrop University" as the payee and is clearly intended as a gift to a fund held by the Winthrop University Foundation, the Winthrop University Foundation will deposit and process the check.

In the event that checks are made out to "Winthrop University" and forwarded to the Winthrop University Foundation or delivered in person by an individual other than the donor, the Winthrop University Foundation will contact the donor to determine whether s/he intends the check to be deposited by the Winthrop University Foundation or by Winthrop University and will handle accordingly.

Publicly Traded Securities

The Foundation will accept all publicly traded securities based on the full fair market value of the securities, which shall be valued, recorded, receipted and acknowledged in accordance with current IRS regulations.

Upon receipt of a gift of securities, Foundation staff shall fulfill brokerage requirements for immediate sale of the securities as soon as practicable by the Foundation investment managers unless

otherwise directed by the donor or the Foundation. Should the latter be the case, a discussion of a liquidation strategy should be held with the donor.

The Foundation will maintain one or more brokerage accounts for the purpose of processing all gifts and securities. The Senior Director of Financial Affairs shall manage the process of opening or closing brokerage accounts, in coordination with the Executive Director for the Foundation, Treasurer and the Chairman of the Investment Committee of the Board of Directors.

Receiving of Securities

Gifts of publicly traded securities will be valued for gift recording purposes as the mean of the highest and lowest selling prices quoted for the stock (as reported by recognized public securities exchanges) on the date of their gift to the Foundation. The date of gift will be determined based on one of the following criteria:

- the date an electronic transfer of securities from a donor's account is received into a brokerage account owned by the Foundation or into a broker's gift account;
- the date of hand delivery of certificates that are signed over to the Foundation;
- the date of U.S. postal cancellation on envelopes containing a certificate(s) accompanied by a qualified stock power (NOTE: Both the stock power and the certificates must be received by the Foundation before valuation can be determined).

Gifts of publicly traded securities will be acknowledged to the donor in writing by identifying the names(s) of the securities and the actual number of shares given. No dollar amount will be included in the receipt. The exception to this will be when the donor gives securities in exchange for a life income gift and the securities must be valued in order to calculate the remainder value.

Non-liquid Business Interests

Closely held or restricted securities, sole proprietorships, general or limited partnership interests, S-corporation stock, and/or REITS may be accepted as contributions only after review and approval by the Executive Director together with the Chair of the Investment Committee and the President of the Foundation Board. Receipt of such gifts shall be recorded, receipted and acknowledged in accordance with all applicable IRS regulations.

Gifts of non-liquid business interests will be valued for recording purposes based on either a qualified independent appraisal when required by the IRS or by an objective third party who is knowledgeable about the interest. Gifts of non-liquid business interests will be acknowledged to the donor in writing

by identifying the gift with particularity, including the names(s) of the shares and the actual number of shares given. No dollar amount will be included in the receipt.

Real Estate

Gifts of real estate will be evaluated on a case-by-case basis and handled through the Winthrop University Real Estate Foundation (WUREF), which is a separate 501 (c)(3) entity, in collaboration with the Executive Committee of the Winthrop University Foundation.

Real estate can be given outright, through a bargain sale arrangement, or for the purpose of funding a life income charitable giving arrangement. All gifts of real estate will be handled in accordance with WUREF policy and in conjunction with the Gift Acceptance Committee convened by Winthrop University Foundation on behalf of the University.

The Executive Director (or designee) from Winthrop University Foundation must review the WUREF real estate acceptance procedure with the prospective donor.

Gifts of real estate will be subject to a comprehensive due diligence process that will include, but is not limited to, the following elements:

Actual inspection of the property by a knowledgeable WUREF representative

- Environmental assessment (Phase I – required at Donor’s expense)
- Survey
- Recent appraisal
- Preliminary title examination (mortgages, liens, easements, etc.)
- Taxes paid currently
- Termite bond
- Zoning
- Pending assessments
- Rental income - leases
- Maintenance and management costs
- Home owner association and costs
- Timber rights

- Marketability estimate
- Review and action to accept by the WUREF Board of Directors

Tangible Personal Property

Gifts of tangible personal property (gift in-kind) that require receipting by WUF will be accepted only with the approval of the WUREF Board of Directors in collaboration with the Winthrop University Foundation's Gift Acceptance Committee.

Sponsorships

Winthrop University values sponsorships as an opportunity for businesses to support Winthrop's mission and purpose through philanthropy.

