

GIFT ACCEPTANCE, COUNTING AND REPORTING POLICY

I. GIFT ACCEPTANCE POLICY

Gifts acceptance, counting, and reporting by the Northern Arizona University Foundation (“NAU Foundation”) are subject to the following policy and are recorded in the NAU Foundation’s database in accordance with the standards set forth by the Council for Advancement and Support of Education (CASE). NAU Foundation gifts acceptance procedures and processes are set forth in the Northern Arizona University (“NAU”) Comptroller Policy Manual (CMP 303) and available in this policy’s appendices.

This policy:

1. Provides guidance to all NAU representatives involved in fundraising, as well as prospective donors and their advisors regarding the conditions whereby philanthropic gifts are accepted;
2. Ensures all gifts accepted by NAUF will help further and fulfill its mission, priorities, and values and comply with IRS regulations and state and federal law; and
3. Prevents acceptance of gifts that may expose NAU to liabilities or overly burdensome restrictions.

Private support through gifts is essential in advancing NAU’s teaching, research, and public service mission and strategic initiatives. Private support is most useful when it is flexible, where sufficient freedom is permitted to meet changing conditions at NAU, while still meeting the general goals of the donor. The NAU Foundation will make every effort to accommodate and accept all charitable contributions from donors. However, it will not accept gifts that:

- Violate the terms of this policy;
- Violate a federal, state, or other law;
- Are too difficult or expensive to administer;
- Could create unacceptable liability or cause NAU to incur future unanticipated or anticipated expenses;
- Are for purposes that do not further NAU’s mission;
- Could damage the reputation of the NAU;
- Would jeopardize the NAU Foundation’s tax-exempt status; and/ or
- Provide a donor with goods or services of financial value in exchange for the donor’s gift unless such value is fully disclosed in the time and manner as required under federal and state law and regulations.

A. What is a Gift?

A gift is defined as a voluntary transfer of assets from a person or an organization to the NAU where no goods or services are expected, implied, or forthcoming in return to the donor. A “Gift” includes outright gifts, endowments, complex gifts, and planned/deferred gifts made to NAU in furtherance of its charitable, educational, research, and service purposes. A charitable support application is any proposal or request to an individual, corporation, foundation, or non-profit

organization that meets the definition of a sponsored project (i.e., proposals including a specific statement of work, detailed budget, and research work led by a Principal Investigator) but is charitable in intent. Gifts usually take the form of cash, securities, real property, or personal property. The following criteria generally identify a gift:

1. Gifts are motivated by philanthropic intent.
2. Gifts are transfers of assets to the NAU's control.
3. NAU is not obliged to return unexpended funds.
4. Gifts are not generally subject to an exchange of consideration or other contractual duties between NAU and the donor, except for certain planned gifts as outlined in this policy, although objectives may be stated, and funds may be restricted to specific purposes.
5. purposes.
6. The donor may make a restricted-use gift by designating a specific purpose. The donor may also designate a gift for unrestricted use by NAU or a particular college, school, department, or unit.
7. In most cases, funds received from individuals, closely held corporations, and family foundations will be classified as gifts. Funding from private, non-government sources such as foundations, corporations, and corporate foundations that do not include a direct benefit for the resource provider related to the dollar amount is considered a "gift", although a private funder may refer to the contribution as a "grant." No contractual requirements are imposed; however, the contribution may involve a gift agreement that outlines the funds for a stated and restricted purpose.¹ The donor receives no value, or only nominal value, in exchange for the support provided.

B. Gift Review and Acceptance – Authorized Agents

The NAU Foundation Board of Directors authorizes the NAU Foundation, including any advisor or outside counsel necessary, to follow the NAU Foundation's policies and negotiate the establishment and terms of the gift as previously defined.

