

COMPTROLLER POLICY MANUAL

	POLICY: CMP 303-01
	Section: 300 Deposits of University Funds
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	Responsible office: Comptroller
	Origination date: 01/01/2000
Subject: Gift Coordination Guidelines with Facility Services	Effective date: 07/19/2011
	Revision date: 01/29/2016

PURPOSE

This guideline is designed to establish a procedure that all NAU personnel must use as they pursue or solicit gifts-in-kind that affect Facility Services operations. The purpose in developing this is to assure a smooth transition for those gifts that the University wants to receive, and that Facility Services may be helpful in securing and placing into operation. The NAU Foundation is the only organization that accepts gifts and gifts-in-kind to the University. The NAU Foundation accepts gifts-in-kind under the following two conditions:

The first, and preferable, scenario is if the asset is available for sale. In this circumstance, the Foundation accepts the gift and then immediately puts it up for sale. In the case of land donations, the Foundation will conduct a level 1 environmental assessment before agreeing to accept the land donation.

The second scenario requires that the University expressly indicate that they want the gift, and then the Foundation would immediately deed the asset to the University upon successful completion of the following due diligence procedure.

SOURCE

University policy

BACKGROUND

On occasion, companies and individuals have good intentions in providing the University a gift opportunity. If the gift involves renovations, or some form of capital construction or design services, it is necessary to involve the Facility Services staff early on in the process. Some gifts, although well intentioned, may cost the University more than the value of the gift to install or operate. Consequently, it is prudent that all potential gifts involving Facility Services be evaluated thoroughly before the gifts are accepted.

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This procedure is intended to identify this process as follows:

1. When a potential donor contacts a University representative, or an NAU Foundation representative, or the NAU Foundation representative or the University representative contacts a potential donor for a potential gift, the NAU Vice President responsible for the gift must determine if the gift involves installation, or construction services.

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2. If the NAU Vice President determines that the gift involves the need of Facility Services, they should contact the Facility Services Chief Facilities Officer or her/his designee before accepting the gift and provide the Department with the following, but not limited to, minimum information:

- a) Written description of the gift, size, capacity, special design considerations, etc.;
- b) Any specifications of the gift that would affect installation or operation;
- c) Insurance considerations, special or standard;
- d) Funding source to pay for the expenses necessary for the gift to provide value to the University;
- e) The NAU Vice President must provide a written summary as to how the gift furthers NAU's mission or goals of a specific program or project;
- f) Written description of the condition of the gift, for example, if it is a vehicle how many miles on the odometer and the condition of the vehicle, if it is a boiler or chiller, how many hours of operation did it endure before it would be gifted to the University Foundation, if it is a new piece of equipment, what additional parts or equipment must be purchased before the gift may provide value to the University, etc.;
- g) Any special conditions, for example, the piece of equipment is located out of State and decommissioning, disassembly, transportation, and re-assembly costs must be incurred in order for it to be delivered to and used by the University;
- h) Information concerning the donor's ability to provide insurance or a summary of the insurance coverage required by the donor that the university would be responsible to provide;
- i) Any analysis of the life cycle costs of the gifted equipment, (Note: if none exists, the NAU Vice President must contact Facility Services for this analysis before the gift may be accepted); and
- j) Often times the manufacturer may gift the piece of equipment but not alert the University representative to the need to contract with the donor for ongoing operation costs, or maintenance agreements. The cost of the maintenance may exceed the value of the gift. Consequently, the NAU Vice President must inquire of the donor of all ongoing operation costs and involve Facility Services in the analysis of these ongoing costs as well to assure that no procurement codes or regulations will be violated by acceptance of the gift and the ultimate exercise of the maintenance contract.

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3. The timing of construction is also critical for gifts consideration. If the project construction is underway, some gifts, although well meaning, may impact the construction schedule or project costs substantially. Under these circumstances, Facility Services will need to make the decision as to the true value of the gift in relation to the costs and disruption. If the project timing is critical to be available by a certain date and the gift is too disruptive, then the gift should be refused. This will be a delicate issue as the University does not wish to offend the donor so the NAU Vice President and the NAU Foundation representative should discuss before any gift is declined or accepted.

4. Facility Services will assist the NAU Vice President in evaluating the gift if the following information is not available from the potential donor:

- a) Budget for the installation;
- b) Budget for the operating costs, to include staffing requirements; and
- c) Life Cycle costs estimates.

5. After this information has been assembled or provided, the potential donation should be presented to the responsible NAU Vice President ;

6. A memorandum of understanding (MOU) should be drafted identifying the departments and accounts that will be committed to cover any costs of installation, operating and staffing costs, etc. The responsible Vice President must sign off on this MOU; and

7. Finally, the last step is to have the potential donation/project presented to the University administration. The benefitting Vice President and NAU Foundation representative will have the responsibility of presenting the project to the VPs and the President for final approval. If the project is approved and requires Facility Services assistance, then the NAU Vice President must complete the insurance requirements through Purchasing Services, and a project initiation form through Facility Services.