Sponsorships given as gifts to Winthrop University will be tax deductible with promotional rights as outlined in the sponsorship agreement:

- mention location, phone number, or website of business
- include value neutral descriptions of services the business provides
- display brand or trade names, and/or logos that are an established part of the sponsor's identity
- display or distribute free products at a sponsored activity

Benefits to the sponsor other than as described above will have quid pro quo value and will be receipted accordingly.

Sponsorships for which the paid value is handled and receipted by the Winthrop University Foundation must be pre-approved by the Executive Director of the Foundation.

Endowed Funds - General Policies

The Foundation shall define and manage its true and quasi-endowments in accordance with FASB definitions and rules. The Foundation may also apply the Uniform Prudent Management of Institutional Funds Act (UPMIFA), or its successor action, as enacted by the State of South Carolina and as directed by the Foundation Board of Directors.

Winthrop University Foundation Gift Acceptance Policy



Foundation

Endowments may be designated by the donor for restricted use in any College, division, department or program within the University and may be named in honor of individuals. Endowments shall be governed by a written Deed of Gift executed by the donor and the Foundation. This agreement must be approved and executed by the Executive Director for the Foundation, and appropriate Vice President, Dean or Department Chair, before **it is presented to the donor for consideration.**

Endowments may be funded with outright contributions including contributions pledged over a maximum period of five years and must meet the required minimums established by prevailing Foundation policy.

The Vice President for University Advancement may recommend pledges of larger amounts up to a period of ten (10) years for approval by the Executive Director for the Foundation. Any exceptions to the policy must be approved by the Foundation's Executive Committee.

If gifts for an endowment fail to meet the required minimum after the maximum pledge period, the funds shall be transferred to the general endowment funds of the Foundation. Endowments funded by designated contributions from a Charitable Lead Trust may exceed the five year maximum payment period on a case by case basis upon the recommendation of the Vice President for University Advancement and the approval of the Executive Director of the Winthrop University Foundation.

Endowments may also be funded with planned gifts from bequests, life insurance policies, retirement plan designations, charitable remainder trusts, charitable gift annuities, and similar instruments and arrangements. However, only the remainder value of these giving agreements may be used for credit toward the required endowment minimums. Should such a planned contribution not meet the prevailing minimums for an endowed fund at the time it becomes available to the Foundation, the Executive Director of the Winthrop University Foundation shall determine a use for the funds that most closely resembles the purpose(s) set out in the original gift agreement; if a close substitute is not available, the funds will be directed to the Foundation's permanent endowment.

Endowments created by testamentary transfer shall be administered in accordance with the donor's wishes as set forth in the relevant testamentary document; provided that the donor clearly intends to establish an endowment and the intended use is not prohibited by law or Foundation policy. If the intended use does fall outside of the law and/or Foundation policy, or if the gift fails to meet the prevailing required minimum for an endowed fund at the time it becomes available to the Foundation, the Foundation will adhere to the laws and regulations of the State of South Carolina regarding such matters.

Endowment principals will be pooled and invested, and income expended, in accordance with the prevailing *Investment Policy Statement* and Spending Rule of the Foundation.

If a donor wishes to establish a fund, either endowed or unendowed, that includes provisions outside of Foundation policy or approved procedure, the Foundation Executive Committee must first review and recommend approval to the Foundation Board of Directors.

Endowments that establish chairs and professorships must adhere to all University policies on chairs and professorships and must be approved by the Winthrop University Provost and Vice President for Academic Affairs in collaboration with the Executive Director of the Winthrop University Foundation.

Chairs and professorships may be funded with a combination of outright and planned gifts assuming the total funding meets the current policy on endowment minimums. If a portion of the funding will come from a bequest, life insurance policy, or retirement plan designation, the donor must be willing to sign an enforceable and irrevocable testamentary pledge agreement. **An endowed professorship or chair will not be named and awarded until a gift agreement and funding levels adequate to meet annual support at an appropriate level are fully executed.** Annual restricted gifts may be combined with planned gifts for this purpose and may be approved by the Executive Director of the Winthrop University Foundation.

Setting Endowment Minimums

The Foundation Board of Directors shall establish the minimum value of gifts required to establish an endowed fund. The Board of Directors reserves the right to adjust the required minimums from time to time. If a donor wishes to establish an endowment for a designation not currently listed in the *Naming Opportunities and Recognition for Gifts Policy*, the Foundation Executive Committee will review the donor's intent and interests on a case-by-case basis. All gifts can be made over a period of up to five years or through other means as described in this document. (Please see the *Winthrop University Foundation's Naming Opportunities & Recognition for Gifts Policy* for the current approved schedule.)

