



GIFT ACCEPTANCE POLICY

Chapman University
Orange, California

Part of Gift Policy Manual
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Gift Acceptance Policies

Donations to the University require varying levels of review prior to acceptance depending on the amount of risk presented by the gift. A summary below shows the level of approval needed for each class of gift. Gifts of any type not listed below must be treated as High Risk Gifts and submitted for approval. See the Glossary of Gift Terms and Policies by Gift Type ⁶ for explanation of each gift type named below.

The Gift Acceptance Committee (GAC) shall be comprised of the Chair, Board of Trustees; Chair, Investment Committee; Chair, Advancement Committee; EVP and Chief Operating Officer; and the EVP, University Advancement. The Chair of the Advancement Committee chairs the GAC.

1. Minimal Risk Gifts

a. Types of minimal risk gifts:

- Outright gifts of cash paid by cash, check or credit card.
- Pledges of cash valued at no more than \$100,000 and over five or fewer years. Gifts restricted to a particular purpose are documented on a Gift or Pledge Agreement, reviewed by the Associate Vice President of University Advancement and signed by the Executive Vice President of University Advancement.
- Publicly traded securities ^{8a & 8b}.
- Cash gifts from donor-advised or donor-directed funds.
- Personal property or artwork whose fair market value is \$25,000 or less.

b. Approval Procedure for Minimal Risk Gifts

- Gift Officers or Deans may accept any minimal risk gifts without approval and process them according to the Gift Processing Policies.
- Personal property or artwork require a Gift-in-Kind Valuation ⁹ form signed by the Associate Vice President of University Advancement. Gifts with a value of more than \$5,000 require a qualified appraisal (generally paid for by the donor) to establish gift value for the donor's record.

2. Moderate Risk Gifts

a. Types of moderate risk gifts:

- Pledges of more than \$100,000 or for longer than five years are documented on a Pledge Agreement reviewed by the Associate Vice President of University Advancement and signed by the Executive Vice President of University Advancement.
- Real property, especially residential, that is unlikely to be problematic; e.g., land use, environmental or zoning issues.
- Personal Property or artwork whose fair market value is \$25,000 - \$100,000

- Gifts from Individual Retirement Accounts. See Protecting Americans From Tax Hikes Act of 2015 (PATH Act). ¹²
- Bequests or irrevocable estate gifts.

b. Approval Procedure for Moderate Risk Gifts

- The Executive Vice President of University Advancement may request attorney review of gift terms prior to accepting any questionable gift.
- Real property gifts are evaluated by the Real Estate Review and Acceptance ¹⁶ form. The process is managed by the Director of Property Management and Real Estate.
- Personal property or artwork require a Gift-in-Kind ⁹ form signed by the Executive Vice President of University Advancement. Gifts with a value of more than \$5,000 require a qualified appraisal (generally paid for by the donor) to be added to Chapman's assets and be tax deductible to the donor.

3. High-Risk Gifts ¹⁵

a. Types of High-Risk Gifts

- All gifts of real property, whether outright, bequest, bargain sale or in CRT that have a likelihood of being problematic: environmental; land use, etc.
- Gifts of personal property or artwork with FMV exceeding \$100,000
- Closely held securities, S-Corp stock, interests in limited liability companies or partnership interests and restricted stock.
- Life insurance
- Life estates
- All pledges with non-standard contingencies or requirements
- Oil, gas or mineral rights or interests
- Copyrights, patents or other intellectual property ownership or licenses
- Items that are unusual or of questionable value

b. Approval Procedures for High Risk Gifts

Proposed gifts are evaluated on a High Risk Gift Review and Acceptance ¹⁵ form which must be approved before further action is taken.

- The Gift Acceptance Committee may request review by counsel for certain types of high risk gifts, particularly conditional pledges, donations of oil, gas or mineral rights and interests and donations of interest or licenses for intellectual property.
- Depending on the type of real property, the Executive Vice President / Chief Operating Officer may require an environmental impact study, property inspection or other necessary assessment. The review and process are managed by the Director of Property Management and Real Estate who completes the Real Estate Review and Acceptance ¹⁶ form.
- All documentation, including legal counsel opinions and high risk reviews shall be kept in the donor's file.

4. Gifts of Artwork to Named Collections

Gifts of art are subject to review and recommendation by Advancement's curatorial staff for compatibility and suitability for addition to the named collections. In addition to a Gift-In-Kind Valuation ⁹, the Deed of Gift ^{11a} is required for all and the Disclosure Letter ^{11a} for artwork valued at \$5,000 or more. The curatorial department has a strict protocol for accessioning artwork, Registration of Art ^{11b}.

5. Services and Partial Interests

Because a charitable gift involves the transfer of ownership of an asset, a gift of services is not a deductible gift. If the service also involves the donation of tangible items, that portion may be considered charitable. Partial interests, such as the use of a vacation home, are not charitable gifts for the same reason.

6. Intellectual Property

The gift of intellectual property must be vetted with Chapman's Office of Legal Affairs.

7. Unacceptable Gifts

Chapman University will not accept some assets as gifts. In special circumstances and after review according to the high-risk gift review procedure, the Gift Acceptance Committee and the President may decide to accept these types of gifts:

- Used automobiles
- Trailer or mobile homes
- Time share interests
- Boats
- Livestock
- General partnership interests
- Other gifts as the Gift Acceptance Committee may deem inappropriate