The NAU President and their delegates have the authority to negotiate on behalf of the NAU Foundation acceptable outright gifts. Gifts negotiated by the delegates must be in agreement with this policy. Any proposed gifts that are not addressed within this policy must be brought to the NAU Foundation Board of Directors prior to acceptance at the discretion of the Chair and Vice Chair

C. Use of Legal Counsel and Other Professional Qualified Experts

The NAU Foundation shall seek the advice of legal counsel and other professional qualified experts in matters relating to acceptance of gifts when appropriate. Such matters may include:

1. Gifts of closely held stock that are subject to restrictions, buy-sell agreements or other arrangements that limit the marketability of the securities.
2. Gifts of business and partnership interests.
3. Gifts governed by contracts, trusts or other legal documents.
4. Gifts involving bargain sales or documents requiring the NAU Foundation to take or refrain from taking some action or assume an obligation.
5. Gifts with potential conflicts of interest that may not be in the best interest of NAU or that may invoke IRS or other legal sanctions.
6. Gifts of real property or interest therein, including mineral rights.
7. Planned gifts, such as testamentary funded, life insurance, annuities and retirement plans.

¹ NAU Foundation is guided by standards set forth by the Council for Advancement and Support of Education (CASE) when questions of whether a particular transfer of assets counts as a gift.

D. Gift Restrictions

The NAU Foundation is legally obligated to adhere to the terms and conditions of each gift. For this reason, gift terms must be considered with the utmost care to be sure they are feasible, do not unduly hamper the usefulness and desirability of the gift, and are in conformity with NAU Foundation and NAU's policy. It is the responsibility of the NAU Foundation Relationship Manager and/or NAU's designated fund administrators to present gifts with unique restrictions to NAUF CEO for review. NAU's designated fund administrators are responsible for ensuring that donor intent is met.

Gifts may not be controlled by a donor, nor may a donor personally benefit from a gift nor have a role in influencing expenditures. Only with concurrence from NAU, donors may restrict gifts for a particular use or discipline, or to benefit one or more colleges/schools/programs, but may not control how the gift funds are awarded, spent, or invested.

NAU and the NAU Foundation will not accept gifts directed toward a particular individual (e.g. specific faculty member), particular research result, or point of view. This ensures the tax deductibility of charitable gifts and maintains compliance with applicable laws and ethical standards.

E. Right to Refuse or Rescind Gifts Due to Material Risk

NAU and/or the NAU Foundation, in its sole discretion, reserves the right to decline any proposed gift or rescind acceptance of any gift that presents a current or potential material risk including those that may cause harm to or may adversely affect the reputation or public image of NAU. Please see the Naming Policy, Criteria, and Procedures for Naming of Facilities, Programmatic Units, and Funds for Individuals and Organizations (Naming Policy) regarding the revocation of naming.

F. General Principles

This gift acceptance policy shall be interpreted in light of the following principles:

1. Donor Rights and Interest: A gift will be considered for acceptance when in the mutual best interest of the donor and the NAU and NAU Foundation. A determination of the donor's "interest" will include, but not be limited to, the donor's financial situation and philanthropic interest, as well as any tax, liabilities or other legal matters revealed while planning for a gift. The NAU Foundation adheres to the most current accepted version of the [Donor Bill of Rights](#).
2. Finder's Fee: The NAU Foundation will not pay a finder's fee or commission for any gift in exchange for securing said gift.
3. Donor Responsibility: Donors are responsible for ensuring that proposed gifts further their own personal charitable, financial and estate planning goals. Each donor is urged to seek the advice of independent legal, tax, or financial counsel in the gift planning process. It is not within the province of the NAU Foundation or its staff to give legal, accounting, tax, or other advice to prospective donors.
4. Integrity and Independence: The NAU Foundation values and will protect its integrity and independence. Gifts should not compromise NAU or the NAU Foundation with restrictions or conditions that may expose either party to adverse publicity, provide the appearance of impropriety, or result in real or perceived conflicts of interest or commitment.
5. University Benefit: A gift will be considered for acceptance by the NAU Foundation if there is a reasonable expectation that acceptance of the gift ultimately will benefit NAU. Gifts must be flexible to ensure sustainable use. Some of the factors that may be considered include but are not limited to the capacity of NAU to utilize the gift; is the gift too restrictive for the purpose; whether the gift has unexpected responsibilities, liabilities, or restrictions because of the source, conditions or purposes; and are there costs or obligations that NAU or the NAU Foundation may incur by accepting the gift.