Endowed funds which are building to the minimum will not be invested until they meet the established minimum. They will not be subject to interest gains or losses during this "building" status. Likewise, annual restricted accounts will not be part of the investment pool and are not subject to income gains or losses.

Naming Opportunities and Recognition for Major Gifts

Funding Requirements

The funding plan for a naming opportunity must be in writing and must be approved in advance by the Executive Director of the Winthrop University Foundation in consultation with the Vice President for University Advancement and the President of Winthrop University. Announcement of the naming opportunity may be delayed until funding requirements are met.

Outright gifts and written, enforceable pledges for periods of up to five years may be used to fully or partially fund a naming opportunity at face value. Executive Director of the Winthrop University Foundation, in consultation with the Vice President for University Advancement and the President of Winthrop University, must approve any pledge agreement that provides for pledged amounts beyond five years, prior to the pledge agreement being executed by the donor.

Testamentary planned gifts (including gifts by will, trust, retirement plan or life insurance policy proceeds) may be used in combination with an outright pledge to fully or partially fund a naming opportunity. This is permissible as long as:

- the testamentary portion of the total commitment is no more than 50% of the total gift,
- it is secured by an irrevocable pledge agreement, and
- the present value of the planned gift meets the agreed upon gift level.

Irrevocable planned gifts (including gift annuities and charitable remainder trusts) may be used to fully or partially fund a naming opportunity as long as the net present value of the estimated remainder value of the gift will meet the agreed gift level.

Naming rights associated with capital gifts will be conferred when 50% of the gift is received by the Foundation. The exception is endowment gifts, which can be named upon receipt of a pledged commitment.

General Policy

By making a significant gift to Winthrop University Foundation, donors may be offered the opportunity to select the name of a program, facility, professorship, academic unit, scholarship or other purpose. Naming gifts may be offered in honor or memory of the donor or another individual or entity of the donor's choosing. The Winthrop University Foundation and the Winthrop University Division of University Advancement will work collaboratively on gifts which are to result in naming opportunities.

The Board of Trustees retains authority for final approval for all physical naming opportunities but generally delegates this authority to the President of Winthrop University. The Board of Directors of the Winthrop University Foundation retains final authority for acceptance and management of gifts related to naming opportunities and, unless otherwise noted, delegates this authority to the Executive Director.

Minimum Gifts

The minimum gift requirement for a naming gift opportunity at Winthrop University will be \$25,000, except as specified in this Policy. Upon a recommendation from the Vice President of University Advancement, the President of Winthrop University may increase the minimum levels for naming gift opportunities at any time. The amounts listed in the policy are minimums and amounts may be addressed on a case-by-case basis by the appropriate officials of Winthrop University and its Institutionally-Related Foundations.

Acceptable Gifts

Naming gifts may be made using cash, marketable securities, real estate, approved gifts-in-kind property, or certain irrevocable deferred gift vehicles.

Criteria for Acceptance

Winthrop University will judge the acceptability of potential naming gifts based upon one or more of the following criteria:

- the naming gift's usefulness and inspirational value to the student body;
- its physical or aesthetic enhancement of the campus;
- its contributions to the mission of Winthrop University;
- or its recognition of accomplishments by Winthrop's students, alumni, parents, employees or other friends.

Costs of Implementation

Costs associated with creating donor recognition systems or plaques may be paid from either a portion of the naming donor's gift or with internal budgeted resources, to be determined prior to acceptance and finalization of a gift agreement.

Gift Agreements

Each capital or endowment gift that occasions a naming opportunity must be accompanied by a written gift agreement (Deed of Gift or Memorandum of Understanding) that has been approved and signed by the donor or the donor's designated representative. Such agreements must also be signed

by the President of Winthrop University, the Vice President of University Advancement of Winthrop University, and the Executive Director for Winthrop University Foundation, or their designated representative. Each gift agreement will specify the purpose of the gift and any restrictions as to distributions from the gifted funds. If the naming gift entails a multi-year pledge payment, the schedule for such payments must also be detailed.

Timeframe for Pledged Gifts

Naming gift opportunities at Winthrop University may be secured by confirmation of a documented, multi-year pledge. Naming of the selected purpose will not be confirmed until the pledge is fulfilled, unless an exception is granted by the President. In the event a donor's pledge is not fulfilled, the naming opportunity may be forfeited. Pledges for named endowment gifts must be completed within five years from the initial pledge date. For endowment pledges that do not reach the minimum funding level within the stated five-year period, the donor or their representative will be consulted to determine the most appropriate course of action, which may include a pledge extension or the transfer of the donated funds to the unrestricted fund.

