

FSW Foundation Gift Acceptance Procedures

- I. Purpose: These procedures aim to reinforce the gift acceptance policy and assist FSW Foundation staff in making wise decisions to reduce risks. The goal here is to maximize the efficiency and effectiveness of gift acceptance as it pertains to fulfilling the mission of FSW Foundation.
- II. Process to follow: In solicitation discussions with donors and prospects, staff should keep their supervisors informed whenever non-cash gifts are discussed as the vehicle for the gift. All non-cash gifts, prior to acceptance, need the approval of the Vice President of Advancement/Executive Director. As staff work with donors and prospects, it is recommended to under-promise and over-deliver whenever possible so that donor expectations are aligned with our process of gift acceptance.

- III. Risk management: Cash gifts and non-cash gifts will be scrutinized and evaluated for any potential risks they pose to FSW Foundation. Some of these risks include but are not limited to: reputational risk, conflicts of interest, and tax dodging, among others. Whenever FSW Foundation leadership feel the evaluation of a risk exceeds their level of competence and understanding, they will ask for the help of FSW's General Counsel, among other experts, to make wise decisions for the FSW Foundation.

Donor imposed restrictions require special handling, and this is possibly the most common risk that staff are faced with. The first line of defense in managing this is to consult your supervisor, review the FERPA guidelines, and keep in mind the aim of objective fairness in the spread and use of a charitable gift. The safest areas of designation are unrestricted, unrestricted to facility improvement, geography, and program of study. As a matter of course and as explicitly stated in the gift acceptance policy, unrestricted gifts are of the greatest value to FSW Foundation and staff are encouraged to solicit donors accordingly.

Donors may not select scholarship recipients or control their gift after it is made, aside from being able to designate or restrict their gift within the boundaries of the law and the restrictions imposed by the IRS. This risk management procedure is designed to protect both the donor and FSW Foundation. Trust is at the core of every gift made to FSW Foundation, and we are committed to stewarding that trust to the utmost.

- IV. Gifts we will not accept: FSW Foundation will not accept gifts that are not made in the spirit of our mission or that do not sync with our gift acceptance policy or that pose undue risk to the health of FSW or FSW Foundation. Additionally, there are certain gift

vehicles that we do not use any longer, including: charitable gift annuities and charitable remainder annuity trusts (CRATs). Both of these gift vehicles have been determined (for now) to pose undue risk. Donors interested in using these gift vehicles have many options to still work with FSW Foundation, using charitable remainder unitrusts (CRUTs) and purchasing life insurance or a commercial annuity and gifting via another vehicle.

- V. Real estate, stock and life insurance gifts: Gifts of real estate pose a number of special and unique risks that other vehicles do not carry. Donors may simply gift real estate to FSW Foundation via bequest, but FSW Foundation will have the right to determine ultimately whether or not to accept the gift. This is especially true with a life estate gift, which comes with many risks. In general, assets that are gifted to FSW Foundation must not be encumbered by any debts or liens; the acceptance of the gift must not be so costly as to render the ultimate value of the gift worthless. In plain talk, the juice must be worth the squeeze; this decision will be made by the Vice President/Executive Director of the Foundation.

Gifts of life insurance should be made by beneficiary designation. FSW Foundation may consider being named the sole owner of a paid-up policy, but this decision again rests with the Vice President/Executive Director, and a determination of gift acceptance will be made on a case by case basis.

Gifts of privately held stock will be accepted on a case by case basis. FSW Foundation will seek to liquidate shares to cash as quickly as possible and reserve the right to select a broker and process the transaction in a manner free of conflicts of interest. Gifts of publicly traded stock will be sold by market order and liquidated to cash as quickly as possible in a manner free of conflicts of interest. In these and in all cases, the Vice President/Executive Director will guide the decision-making process to minimize risks and maximize value to both the donors and FSW Foundation.

- VI. In kind gifts: Gifts in kind of tangible property must be functionally related to the mission of FSW Foundation. Gift officers should first consult the department receiving and using the gift to learn of the intended use; the department must promise not to sell and to use the gift until it is worn out and destroyed. Next, gift officers should consult General Counsel and Vice President of Administrative Affairs for any special handling instructions or risk management considerations. Then, armed with the above information, the gift officer discusses the gift proposal of the donor with the Vice President/Executive Director of FSW Foundation for final approval/acceptance. Any gift the donor believes to be worth over \$5,000 requires a 3rd party independent appraisal, paid for by the donor.
- VII. Gift vehicles not mentioned: Gift vehicles not mentioned above would be considered rare and treated on a case by case basis. The Vice President/Executive Director will again guide the decision-making process.