6. **Compliance:** The NAU Foundation will adhere to federal, state, and/or local laws and regulations. Specifically, the NAU Foundation will comply with the Internal Revenue Service Code and its regulations, as well as the State of Arizona law relating to charitable organizations and not-for-profit corporations, particularly the Management of Charitable Funds Act. The NAU Foundation cannot accept gifts that: a) may contravene the NAU Foundation's status as a charitable 501(c)(3) not-for-profit organization; b) violate the NAU Foundation's charter, mission, and/or planning; or c) result in the misapplication of State funds.
7. **Industry Standards and Regulatory Compliance:** The NAU Foundation's policies are consistent with guidelines established by industry organizations such as the Financial Accounting Standards Board (FASB), the Council for the Advancement and Support of Education (CASE), the National Committee on Planned Giving (NCPG) and the Association of Fundraising Professionals (AFP).
8. **Confidential Information:** All information obtained from or about donors or prospects shall be held in the strictest confidence by the NAU Foundation in accordance with the NAU Foundation's Confidentiality Policy. The NAU Foundation will respect donor wishes as outlined in the gift agreement regarding publication of information or other forms of recognition.
9. **Naming Policy:** Please see the Naming Policy for information regarding naming gifts.

G. Gift Documenting, Receipting and Acknowledgement

All Gifts to NAU should be directed through the NAU Foundation for recording to the appropriate fund(s). All deposits submitted to the NAU Foundation for processing must be supported by accurate representations and original documentation to clearly identify the true business nature. An IRS acceptable gift receipt is sent to the donor upon gift acceptance. Refer to Appendix A regarding procedures for recording gift documenting, receipting and acknowledgement.

II. GIFT ACCEPTANCE GUIDELINES

A. Cash and Cash Equivalents

Cash and cash equivalent gifts are accepted by the NAU Foundation in the form of currency, money orders, checks, wire transfers, ACH, and credit/debit card charges. Checks should be made payable to "NAU Foundation". The NAU Foundation currently accepts most credit cards online, through a secured website, by third party processors, by telephone, or through the US postal service. The NAU Foundation also receives cash contributions through payroll deduction.

B. Foreign Currency

The NAU Foundation may accept foreign currency and securities. The gift will be recorded in US currency based on the exchange rate the day the gift is deposited.

C. Cryptocurrency

The NAU Foundation may accept gifts of cryptocurrencies from donors who purchased and/or received cryptocurrencies from trustworthy crypto exchanges. Once the cryptocurrency is received it will be expeditiously converted into U.S. dollars by the NAU Foundation's cryptocurrency third party processor. The resulting cash will then be expeditiously transferred to the NAU Foundation by the third-party processor and deposited in the appropriate unrestricted or restricted account according to the wishes of the donor. For donor receipts, the gift's value will be equal to the fair market value of the donated cryptocurrency. The fair market value generally should be equal to the spot price at the time of the donation. If the donor is claiming a charitable contribution deduction for donations of cryptocurrencies totaling over \$5,000, additional appraisal requirements generally will apply. If the transaction is facilitated by a cryptocurrency exchange, the IRS permits taxpayers to rely on the amount recorded by the exchange.

D. Securities

Publicly Traded Securities: Publicly traded securities (e.g. stocks, bonds, Exchange Traded Funds and mutual funds) are securities regularly traded on the New York, NASDAQ, and American Stock Exchanges. Publicly traded securities which have appreciated in value are common charitable gifts as they allow the donor to make a significant tax favored gift. Stock is valued at the mean of the high and low price of the security on the date of the transfer of ownership to the NAU Foundation multiplied by the number of shares donated.

E. Donor Advised Funds

The NAU Foundation may accept gifts of Donor Advised Funds. Working with the donor, the NAU Foundation will ensure that the donor is explicitly aware of restrictions placed upon the distribution.