Named Gift Approval Process

1. Prior to approaching a donor about construction/renovation/facilities projects, the gift officer shall consult with the Vice President for University Advancement and the Executive Director of the Winthrop University Foundation about possible gift levels for naming, including review by the Gift Acceptance Committee.

A plan for a specific naming opportunity and appropriate gift levels will be developed by the Vice President, the other appropriate Vice President/Dean/Director, and the gift officer, in consultation with other university administrators. The Vice President will seek the President's approval of potential naming of buildings and major facilities. No final commitment to name a building or facility can be made to a donor without the appropriate approvals as outlined herein.

2. The Vice President for University Advancement and the Executive Director of the Winthrop University Foundation also will seek pre-approval of gift ranges from the President in order to facilitate discussions by gift officers and other university personnel with prospective donors.
3. In discussing the gift and gift recognition with the donor, the gift officer should inform the donor of the steps involved in the approval of naming opportunities.

4. All renderings, construction models or other plans should be identified as conceptual and not a literal depiction of the facility under discussion. In negotiating with donors, gift officers and other university representatives should ensure that donors understand that the University has final control on details of design, construction, furnishing, etc.
5. Upon verbal agreement of the gift by the donor, the gift officer will submit the naming suggestion with appropriate justification to the Vice President for University Advancement.
6. The Vice President for University Advancement will consult with the Executive Director of the Winthrop University Foundation and the Gift Acceptance Committee for approval to move forward with the solicitation. The naming opportunity will be forwarded to the President and, where appropriate, the Winthrop University Board of Trustees for official acceptance and final approval.
7. Upon completion of a signed Deed of Gift or Memorandum of Understanding by the donor and all relevant university and foundation officials, a copy of the documentation on the naming opportunity will be forwarded to the President and, where appropriate, other University offices such as the Facilities Management Office, the relevant Dean's office, etc.
8. Appropriate public recognition, depending on the scale and purpose of the gift, will be arranged by the Vice President for University Advancement in coordination with the Winthrop University Foundation and the President's Office of Winthrop University.

Naming of Buildings and Interior Spaces

New Construction

Naming rights for new facilities require that at least twenty-five percent (25%) of the facility's total construction costs are committed and secured by the naming donor(s). The President may recommend an exception to this minimum to the Board of Trustees, which retains final authority over all naming opportunities.

Renovations

Naming rights for a building requiring major renovations will be subject to the same policy of twenty-five percent (25%) that applies to new construction. Existing buildings previously named to recognize an earlier donor, to celebrate cultural or historical purposes, or to recognize the special contributions of a person important to the history and development of Winthrop University will not be subject to renaming or name hyphenation except in circumstances where the continuation of the naming honor would no longer enhance, or would bring discredit to, the reputation of the University.

Existing Buildings - Unnamed

Existing buildings that are currently named but do not recognize a particular benefactor and are not subject to earlier restrictions may be subject to renaming by action of the Board of Trustees. Buildings in this category will be subject to the same twenty-five percent (25%) policy that applies to new construction. The President may recommend exceptions to this policy to the Board of Trustees, which retains final authority over all naming opportunities.

Interior and Exterior Spaces

Unnamed internal spaces within new or existing buildings and exterior spaces (such as a courtyard or plaza) may be eligible as naming opportunities occasioned by a significant gift to Winthrop University. As there are a number of unique spaces of this nature, the minimum gift amount for individual naming opportunities may vary significantly.

The minimum gift amount for naming spaces are:

Major Meeting or Gathering Spaces	\$ 200,000
Major Classroom, Lab, Conference or Seminar Room	\$ 100,000
Standard Classroom	\$ 50,000

Lifetime of the Building or Space

Every name assigned to a facility space is intended to be enduring. A recommendation to change or alter in any way the name of a previously named facility or activity must be initiated by the Board of Trustees. Circumstances that may lead to consideration of a name change may include, but shall not be limited to such items as:

- a. significant renovation or addition of space,
- b. actions by an honored person that brings discredit to the institution,
- c. failure by the honored person to fulfill agreed upon obligations, or
- d. demolition of a facility or the discontinuation of an activity.

Naming Rights for Endowment Projects

Donors of significant gifts may be offered the opportunity to provide a name for a variety of endowed funds at Winthrop University, including:

Academic Programs, Units and Positions

Funding required to name an academic or other major university units should be of a level that will transform the very nature of the unit involved, enabling that unit to reach a level of excellence that would have been impossible using state or university funds alone. The gift should be in the form of an endowment, with income from the endowment used to provide a margin of excellence for the unit. The gift should not replace state funds previously made available to that unit. Minimum requirements may vary by college, school or department.

