

GIFT ACCEPTANCE POLICIES

of the

POTSDAM COLLEGE FOUNDATION, INC.

**STATE UNIVERSITY OF NEW YORK
AT POTSDAM
44 PIERREPONT AVENUE
POTSDAM, NEW YORK 13676**

**Reviewed, amended and accepted by the Potsdam College Foundation Board
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The Potsdam College Foundation, Inc. (hereinafter “Foundation”) is an independent 501(c)(3) that accepts and manages gifts on behalf of SUNY Potsdam. To protect the interests of the Foundation and the persons and other entities who support its programs, these policies are designed to ensure that all gifts to, or for the use of, the Foundation are structured to provide maximum benefits to both parties.

This document will focus on both current and deferred gifts, with special emphasis on various types of deferred gifts and gifts of non-cash property. The policies in this document are defined in accordance with the standards outlined by the Council for the Advancement and Support of Education (CASE).

The goal is to encourage funding of the Foundation without encumbering the organization with gifts which may prove to generate more cost than benefit, or which are restricted in a manner which is not in keeping with the goals of the Foundation and the College.

In general, gifts are accepted at the discretion of the Executive Director of the Foundation. These policies are guidelines intended to allow the Foundation to respond quickly to gifts offered by prospective donors, but also recognizing that some gift situations can be complex, and decisions made only after careful consideration. Therefore, as provided in these policies, or at the discretion of the Executive Director, certain gifts may be directed to the Gift Acceptance Committee or another appropriate individual or group for review before a final decision by the Executive Director.

Normally, the Foundation does not accept gifts from local, state, or federal government agencies. The Foundation also does not accept grants or contracts from corporations or foundations to fund research projects that will result in “deliverables” back to the funding agency. These gifts are received and administered by the campus office of the Research Foundation for the State University of New York.

I. OUTRIGHT GIFTS

A. Cash

1. Gifts in the form of cash, checks and wire transfers shall be accepted regardless of amount unless, as in the case of all gifts, there is a question as to whether the donor has sufficient title to the assets or is mentally competent to legally transfer the funds as a gift to the Foundation. Gifts of foreign currency will be converted to US dollars before transfer.
2. All checks should be made payable to the “Potsdam College Foundation, Inc.” Gifts should not be made payable to an employee, agent or volunteer for the credit of the Foundation.
3. Employer matching gifts, qualified charitable distributions (QCDs) and gifts from donor-advised funds (DAFs) will be actively encouraged. These gifts may be used to fulfill pledges. Donors making gifts from DAFs and QCDs will receive an acknowledgement of funds transferred, not a tax receipt. Soft credit will be issued to the individual initiating a matching gift, a QCD gift or a gift from a DAF.

B. Publicly Traded Securities

1. No gift of securities shall be accepted that obligates the Foundation or the College to ownership of the securities.
2. Securities traded on public exchanges such as, but not limited to, the New York Stock Exchange (parent company: Intercontinental Exchange), NYSE American (AMEX), or Nasdaq Stock Market (NASDAQ), shall be accepted by the Foundation. Donors are asked to notify the Foundation of their intent to donate securities prior to transferring shares. It may be anticipated that such securities will be immediately sold by the Foundation. In no event shall an employee or volunteer working on behalf of the Foundation commit to a donor that a particular security will be held by the Foundation unless authorized to do so by the Gift Acceptance Committee.
3. Gifts of restricted stock may be accepted or denied by the Foundation after consultation of the Gift Acceptance Committee.

C. Closely Held Securities

1. Non-publicly traded securities may be accepted only after approval of the Gift Acceptance Committee.

2. Such securities may be subsequently disposed of only with the approval of the Gift Acceptance Committee.

D. Real Property

1. Gifts of residential and commercial real estate shall be accepted with approval of the Gift Acceptance Committee. No gift of real property shall be accepted that obligates the Foundation or the College to ownership of the property. The Foundation has the right to sell a gift of real property with approval of the Gift Acceptance Committee.
2. No gift of real estate shall be accepted without a qualified, independent appraisal by a qualified, independent appraiser who shall have no business or other relationship with the donor, but whose services will be paid for by the donor.
3. When deemed appropriate, the provision of independently conducted environmental studies may be required before acceptance of a gift of real property.
4. In general, residential real estate located outside the continental United States will not be accepted as a gift unless it appears to have a value in excess of \$100,000US and there is reason to believe it is highly marketable. The Gift Acceptance Committee may make exceptions to this policy if conditions warrant.
5. Real estate shall not be accepted to fund a charitable gift annuity or charitable remainder trust without seeking an opinion as to the permissibility of this action under the laws of the state or states involved and approval by the Gift Acceptance Committee.
6. Special attention shall be given to the receipt of real estate encumbered by a mortgage or income property that may give rise to unrelated business income for the Foundation.

