

Approved By: Board of Trustees

Date Approved: October 6, 2016

Effective Date: October 6, 2016

- 1. Summary:** This policy governs the acceptance of and process by which gifts will be accepted by Criswell College.
- 2. Rationale:** The Gift Acceptance Policy is written to ensure the entire philanthropic process is mutually beneficial to Criswell College and the donor(s) and to ensure that donors are treated in a professional, ethical, and fair manner.

The purpose of the Gift Acceptance Policy is to ensure that gifts:

- are appropriate to the mission and needs of the College,
- impose no undue financial or administrative burdens on the College;
- are written in reasonably broad and flexible terms to maximize their usefulness to the College; and
- include language that permits the College to apply the gift to a related purpose in the event that the designated purpose is no longer practical, necessary, or able to be performed.

- 3. Entities Affected:** Board of Trustees, President's Office, Business Office, Office of Advancement, and all persons soliciting gifts on behalf of Criswell College

- 4. Definitions:**

bequest: a gift made in a donor's will

FASB: Financial Accounting Standards Board

Generally Accepted Accounting Principles: (GAAP) rules and guidelines that help companies prepare financial statements. What exactly the principles contain varies slightly from jurisdiction to jurisdiction, but in most cases they cover assumptions, basic principles, and basic constraints.

in-kind gifts: charitable giving in which, instead of giving money to buy needed goods and services, the goods and services themselves are given

non-liquid assets: assets that cannot be converted into cash quickly with minimal impact to the price received

publicly traded securities: securities traded on the open market

real property: land and all the things that are attached to it such as structures, integrated equipment such as light fixtures or a well pump, and anything growing on the land. Anything that is not real property is personal property and *personal property* is anything that isn't nailed down, dug into, or built onto the land.

5. Policy:

General

Gifts shall be made to the College (not to an individual faculty or staff member or student) and shall be consistent with IRS rules and regulations governing charitable gifts.

Solicitation and acceptance of gifts is to be conducted only by authorized staff and volunteers. All persons soliciting gifts on behalf of Criswell College are bound by this policy and should consult with the Business Office before soliciting gifts.

Criswell College reserves the right to refuse any gift. Reasons for refusal include but are not limited to gifts that are incompatible with the mission of Criswell College, gifts that impose an undue burden on the College, gifts that put the assets or reputation of the College at risk, and/or gifts that are prohibited by law.

Gift Acceptance Committee

The President's Cabinet, composed of the Criswell College President and Vice Presidents will serve as the institution's Gift Acceptance Committee. The committee will consult with the Chairman of the Board of Trustees, Advancement Office, and Controller, and seek any expert advice necessary to determine whether to accept gifts such as real property, personal property, in-kind gifts, non-liquid securities, and contributions whose acceptance might result in special obligations or liabilities. The Board of Trustees Executive Committee should be consulted regarding any gift the value of which exceeds ten percent of College net assets.

Types of Gifts

Criswell College will accept donations of cash or publicly traded securities.

Other gifts such as real property, personal property, in-kind gifts, non-liquid securities, and contributions whose sources are not transparent or whose use is restricted in some manner, must be reviewed prior to acceptance due to the special obligations raised or liabilities they may pose for Criswell College. Such gifts will be accepted at the discretion of the Gift Acceptance Committee in consultation with the Advancement Office and Controller. Criswell College will provide acknowledgments to donors meeting IRS substantiation requirements for property received by the charity as a gift. However, except for gifts of cash and publicly traded securities, no value shall be ascribed to any receipt or other form of substantiation of a gift received by Criswell College. Donors are encouraged to consult their personal tax advisor for guidance on how to record a gift for tax deduction purposes.

- **Cash Transactions**

All gifts contributed in the form of cash, checks, money orders, travelers' 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 the appropriate cash handling policies, and current IRS and FASB regulations. The College 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:

- The date legal tender is received by the school 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 in an account of or designated by Criswell College; or
- 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.)

- **Publicly Traded Securities**

Criswell College 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. The securities received will be sold as soon as practicable by the College broker unless otherwise directed by the donor or the Gift Acceptance Committee.

Criswell College maintains one or more brokerage accounts for the purpose of processing all gifts and securities. These accounts will be subject to the Criswell College Investment Policy.

Gifts of publicly traded securities will be valued for gift recording purposes as reported by the brokerage firm on the date of transfer to the College. The date of gift will be determined based on the date an electronic transfer of securities from a donor's account is received into a brokerage account owned by the College or into a broker's gift account.

Gifts of publicly traded securities will be acknowledged to the donor in writing by identifying the name(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.

- **Gifts of Real Property (Real Estate)**

Criswell College will consider and accept gifts of real estate on a case-by-case basis. All gifts of real estate must be approved by the Gift Acceptance Committee.