A donor may recommend that the donor's Donor Advised Fund make a donation to the NAU Foundation from funds the donor has given to the Donor Advised Fund. When a donor makes a donation to the NAU Foundation in this manner, no tax receipt will be issued to the original donor; the donor will receive his or her income tax deduction from the Donor Advised Fund.

F. Other Potential Types of Donations

Should the NAU Foundation be offered a donation that is not of the type currently approved, the NAUF CEO will make an initial assessment of whether it might be considered by the NAU Foundation. If the NAUF CEO determines that further examination and analysis are required, they will advise the NAU Foundation Board Chair and Vice Chair about the donation. The NAU Foundation Board Chair and Vice Chair will deliver a recommendation to the NAUF CEO for further action and analysis by the Relationship Manager and/or the OPG.

G. Gifts-in-Kind (Gifts of Tangible Personal Property)

A gift of tangible personal property such as equipment, art objects, furniture, instruments, books, valuable papers, etc., may be accepted on behalf of NAU by the NAU Foundation provided that:

1. Such a gift is consistent with the mission of NAU, or may be liquidated and the proceeds used by the NAU Foundation;
2. Acceptance of such a gift will not involve significant additional expense in its present or future use, display, maintenance, or administration; and
3. No financial or other burdensome obligation or risk or expense is or will be directly or indirectly incurred by the NAU Foundation in the process of accepting the gift.

The receipt and acceptance of gifts of tangible personal property by Vice Presidents, Deans, Directors, and other authorized NAU faculty/staff shall be reported in detail promptly to the NAU Foundation for confirmation and formal acceptance. Unless otherwise specified as a condition of the gift, the NAU Foundation, in assuring that the donor's intent for the gift is honored, is empowered to retain the gift of property, turn it over to NAU, or liquidate it.

For income tax purposes, it is the responsibility of the donor to determine the fair market value of the gift. The donor should be advised that they must complete IRS form 8283 if their total tax deductible gift exceeds \$5,000 in a given year. The donor will also be advised that a "qualified appraisal" is required for a single non-cash gift over \$5,000 in order to complete IRS form 8283. The appropriate administrator will sign the IRS form acknowledging receipt (not value) of the gift. Please consult IRS regulations for updates.

H. Requirements for Accepting Gifts-in-Kind

Before any such gift-in-kind will be received by the NAU Foundation, the following will be determined:

1. The accepting college, school, department, program, or unit at NAU must declare that the gift-in-kind will be useful to meet its stated objectives and goals.
2. A gift-in-kind for payment of expenses for an NAU sponsored event must demonstrate that the department would have paid for the expenses of the event had they not been donated. Gifts involving the payment of expenses must be substantiated by both the event receipts and payment documentation to prove who actually paid for the expenses (canceled check or credit card statement). The payment documentation is required to ensure the tax receipt is issued to the proper person.
3. The donor must make provisions for a qualified appraisal which will enable the donor to claim a tax deduction.
4. Arrangements must be made in advance to transport, store, ship or deliver the gift-in-kind to NAU and provisions would be the donor's responsibility.
5. Arrangements must be made in advance for space to house the gift-in-kind at NAU.
6. Provisions must be made in advance for installation costs, if any, for the gift-in-kind at NAU.
7. Arrangements must be made in advance for insurance coverage, if any, for gift-in-kind during shipping and when housed at NAU.
8. Arrangements for maintenance costs, if any, for the gift-in-kind must be coordinated and documented between NAU Foundation and the Donor in advance.
9. Determination must be made if there is any liability associated with receiving the gift-in-kind by the NAU Foundation.
10. Final determination regarding acceptance of any gift-in-kind will be made by the NAU Foundation.
11. The donor will be notified of the NAU Foundation's intent to maintain or dispose of the property.
12. All real estate gifts offered to the NAU Foundation are made subject to Sections M, N and O below and will be reviewed by the NAUF CEO and presented to the NAU Foundation Board Chair and Vice Chair with the recommendation to accept, reject, or refer to NAU.