E. Tangible Personal Property

1. The Foundation manages a large collection of artwork, and looks to strategically increase that collection over time. Gifts of artwork will first be reviewed by the Art Collections Committee. The Committee will then make a recommendation to the Gift Acceptance Committee for review and a final decision.

2. Generally, ownership title to gifts of equipment used in college programs will be transferred to the College after receipt of the gift. Such equipment shall be accepted only by the Gift Acceptance Committee.
3. No personal property shall be accepted that obligates the Foundation or the College to ownership. The Foundation has the right to sell a gift of personal property with the approval of the Gift Acceptance Committee. Absent the stated intent from a donor that a group of similar items be maintained as a collection, the gift may be treated as individual items for disposition purposes. No perishable property or property which will require special facilities or security to safeguard properly will be accepted without prior approval of the Gift Acceptance Committee. Donors will be encouraged to contribute resources so that special facilities or safeguarding needs may be met.
4. Notwithstanding the foregoing, if personal property, whether donated as a single item or a group of similar items has a value of \$5,000 or more, it may be accepted only after receipt and review by the Gift Acceptance Committee, of the Foundation's Gift In Kind Donor Intent Form (available from the College Office of Advancement), and proof of the item's fair market value consistent with IRS guidelines. Donations of appreciable assets such as art, vintage musical instruments, and other items which are added to the Foundation's capitalized Art Objects and Collections require a qualified, independent appraisal under terms of the IRS code governing gifts of property of this type. The donor will be expected to pay for the appraisal. However, at its discretion, the Gift Acceptance Committee can waive the donor's requirement to pay for the appraisal. Other non-cash gifts, such as equipment which is not capitalized but transferred to the college after receipt of the gift, may be accompanied by other documentation supporting its value. Examples of acceptable documentation would include an invoice for new items or a printed quote from an appropriate website for new and used items.
5. Gifts of personal property, valued at less than \$5,000, should be accompanied by the Foundation's Gift In Kind Form (available from the College Office of Advancement) that includes, among other information, a detailed list of the items, the value of each and the signature of the campus recipient (verifying receipt, location and value of gift).
6. Only the Gift Acceptance Committee may represent to a donor that property will or will not be held by the Foundation for a requisite period of time or for purposes related to its tax-exempt status. Donors should be notified at the time of receipt of a gift that the Foundation will, as a matter of corporate policy, cooperate fully in all matters related to IRS investigations of non-cash charitable gifts.

F. Life Insurance

1. Life insurance policies that have a cash value may be effective gifts for immediate use. Gifts of life insurance where the Foundation is named owner and beneficiary will be accepted. The policy will be immediately surrendered for its cash value. Life insurance gifts will be accepted only by action of the Gift Acceptance Committee.

G. Other Property

1. Other property of any description including mortgages, notes, copyrights, royalties, easements, and cryptocurrencies, whether real or personal, shall be accepted only by action of the Gift Acceptance Committee.
2. Savings bonds will be encouraged as an outright gift only under special circumstances. Since savings bonds may not be transferred to the Foundation, the donor must redeem the bonds and recognize any accrued dividend income before the resulting cash may be donated.

H. \$1 Million Gifts

1. Gifts of cash or personal property of value in excess of \$1 million will require authorization from the SUNY Chancellor, or designee.

II. DEFERRED GIFTS

Deferred gifts are those gifts generally realized and available for use by SUNY Potsdam when a donor's estate is settled. Oftentimes these gifts are restricted by the donor to certain purposes at the College. In other cases these gifts come to the College for unrestricted use. When a realized gift is for unrestricted use, 50% of the total gift will be added to the Third Century Endowment and 50% of the gift will be available for immediate use as determined by the President of the College.

A. Bequests

1. Gifts through wills, living trusts, and donor-advised fund remainders shall be actively encouraged by the Foundation.
2. In the event of inquiry, the acceptance of a bequest shall be made in accordance with the terms and provisions of Section I of this document.
3. Gifts from the estates of deceased donors consisting of property which is not acceptable shall be rejected only by action of the Gift Acceptance Committee.