The College will consider gifts of real property including single-family and multi-family residences, condominiums, apartment buildings, and other income-producing property, farms and ranches, and possibly other real estate assets. The College will also consider accepting partial interests in such real estate, provided that such interests can be readily sold. Possible exposure to environmental liability, possible challenges in marketing the property, and costs to repair, hold, or manage the property could be reasons for such a refusal to accept a gift.

The general practice of the College is to sell all gifts of real estate as soon as possible.

- **Bequests and Estates**

A bequest is a gift of personal property or cash of any amount or form made to the College in a donor's will. For example, bequests may provide for a specific dollar amount in cash, specific securities, specific articles of tangible or intangible personal property, or a percentage of the residue of the estate. A devise is a gift of real property made to the College in a donor's will. Bequests or devises may be unrestricted or restricted. All

restricted bequests or devises and all gifts of non-liquid assets are subject to the same review and approval process as any other restricted gift.

Realized bequests which adhere to the Gift Acceptance Policy are accepted by the Controller's Office. Executors and attorneys in the process of distributing estates should contact the Vice President of Finance and Advancement of Criswell College at 214.818.1369.

- **Tangible Personal Property**

Gifts of tangible personal property (e.g., works of art, jewelry, photographs, memorabilia, antiques, museum specimens or artifacts, coin, stamp and other collections, automobiles, scholarly papers, manuscripts, books) can be accepted if they further the mission of Criswell College. The Gift Acceptance Committee may, at their discretion, choose to accept a gift of tangible personal property if it is readily marketable for the purpose of liquidating the asset, or may be used by the College in a manner consistent with one of its nonprofit purposes.

Donors should be advised that (1) the College reserves the right to sell, exchange, or otherwise dispose of the personal property in question, if such action is financially advisable or necessary; and (2) should the College, within two years after the date of the gift, dispose of donated property which was valued at \$5,000 or more, it is required to file an IRS Form 8282 disclosing details of that disposition and provide a copy to the donor.

Whenever donors estimate the value of their gifts of tangible personal property at \$5,000 or more, they must obtain at their own expense a written appraisal by a qualified independent appraiser if they wish to claim a charitable deduction. Donors shall also be responsible for filing IRS Form 8283 and providing the College with any appraisal summary document required by IRS regulations. The College cannot provide a qualified independent appraisal and will not assign valuation to gifts of tangible property.

- **Alternative Asset Gifts**

Criswell College works with HighGround Advisors (formerly the Baptist Foundation of Texas), the Southern Baptists of Texas Foundation, the Criswell Foundation, and Lawing Financial to manage certain complex assets and alternative asset gifts such as oil and gas interests, charitable trusts, and gift annuities.

Endowments

Criswell College shall define and manage its endowments in accordance with state and federal laws and Generally Accepted Accounting Principles.

Endowed funds are held in perpetuity, with the principal normally invested for long-term growth. The use of the income from endowed funds may be either unrestricted or restricted to a specific purpose. Income is determined by a spending policy set by the board of trustees in the Criswell College Investment Policy.

Use of the income must meet the restrictions set forth in the fund description. For that reason, fund descriptions must be written with care, preferably including as few restrictions as possible. When possible, all new or updated fund agreements will include the Criswell College contingency clause which provides the board of trustees the power to adjust fund agreements should they become impractical to administer in the future.

Endowments may be funded with outright contributions (including contributions pledged over a period of years) or with deferred contributions from bequests, life insurance policies, retirement plan designations, charitable remainder trusts, charitable gift annuities, and similar instruments and arrangements. 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 College policy.

A donor (and the donor's family or designee) who establishes a scholarship or award may participate in the selection of recipients upon approval by the College and subject to applicable law. The nature of the donor's and/or his/her family's or designee's involvement must be clearly defined in the endowment agreement between the donor and the College. In all cases, participation is advisory in nature. Final decision on the selection of scholarship and award recipients is the sole right of the College.

Endowments that establish chairs and professorships must adhere to all College policies on chairs and professorships. Chairs and professorships may be funded with a combination of outright and deferred gifts assuming the total funding meets 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 one half of the principal to be contributed is received by the College and invested in the endowment. Any exceptions to this funding arrangement must first be reviewed and recommended by the Gift Acceptance Committee.

Pledges

A pledge is a promise by a donor to make a future gift to Criswell College. All financial pledges, including verbal pledges, must be promptly reported to the Criswell College Controller for proper financial recording and reporting.

For pledges of \$50,000 or greater, Criswell College strongly prefers a written Statement of Intent (or similar written documentation) signed by the donor, which includes a specific dollar amount, gift designation(s) and fixed time schedule for when it will be given. For pledges under \$50,000, email documentation with the donor or some other non-signed documentation (like direct mail reply form or staff documentation of a conversation) is considered sufficient.

Donors may choose to sign an Irrevocable Pledge Agreement. This agreement represents a present, binding obligation upon the estate of the donor to complete any outstanding pledge payment. If a donor does not sign an Irrevocable Pledge Agreement, the pledge is not considered to be legally binding on the donor.