Minimum established endowment levels for colleges, departments, centers, and institutes are:

College, School, or Division	\$5,000,000
Department	\$2,000,000
Center/Program/Institute	\$1,000,000

Naming opportunities for chairs or professorships are available throughout campus. Endowed chair designation is linked to a select faculty position filled by a truly outstanding scholar and teacher, as judged by rigorous, nationally accepted standards. Likewise, a named professorship faculty position will be occupied by an exceptionally gifted and promising scholar. Named professorships typically are held for a period of 3 to 5 years by faculty members whose accomplishments indicate potential for national and international leadership and distinction in their field, and whose current efforts are focused on honing teaching skills and/or establishing a superior record of research or other scholarly activity. Named fellowships typically are held for a period of 1 year by faculty members to support a particular research project or scholarly activity.

Minimum established endowment levels for academic positions are:

Endowed Distinguished Chair	\$2,000,000
Endowed Chair	\$1,500,000
Endowed Distinguished Professorship	\$1,000,000
Endowed Visiting Professorship	\$1,000,000

Endowed Professorship	\$1,000,000
Endowed Fellowship	\$1,000,000

Lecture Series and Performance Series

Winthrop University encourages naming opportunities for lecture or performance series. The annual proceeds from this endowment will be used to pay for honoraria, publicity, and the expenses of the visiting lecturer to present a lecture on campus.

The established minimum endowment levels for lecture and performance series are:

Endowed Performance Series	\$1,000,000
Endowed Distinguished Lecture Series	\$1,000,000
Endowed Lecture Series	\$150,000

Student Scholarships, Fellowships, and Programming

In order to attract outstanding undergraduate and graduate students in every academic field, Winthrop University needs significant funding for scholarships, fellowships and research assistantships. In addition, the university seeks support for diversity programs, international studies and research opportunities. Scholarships offer educational assistance for talented undergraduate students. Endowed scholarships enable Winthrop to attract and retain the best and brightest students throughout South Carolina, the region and the nation. Graduate fellowships offer educational assistance for graduate students and provide full or partial support that enables students to complete their educational experience at Winthrop. Naming opportunities are available for most endowed scholarships or fellowships.

The established minimum endowment levels for fellowships and scholarships are:

Presidential Scholarships	\$ 1,000,000
Graduate Fellowships	\$ 250,000
Scholarships	\$ 25,000
Other Named Funds*	\$ 25,000
Need-Based Financial Awards	\$ 25,000

*cannot be specifically restricted to use for scholarships

Physical Tributes

On occasion, the Winthrop University will agree to a permanent physical tribute or memorial, such as a bench, garden, or tree. A minimum gift is required whenever the donor seeks a permanent physical tribute, and that gift must underwrite the cost of the tribute plus its ongoing maintenance. The remaining amount will be an unrestricted gift to the Winthrop University Foundation and may be designated for the Winthrop Fund or the Sarah Law Kennerly and Edna Hope Gregory Permanent Endowment, at the donor's discretion.

Examples of permanent physical tributes or memorials, as well as the minimum gift required to secure them:

Bench	\$10,000
Tree	\$10,000

Annual Restricted Funds

The minimum amount to open and name an annual restricted fund is \$1,000. Exceptions to this guideline will be discretionary funds for academic departments or university programs for which an account does not already exist (for the purpose of enabling support to be directed to those departments and programs).

Recognition

All tributes and memorial gifts will be listed in the Winthrop University Foundation Annual Report for the year(s) in which the gifts are given. A listing and a map of all physical tributes on the campus will be made available to the public in the Winthrop University Division of University Advancement.

Immediate Naming Opportunities for Irrevocable Deferred Gifts

In instances where a donor agrees to make an irrevocable deferred commitment to create an endowed scholarship fund that will not come into being until after the donor's death, Winthrop University may elect to offer the donor immediate naming recognition by offering one or more annual scholarships in the donor's name until the time the actual endowment comes into being.

Funding for such annual scholarships will come from Winthrop's general financial aid budget, and the amount of the scholarships may not exceed the amount of spendable income that would be generated by the present value of the donor's future endowment gift. Winthrop may also elect to create similar naming opportunities for donors of irrevocable deferred commitments to other

endowment purposes, to be proposed by the Vice President for University Advancement, and approved by the President.

Naming Opportunities for In-Kind Gifts

The Executive Director for Winthrop University Foundation will convene and manage the function of the Gift Acceptance Committee which will determine acceptance of any non-cash gifts to Winthrop University, such as real property and gifts of tangible personal property, including but not limited to works of art, manuscripts, literary works, motor vehicles, and computer hardware.