The legal counsel of the Foundation shall expeditiously communicate the decision of the Gift Acceptance Committee to the legal representatives of the estate. If there is any indication that the representatives of the estate or any family member of the deceased is dissatisfied with the decision of the Gift Acceptance Committee, this fact shall be communicated to the Gift Acceptance Committee or to the appropriate member of the development staff as quickly as possible.

4. Attempts shall be made to discover bequest expectancies wherever possible to ensure that the wishes of the donor may be met and that the benefits of the gift are maximized for both the donor and the College. Where possible, intended bequests of property other than cash or marketable securities should be brought to the attention of the Gift Acceptance Committee and every attempt be made to encourage the donor involved to conform his or her plans to the Foundation's policy.

B. Income in Respect to a Decedent (IRD)

1. Gifts of IRD, including retirement plans and accrued interest on savings bonds, will be actively encouraged by the Foundation as potentially more tax-efficient alternatives to bequests for estate gifts to the College.

C. Charitable Gift Annuities

1. No gift annuity, including immediate payment and deferred gift annuities, shall be accepted which names an income beneficiary under 60 years of age at the time the annuity begins making a payout without prior approval of the Gift Acceptance Committee.
2. Annuity agreements may be written for one or two lives only.
3. The minimum contribution to fund a first gift annuity shall be \$10,000. Additional gift annuities may be funded for a minimum of \$5,000. Exceptions may be made only in consultation with the Gift Acceptance Committee.
4. The Foundation must abide by New York State laws governing the issuance and management of charitable gift annuities as well as laws that govern annuities issued for individuals living outside New York State.
5. In accordance with New York State law, the Foundation shall file for a permit from the State Insurance Department once annuity pool reaches the required amount.

6. The minimum gift annuity pool reserve will be maintained in accordance with New York State law. Any individual annuity funds in excess of this minimum reserve pool requirement will remain in the pool until such time that the individual annuity terminates.
7. Charitable gift annuities shall be encouraged as a method of making gifts to the Foundation while generating income for the donor. Gift annuities shall not be blatantly marketed as tax avoidance devices or as investment vehicles, as it is understood such activity may violate federal and/or state securities regulations.

D. Life Insurance

1. The Foundation will encourage donors to name the Foundation to receive all or a portion of the death benefit of whole-life and other similar insurance policies which they have purchased on their lives. The Foundation may be named owner and/or beneficiary of these policies that are paid-up or have remaining premium payments due. While the Foundation cannot be obligated to make any future premium payments if it is named owner of a policy, the donor may wish to make future gifts equal to premium payments. If the donors elects at some point to stop making gifts equal to premium payments, the Foundation may:
 - a) Continue to pay the premiums,
 - b) Convert the policy to paid up insurance, or
 - c) Surrender the policy for its current value.
2. The Foundation will not, however, as a matter of course agree to accept gifts from donors for the purpose of purchasing life insurance on the donor's life. Exceptions to this policy will be made only after researching relevant state laws to assure that the Foundation has an insurable interest under applicable state law.
3. No insurance products may be endorsed for use in funding gifts to the Foundation without approval from the Gift Acceptance Committee.
4. In no event shall lists of Foundation donors be furnished to anyone for the purpose of marketing life insurance for the benefit of donors and/or the Foundation. This policy is based on the fact that this practice represents a potential conflict of interest, may cause donor relations problems, and may subject the Foundation to state insurance regulation should the activity be construed as involvement in the marketing of life insurance.

E. Retained Life Estates

1. Donors shall be encouraged to make gifts of real property to the Foundation in exchange for a life estate agreement. Careful consideration will be given to circumstances in which the donor maintains a life interest in, and a responsibility to maintain, the property. Each party will be responsible for its fees to create a retained life estate agreement.
2. This policy is based on the fact that such transfers may not be in the best interest of the donor involved, and there is potential for negative publicity for the Foundation should a donor need to sell the property to generate funds, only to find that no portion of the proceeds would be available to the donor.
3. Such gifts may be accepted by approval of the Gift Acceptance Committee in situations where the asset involved appears to be a minor portion of the donor's wealth, and the committee is satisfied that there has been full disclosure to the donor of the possible future ramifications of the transaction.
4. When deemed appropriate, the provision of independently conducted environmental studies may be required before the creation of a life estate agreement.