Refer also to NAU's CMP 303 Gifts Coordination Guidelines with Facility Services and NAU Foundation's Naming Policy. Refer to Appendix B regarding procedures for recording gifts-in-kind.

I. Gifts of Works of Art

Gifts of works of art may be accepted by the NAU Foundation. The Museum must declare that the gift will be useful to meet its stated objectives and goals. In addition to the noted policies, requirements and procedures (Appendix B) on gifts-in-kind, the NAU Foundation, in accepting works of art, will adhere to the following two-tier approach:

1. Works of high quality, individually or in whole collections, may be given to and may be accessioned by the NAU Art Museums, the official collector and keeper of important works of art for NAU. To be "accessioned" indicates NAU's commitment to care for and to use the work for Museum purposes. Art accepted by the Museum must be approved by the Museum Administrator prior to acceptance and, if appropriate, by the NAU Art Museums' Acquisitions Selection Committee. The principal criteria for acceptance, besides quality, are condition, ownership, authenticity, and relatedness to the purpose and collections of the Museum. In addition, the following criteria must be met:
 - a. Generally, it must be unencumbered by any restrictions as to use, attribution, exhibition, and disposal. The Museum will, however, honor the donor's wishes regarding recognition and align with the NAU Foundation's Naming Policy.
 - b. Works of Art not offered by the Artist/Creator should also be accompanied by a recent qualified appraisal from a certified appraiser, a bill of sale or other proof of ownership, and complete provenance (the artwork's history of ownership). Please consult IRS regulations for updates.

2. Works not meeting Museum standards may still be of value to units of NAU for decorative, instructional or resale purposes. However used, title to these works remains with NAU, and decisions regarding disposition reside with the entity that retains the title.
 - a. Proof of ownership is a condition of acceptance for any artwork per industry standards and best practices.

Should any work of art be accepted by the NAU Foundation and not transferred to NAU, the NAU Foundation may use, sell or otherwise dispose of the work upon written permission from the NAUF CEO. Should any such artwork be anticipated to be sold, all efforts will be made to ensure that such a sale would not have an adverse tax effect for the donor.

J. Gifts of Partnership Interests, Non-Publicly Traded Stock, and Restricted Securities

An offer of a gift of an interest in a limited or general partnership, or of stock in a corporation that is not publicly traded, or of restricted or controlled stock of a publicly traded corporation, may be accepted on behalf of NAU by the NAU Foundation provided the appropriate due diligence has been performed. The NAUF CEO will coordinate the investigation of such matters as the NAU Foundation's possible liability as a partner or owner, the assets of the entity, the liquidity of the assets, the entity's past and current financial condition (based on such things as audited financial statements and filed tax returns), the partnership or shareholder's agreement, the nature of the restrictions, and any other information the NAUF CEO deems reasonably necessary. Approval by the NAUF CEO or their designee must be obtained prior to any transfer to the NAU Foundation of a partnership interest, stock that is not publicly traded, or restricted or controlled stock.

Unsolicited transfers of partnership interests or such stock will not be accepted. Upon receipt of any such unsolicited transfer, the NAU Foundation legal counsel will immediately notify the transferor (in writing) that the interest or stock has not been accepted and will not be accepted until the requirements of this policy are met.

The IRS currently requires a donor to obtain a qualified appraisal if the value of the interest transferred is over \$5,000 (\$10,000 for closely held stock) and the donor wishes to claim a charitable contribution income tax deduction. For proper accounting, marketing, and donor recognition purposes, an appraisal is requested for each gift of a partnership interest, non-publicly traded stock, or certain restricted or controlled stock. In the absence of an appraisal, the gift will be recorded at \$1.00. Please consult IRS regulations for updates.

K. Gifts of Intellectual Property

The NAU Foundation can accept intellectual property (an intangible asset) that has been produced through creativity and innovation. Examples of intellectual property include patents, copyrights of cultural, artistic and literary works, and computer software. In many instances, the donor is the developer of such property and is giving NAU the right to use such property, not the copyright to the intellectual property itself. The NAU Foundation and NAU will work together to determine the technical aspects to accepting a gift of intellectual property, subject to the General Principles outlined in this policy.