Matching Gifts

Criswell College generally accepts gifts from companies which sponsor matching gift programs for their employees or former employees. Any matching gift received is used for the same purpose as the original gift unless limitations are imposed by the issuing company/foundation that prohibit an identical use.

Gifts of service

Gifts of services, while often considered helpful to the mission of the College, are not considered charitable gifts by the IRS and cannot be recorded or receipted by the College.

Gifts of Materials to the Library

Gifts of books and other materials have greatly enriched the Criswell College Library collections. Generally, only pre-approved gifts that meet the curricular and research needs of the College will be accepted.

Prohibited Gifts

Criswell College reserves the right not to accept a proposed gift for reasons including, but not limited to, the following:

- The gift or gift transaction in some manner conflicts with the policies or mission of Criswell College.
- The benefit of the gift is outweighed by the potential of negative publicity for Criswell College that would result from the transaction.
- The gift or gift transaction inhibits Criswell College from seeking donations from other donors.
- The benefit of the gift is insufficient to offset the extent of administrative and/or legal effort involved.
- The donor, or other prohibited party, wishes to exert control over how the donated funds are used beyond the gift agreement.

Naming Opportunities

A naming opportunity is an invitation to a donor (or donors) to name a school/college, facility (such as a building or classroom), center, institute, or other program (such as an Honors Program) in honor or memory of someone the donor wishes to recognize, in exchange for a gift in an amount established by the College for the benefit of the corresponding program or facility.

Naming opportunities, including the appropriate gift size, the funding plan, and the manner in which the gift will be utilized, must always meet with the approval of the Criswell College Board of Trustees.

Student Fundraising

All students interested in fundraising for a Criswell College club, organization, or other campus purpose must do so under the supervision of the Office of Student Services and must adhere to the policies and procedures of that office.

Management Policies

Gifts may legally commit Criswell College and its Board of Trustees to obligations which extend far into the future. Therefore, the following policies are intended to protect the best interests of the donor, the official representatives of the College, and the welfare of the College itself.

- **Conflict of Interest**

The giving program shall be guided by principles of Christian stewardship and shall be donor-centered. The interest of Criswell College shall not take precedence over the interest of the donor. No program or commitment shall be urged upon any prospective donor that would benefit Criswell College at the expense of the donor's interests and welfare.

Criswell College affirms the values of the Donor Bill of Rights developed by national fundraising organizations. No employee of Criswell College (except a relative of the donor) shall serve in an individual capacity as a fiduciary or personal representative for a donor pursuant to a will, trust agreement, or other legal instrument.

- **Solicitation Procedures**

Representatives of Criswell College shall exercise extreme caution to avoid any perception of inappropriate pressure or undue persuasion when dealing with prospective donors. Any information provided to donors regarding a proposed gift, including information relative to benefits, limitations, and tax implications, must be accurate. All personnel employed by Criswell College to contact prospective donors or to promote the giving program shall be paid a salary or fixed wage. Any performance-based compensation, such as bonuses, shall not be based on a percentage of contributions raised and shall be in accord with Association of Fundraising Professionals Standards No. 16 and 17.

- **Confidential Information**

All information concerning donors and prospective donors, including but not limited to names, addresses, personal financial or legal information, beneficiaries, nature and value of estate, or value of intended bequests, shall be kept strictly confidential by Criswell College and its personnel unless specific prior permission to disclose is granted by the donor or prospective donor, or disclosure is required by law.

- **Authorization to Accept Gifts**

Only authorized Advancement Office personnel and others authorized by the Chief Executive Officer of Criswell College shall be permitted to obligate Criswell College by soliciting or accepting gifts that require review by the Gifts Acceptance Committee.

- **Criswell College as Fiduciary**

Criswell College normally will not act as personal representative of any estate. The Gift Acceptance Committee may make exceptions in situations where the College is the only beneficiary.

- **Legal Counsel**

The College may provide information regarding the tax and legal implications of a gift but will not provide tax or legal advice. Prospective donors shall be encouraged to consult their own attorneys and advisors in all matters related to the legal and tax consequences of their gift. If a representative of the College suggests a referral to an attorney, it shall be understood that the attorney is retained by and represents the donor/client's interests.

- **Record Keeping**

Record keeping for gifts will be divided between the College Advancement Office and the Business Office as follows: The College Advancement Office will maintain addresses, contact files and reports, donors' personal and financial information, gift plan negotiations, gift receipts, and acknowledgments. The Business Office will be responsible for gift accounting, payment schedules, tax reporting, business records, trust investment and administration, and ultimate disposition of funds.

6. Procedure:

- a. Implementation:** not applicable
- b. Responsibility for Compliance:** Chief Financial Officer
- c. Notification:** This policy will be posted on the College’s website and provided to new members of the Board of Trustees.
- d. Policy Review:** This policy will be regularly reviewed according to the College’s policy review procedure.

For the Office of the President only:

Policy version: 1.0	Policy number: 2.060
Related policies:	

Policy History

Version 1.0	October 6, 2016
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