F. Charitable Remainder Trusts

1. The Executive Director of the Potsdam College Foundation will serve as sole or co-trustee of a charitable remainder trust, including annuity and unitrusts, for the benefit of the institution only after consultation with the donor and the donor's advisors. Generally, the Foundation will be named sole, irrevocable remainderman for these trusts. Sole trustee agreements must be approved by the Gift Acceptance Committee. The Foundation may also serve as co-trustee for a charitable remainder trust. Generally, the Foundation will be listed as an irrevocable remainderman of at least 50%.
2. Charitable Remainder Trusts may be created for one or two lives, each at least 60 years old at the time of funding of the trust. Any exceptions to number of lives or ages must be approved by the Gift Acceptance Committee. In accordance with federal law, trust annual payouts will be no lower than 5%. Payout rates higher than 5% must be approved by the Gift Acceptance Committee. Generally, the minimum amount required to fund a trust is \$100,000. Any exceptions must be approved by the Gift Acceptance Committee.
3. The Investment and Finance Committee of the Foundation will identify and select a corporate fiduciary to manage trust assets.

4. Each party will be responsible for its fees to create a charitable remainder trust. The fees for management of a charitable remainder trust will be paid by the trust.
5. The Gift Acceptance Committee and other employees and volunteers acting on behalf of the Foundation should become familiar with the types of property generally accepted by a corporate fiduciary as suitable contributions to charitable remainder trusts and employees or others acting on behalf of the Foundation shall not encourage donors to make gifts of any property to charitable remainder trusts which are not in keeping with such guidelines.
6. No representations shall be made by any employee or other persons acting on behalf of the Foundation as to the manner in which charitable remainder trust assets will be managed or invested by a corporate fiduciary without the prior approval by the fiduciary and the Investment and Finance Committee.
7. Charitable remainder trusts shall be encouraged as a method of making gifts to the Foundation while generating income for the donor. Such trusts shall not be blatantly marketed as tax avoidance devices or as investment vehicles, as it is understood such activity may violate federal and/or state securities regulations.

G. Pooled Income Fund

1. It is understood that the Foundation may at some future time choose to establish a pooled income fund, a gifting device established by Congress under the terms of Section 642 of the Internal Revenue Code and regulations promulgated hereunder.
2. A corporate fiduciary may be selected to manage the fund.
3. Administrative fees for managing the pooled fund will be paid from Fund assets.
4. In general, no income beneficiary in the fund may be less than 60 years of age without prior approval of the gift acceptance committee.
5. There shall be no more than two income beneficiaries allowed in each Fund Agreement.
6. The minimum initial contribution to the fund shall be established prior to the creation of the pooled income fund.
7. The minimum additional contribution to the fund shall be established prior to the creation of the fund.

8. The corporate fiduciary shall furnish guidelines governing the acceptance of property other than cash as contributions to the Foundation's Pooled Income Fund. Such guidelines shall be adopted by the Gift Acceptance Committee and shall be incorporated by reference in these gift acceptance policies.
9. The Pooled Life Income Fund shall be encouraged as a method of making gifts to the Foundation while generating income for the donor. The Fund shall not be blatantly marketed as a tax avoidance device or as an investment vehicle, as it is understood such activity may violate federal and/or state securities regulations.

III. PAYMENT OF FEES RELATED TO GIFTS TO THE FOUNDATION

A. Finder's Fees or Commissions

1. In general, the Foundation will pay no fee to any person as consideration for directing a gift to the Foundation. It is understood that such fees may or may not be legal and that in the case of irrevocable deferred gifts which involve management of assets, the payment of such fees may subject the Foundation and its management and Trustees to federal and state security regulation.
2. In no event whatsoever will a commission or finder's fee of any type be paid to any party in connection with the completion of a gift to the Foundation without prior written approval of the Gift Acceptance Committee and subsequent written notification to the donor involved of the amount and recipients of any such fee.

B. Professional Fees

1. The Foundation will pay reasonable fees for professional services rendered on its behalf in connection with the completion of a gift to the Foundation. Such fees will be paid only with prior written approval of the Gift Acceptance Committee.
2. It is expected that donors will pay any fees they incur in connection with the completion of their gift. Any exceptions to this must be made by the Gift Acceptance Committee.
3. Fees shall be reasonable, and directly related to the completion of a gift. They shall be limited to appraisal fees by qualified, independent appraisers who are competent and qualified to appraise the property involved and who have no conflict of interest, legal fees for the preparation of documents, accounting fees incident to the transaction, and fees of "fee for service" financial

planners. Generally, these fees will be paid by the donor. In the case of financial planners, such persons must have in writing that they are compensated only through fees for services rendered and that they are not compensated for the sale of products to clients. This distinction is vital in avoiding the payment of commissions which could be construed as triggering securities regulation.