The Gift Acceptance Committee must determine if such gifts have a related interest to the academic mission of Winthrop prior to the transfer of ownership. In cases where the gift is designated for a specific department, the Vice President of University Advancement will coordinate the gift acceptance process with the appropriate divisional vice president.

In keeping with the minimum gift requirements established in this policy, the Vice President of University Advancement may recommend a naming opportunity be established for the donor. Naming opportunities and recognition for the acceptance of gifts of art or artifacts will be made available based upon the appraised value of the in-kind gift and consistent with the minimum amounts established elsewhere in this Policy.

For gifts of art and artifacts, Winthrop will not guarantee that such items will be displayed publicly, either permanently or for shorter periods of time.

Special Tribute or Memorial Occasions

Nothing in this policy will be interpreted to prevent Winthrop University from electing to name a facility, structure, award, or area in honor or individuals who have distinguished themselves through special service to Winthrop, the local community, the nation, or humankind.

Responsibilities to Donors

General Policy

The Foundation considers its donors to be a highly valued constituency. All Foundation and University officials will treat donors with the utmost respect and professionalism. In all gift matters, the staff of both the University and the Foundation must be aware of and sensitive to a potential donor's financial needs and concerns.

It is expected that all gift solicitation representatives of Winthrop University and Winthrop University Foundation shall use their best judgment to help donors make informed gift decisions.

Each representative should be knowledgeable about gifts and should disclose to the donor advantages and disadvantages that could reasonably influence the decision of the donor to make a gift to Winthrop University Foundation. In particular, planned gift items subject to variability (such as market value and income payments) should be fully discussed with the donor and donor representative as to possible outcomes. Recommendations and proposals to the donor will be recorded in the constituent relationship management (CRM) database (currently Blackbaud's Raiser's Edge, or its successor product.)

Regarding professionalism toward donors of Winthrop University Foundation:

Winthrop University and its Foundations will not knowingly accept a gift that is contrary to the donor's best interests.

The Foundation will honor donors' wishes for designating the use of their gifts for any legitimate and approved program within the University. All donors will be acknowledged and thanked for their gifts in writing within a reasonable period of time.

- The University and the Foundation will honor the request of donors who wish to remain anonymous.

All information that the University and Foundation has gathered on its donors, prospects and alumni is considered private and will be held and maintained by the University and Foundation in strict confidence. Files will be made available whenever required by law.

Endowment donors receive annual financial reports, which include fund balance, gift, and disbursement information for the previous year as well as an update on the state of the Foundation (see Appendix C).

- Unrestricted gifts are stewarded through the president's annual report as well as other vehicles which showcase the use of crucial unrestricted dollars each year.

To ensure that all donors and prospective donors to the Winthrop University Foundation can have full confidence in the Foundation and University their gifts support, we declare that all donors have the rights that are purported in the *Donor Bill of Rights* (see Appendix B).

Gift Revocation and Refunds

In the event that a donor requests a refund of an outright gift, the Winthrop University Foundation will review the request. Requests for refunds of more than \$5,000, or for gifts made more than 365 days prior to the request will be evaluated on a case-by-case basis by the Executive Committee of the

Board of Directors, which will then make a recommendation for the Foundation Board of Directors to consider during the meeting following the donor's request.

Winthrop University Foundation staff may make refunds within one calendar year and for gifts less than \$5,000 at their discretion. Gifts-in-kind cannot be returned, nor can assessed value be refunded to donors for these gifts or gifts of real estate, stock, or any non-cash gifts or payments. Refunds of accounts which include gifts over multiple years and from multiple donors cannot be ceded to any individual or group.

Ethics Clause

Winthrop University Foundation reserves the right to amend or change the name of an account, space, or program when circumstances associated with the named account, space, or program would compromise the public trust or promote values or reputation not in keeping with the mission and goals of the Foundation.

In these instances, names will be changed with the documented action and approval of the Board of Directors, and, whenever possible, the notification of the donor or donor representative. Examples of changes in circumstance include, but are not limited to: the conviction of the named donor(s) in a court of law; or abuse of public trust in personal or professional behavior.

This policy is echoed in standard gift agreements, to wit: "If at any time the donor or his or her name may compromise the public trust or the reputation of the institution, including acts of moral turpitude, the institution, with the approval of the Foundation Board of Directors, has the right to remove the name or return the gift."

Ways of Giving

Current/Outright Gifts

The Foundation will accept current/outright gifts of cash, securities, or real and personal property.

Pledges

The Foundation will accept and record written pledges in accordance with GAAP (Generally Accepted Accounting Principles) and FASB rules.

Single Year and Multi-year Pledges

No multi-year pledge of more than \$10,000 will be recorded on University Advancement accounting records unless it is substantiated in writing via a Foundation-approved gift agreement (Deed of Gift) signed by the Foundation's Executive Director and the donor. The agreement must include the gift amount and schedule of pledge payments. The agreement will also specifically state the designation by the donor regarding specific preferences and restrictions on the use of the funds of the gift within the University.

Single year pledges will be recorded in accordance with Foundation procedures.

Pledge Timeframe

The maximum amount of time to fulfill a pledge will be five years from the date of execution of the agreement. Pledges of more than five years must be approved by the Executive Director of the Winthrop University Foundation in advance of acceptance or acknowledgment by gift solicitors or development staff.

Donors with unfulfilled pledges will receive pledge reminders, and personal contacts from gift officers and development staff. After appropriate communication measures have been completed to secure pledged funds from the donor and the likelihood of collection is uncertain, the remainder will be written off by following the established Standard Operating Procedure for cancelling a pledge.

Planned Gifts

The Winthrop University Foundation, in conjunction with the Division of University Advancement, will coordinate the receipt of all planned gifts and estate plan intentions.

Planned gifts include bequests made through wills or living trusts, retirement plan designations, life income plans, charitable lead trusts, and retained life estates.

Donors of life income giving arrangements may designate the remainder value of their gift to any approved program within the University.

Remainder gifts that will be used to establish named endowments or for a naming opportunity must meet the prevailing minimum dollar amount for endowed funds.

Undesignated Planned Gifts

Gifts that are undesignated to a specific fund or for a particular purpose will be deposited into the Sarah Law Kennerly and Edna Hope Gregory Permanent Endowment, which provides unrestricted

support to the Winthrop University Foundation for Foundation and University activities and programs. Gifts which do not meet required minimums will be used for the purposes for which they are designated whenever possible (i.e. allowing a scholarship to be used as an annual restricted scholarship even if it does not meet the endowment minimum), or will become part of the Sara Law Kennerly and Edna Hope Gregory Permanent Endowment, at the discretion of the Executive Director for the Foundation.

The Planned Giving designee and the Foundation staff will process all legal documents associated with planned gifts. Prior approval by the Executive Director for the Foundation is required before any legal document may be executed by a gift officer for Winthrop University.

Bequests and Retirement Plan Designations

The Foundation will receive charitable bequests and retirement plan designations and will abide by any restrictions or designations indicated in appropriate documents assuming such restrictions and designations are applicable to current programs within the University and do not violate Foundation or University policy.

The Foundation will not abide by any restrictions that are considered to be in violation of federal, state or local laws. If the intended use does fall outside of the law and/or Foundation policy, the Foundation will adhere to the laws and regulations of the State of South Carolina regarding such matters.

Life Insurance

The Foundation will accept irrevocable gifts of fully paid up existing life insurance policies (where the Foundation is named as both owner and beneficiary of the policy), but will not actively solicit new policies. Conditions of acceptance are as follows:

Term policies of any amount will be declined.

The Foundation may choose to surrender an existing life insurance policy for its surrender value or sell the policy via a viatical settlement based on prior review and approval of the Executive Director and the Chair of the Investment Committee. In most circumstances, the donor should be consulted prior to surrender, although the Foundation has the final decision-making authority.

The Foundation will record a gift of a life insurance policy on the basis of its fair market value for general accounting purposes.

All donations of life insurance policies will be receipted and acknowledged to the donor in accordance with prevailing IRS regulations.

Charitable Gift Annuity

The Foundation will establish and promote gift annuity contracts with donors in accordance with applicable federal law, IRS regulations and the laws and regulations of the State of South Carolina. Additionally, the Foundation's gift annuity program will adhere to the following principles:

- The minimum size contribution to fund an immediate gift annuity contract is \$25,000.
- The minimum donor age is 65 years (single or two-life annuities).
 - Age and gift minimums for gift annuity contracts may be reviewed by the Investment Committee and may be periodically adjusted at its recommendation and the subsequent approval of the Foundation Board of Directors.
- All gift annuity contracts must be approved in advance of issue by the Executive Director of the Winthrop University Foundation.
 - Gift annuity contracts will be created internally up to a maximum of \$999,999.
 - Gift annuities of \$1,000,000 and more will be reviewed by Foundation counsel and accepted by the Gift Acceptance Committee convened by the Foundation.