4. In the case of legal, accounting and other professional fees, an attempt shall be made by the Gift Acceptance Committee to ascertain the reasonableness of these fees prior to payment. An hourly breakdown of time should be requested. In cases which appear excessive, the summary of fees shall be submitted to the Foundation's corporate counsel for review and approval prior to payment.
5. In cases where the persons receiving fees were initially employed by the donor and the Foundation is asked to pay the fees involved, the donor shall be notified that the payment of such fees may result in taxable income to the donor in the amount of the fees paid.
6. In situations where advisors retained by the Foundation prepare documents or render advice in any form to the Foundation and/or a donor to the Foundation, it shall be disclosed to the donor that the professional involved is in the employ of the Foundation and is not acting on behalf of the donor and that any documents or other advice rendered in the course of the relationship between the Foundation and the donor should be reviewed by counsel for the donor prior to completion of the gift.

IV. ENDOWMENTS

A. Endowment Restrictions

1. Endowments are managed in accordance with the distribution policy of the Foundation's Investment Policy. This distribution policy is subject to change by action of the Board of Trustees. It is intended that all distributed income be spent each year.

B. Types of Endowments

Endowments may be established to fund any of the priorities of SUNY Potsdam as long as they adhere to accepted fund raising practice and serve the mission of the College. "Accepted fund raising practice" shall be defined as the standards outlined by the Council for the Advancement and Support of Education (CASE). The minimum amount to establish any endowment is \$25,000.00.

Examples of endowments include:

1. Scholarship Endowments

The Foundation will actively encourage gifts from individuals and/or organizations wishing to endow student scholarships. The minimum amount to create an endowment for a named scholarship shall be \$25,000.00.

2. Program Endowments

The Foundation will actively encourage gifts from individuals and/or organizations wishing to endow funds to support departments or operations officially recognized by the College. The minimum amount to create an endowment for a named fund shall be \$25,000.00.

3. Professional Positions

The Foundation will actively encourage gifts from individuals and/or organizations wishing to endow professorships, deanships, directorships and other senior level academic and/or administrative positions at SUNY Potsdam in accordance with the College's gift accounting policies. The minimum gift levels required to establish such endowments shall be designed to meet the needs of SUNY Potsdam while using the Chancellor's Guidelines for Naming Opportunities on campuses of the State of New York (attached hereto).

V. NAMING OPPORTUNITIES

1. Gifts will be encouraged to the Foundation from individuals and organizations wishing to name endowed funds or elements of the physical plant at SUNY Potsdam, or who may wish to underwrite the cost of capital construction for new facilities or renovations to existing facilities.
2. The Chancellor's Guidelines for Naming Opportunities on Campuses of the State University of New York should be followed.
3. The naming of physical spaces at SUNY Potsdam requires final approval of the SUNY Potsdam College Council and in some cases the State University of New York Board of Trustees. This procedure follows the policy and procedures established by SUNY Potsdam and the College Council and the State University of New York.

Donors are encouraged to work with the development staff early in the process of determining naming opportunities that will most closely match the donor's interests with the College's needs. Pledge payment schedules will be negotiated on a case-by-case basis; however, at least 50 percent of the donor's pledge must be received before a naming request is forwarded to the College Council or the State University of New York. Funds received to name physical spaces on the campus will be used at the President's discretion.

A list of naming guidelines shall be maintained in the College Advancement Office.

VI. AMENDMENTS AND NOTIFICATION

1. Notwithstanding anything in this policy, the Foundation reserves the right to decline with or without cause any proffered gift.
2. All gifts are made to the Foundation and are hereby deemed subject to this policy as it now exists or hereafter amended.
3. All policies listed herein are subject to change based on the current needs of the Foundation at the recommendation of the Gift Acceptance Committee and approval of the Foundation Board of Trustees.
4. Employees of the Foundation, Foundation Board of Trustees, volunteers and senior administrative staff at SUNY Potsdam shall be notified within 30 days of any material changes to these policies.

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