The payout rates should conform to the recommended published rates of the American Council on Gift Annuities (ACGA). Deviation from the ACGA rates must first be approved by the Investment Committee.

The Foundation may engage one or more third party entities to provide gift administration, custodial, and investment services for its gift annuity contracts.

All assets given to fund a gift annuity will be invested. Income and principal will be used to pay any annuity obligations of the contract until all income beneficiaries under the contract are deceased or are no longer entitled to receive income.

Gift annuity contracts will be booked at face value for University Advancement reporting and recognition purposes, but only at remainder value for general accounting purposes.

The issuance of gift annuities is generally governed by the laws of the state in which the donor resides.

In the event that the Foundation is not authorized to issue gift annuities in the state of a potential annuitant, the Investment Committee shall review and recommend to the Executive Director of the Foundation whether or not to pursue registration in that state so that a gift annuity contract may be issued.

Charitable Remainder Trusts (CRATs, CRUTs)

The Foundation will accept and administer contributions to a charitable remainder trust in accordance with applicable federal law, IRS regulations, and the laws and regulations of the State of South Carolina. Additionally, the Foundation will administer its charitable remainder trusts based on the following:

The Foundation may serve as a trustee for charitable remainder annuity trusts (CRAT) or charitable remainder unitrusts (CRUT) **ONLY if it is named as the sole, irrevocable remainder beneficiary.**

The minimum initial gift to establish a charitable remainder annuity trust (CRAT) is currently recommended to be \$50,000.

- The minimum initial gift to establish a charitable remainder unitrust (CRUT) is currently recommended to be \$100,000.

The minimum age for donors entering a trust contract for which the Foundation is the trustee is 65 years. The Executive Director may approve exceptions to this upon recommendation by the Vice President for University Advancement and following consultation with the Chair of the Investment Committee for the Foundation.

The Foundation may retain one or more third party entities to provide trust administration and custodial and/or investment services for Charitable Remainder Trust agreements.

The Executive Director must approve all Charitable Remainder Trust agreements prior to their execution.

If the Winthrop University Foundation, Inc. is named as trustee of a Charitable Remainder Trust, the Foundation will charge the trust or the income beneficiary(ies) of the trust direct administrative, management or brokerage fees that are expended to operate the trust.

The Foundation's Senior Director for Financial Affairs is authorized to establish Charitable Remainder Trust payout rates at the minimum required by law and up to a maximum of 7%. All Charitable Remainder Trust payout rates agreed to by the Foundation must also conform to applicable federal law, IRS regulations, and the laws and regulations of the State of South Carolina.

Winthrop University Foundation Charitable Remainder Trust agreements will be booked at face value for Development and recognition purposes, but only at the remainder value for general accounting purposes.

When a donor establishes a qualified CRAT or CRUT outside of the Foundation and names the Winthrop University Foundation as an irrevocable remainder beneficiary, the Foundation may book this contribution in the same manner as a Charitable Remainder Trust upon receipt of a copy of the signed trust agreement or signed statement from the Grantor.

Donors may contribute additional gifts of a minimum value of \$5,000 to their charitable unitrust for which Winthrop University Foundation serves as trustee.

Charitable Lead Trust

The Foundation will promote the use of charitable lead trusts (CLT) to donor prospects as a means of simultaneously reducing income or estate taxes, facilitating generational wealth transfers and supporting the Foundation.

Income produced by a charitable lead trust (CLT) for the Foundation may be restricted and designated in accordance with policies established for any other cash contributions. The Foundation will not serve as a trustee of a charitable lead trust.

Remainder Interest in Real Property

The Winthrop Real Estate Foundation will accept gifts of retained life estates in real property if the donor agrees in writing to be responsible for all maintenance, insurance costs, and taxes associated with the property for as long as they retain their right to reside in the property.

There shall be a written agreement regarding handling of the property if the life tenant(s) leave the property prior to death, such as to move into a retirement community.

Gifts with a retained life estate must also conform to all other Winthrop University Real Estate Foundation (WUREF) policies regarding gifts of real estate.

Gifts of a remainder interest will be credited to the donor in the year the transfer of ownership is completed from the donor to the Winthrop University Real Estate Foundation at the charitable remainder value of the contributed real estate.

Trusts Held by a Third Party

The Foundation will record such trusts, and gifts from such trusts, in accordance with generally accepted accounting principles (GAAP).

Effective Date and Amendments

Effective Date of Policy

The effective date of this policy is September 17, 2014, and it applies to all new gifts and new pledges received after that date.