L. Gifts of Software/Hardware

Corporate software and hardware gifts critical to NAU academic and research initiatives are evaluated by the NAU Foundation and NAU from a tax, financial, development and stewardship perspectives for recording and reporting purposes. To ensure proper recording and reporting, NAU's Office of Contacts, Purchasing, and Risk Management will be contacted to determine if the gift meets the appropriate criteria for acceptance.

An irrevocable gift of software or hardware with an established retail value is recorded at the educational discount value (if one exists) or the fair market value, as long as the agreement qualifies as a charitable donation under tax laws.

M. Gifts of Real Property

In addition to the noted policies, requirements and procedures on gifts-in-kind, gifts of real property may be accepted on behalf of NAU. Gifts of real property will be sold and converted to cash as soon as practical unless it is held for the use of NAU or there is some compelling reason for the NAU Foundation to retain ownership.

Most real property is actively marketed and the proceeds are used for the charitable purposes specified by the donor. Refer to Appendix C regarding procedures for accepting all types of real estate, the process for evaluating a real estate gift and the procedure for the sale and management of real property gifts.

N. Acceptance and Execution of Real Estate Contracts

The NAU Foundation and NAU Foundation legal counsel will review and comment upon each contract prior to its presentation to either the NAU Foundation Board Chair and Vice Chair for review and execution. Authorized NAU Foundation staff are encouraged to seek the advice of NAU Foundation legal counsel when negotiating sales contracts. If sales are financed, they will be subject to approval of the NAU Foundation Board.

O. Management and Transfer of Real Property

All real property held by the NAU Foundation in any capacity will be so managed as to comply with all federal and state regulations and to minimize or eliminate any liability resulting from hazardous materials. The sale or transfer of real property by the NAU Foundation will be handled in a manner designed to eliminate any future liability by the Foundation. The NAU Foundation will fully disclose to a prospective transferee any and all information concerning the condition existing on the real property as required by real estate disclosures governing the sale or transfer of the real property. The NAU Foundation may convey title to real property only by means of a special warranty deed or (where appropriate) a trustee's deed without warranties or quitclaim deed.

All costs associated with appraisals, inspections, surveys, environmental surveys, title searches and other expenses related to full disclosure of information about the proposed real estate gift are to be borne by the donor. Exceptions may be made with written approval from the NAUF CEO.

1. General Warranty Deed

Title will be transferred to the NAU Foundation by general warranty deed unless transfer is by a trustee, personal representative, or other fiduciary who will provide a deed with warranties appropriate to its capacity. Legal counsel will review all deeds.

2. Appraisal

The IRS requires the donor to obtain a qualified appraisal if the value of the real property is over \$5,000 and the donor wishes to claim a charitable contribution income tax deduction. For proper accounting, marketing, and donor recognition purposes, an appraisal is requested for all real property gifts. In the absence of an appraisal, the real property will initially be recorded at \$1.00. Please consult [IRS regulations](#) for updates.

3. Title Search, Insurance and Inspections etc.

A title search may be required for any real property transaction. A title search and title insurance will be required for gift acquisitions of mortgaged property and all non-

gift acquisitions such as a purchase or trade. The donor will pay unless an exception is made at the discretion of the NAUF CEO and NAU Foundation Board Chair and Vice Chair.

4. Owner's Affidavit

An owner's affidavit in a form approved by the NAU Foundation Board Chair and Vice Chair is required for all real property acquisitions.

5. Survey

A survey may be required for any real property transaction. A survey will be required for gift acquisitions of mortgaged property and all non-gift acquisitions, unless the NAU Foundation Board Chair and Vice Chair and/or NAU Foundation legal counsel determine existing surveys or drawings are adequate.

6. Real Property Taxes and Other Carrying Costs

Evidence must be provided by the donor that all real property taxes and other carrying costs are paid and current. Donors will be encouraged to pay all or prorate the taxes and other carrying costs for the year of the donation.

7. Mortgaged Property

The NAU Foundation rarely accepts mortgaged property and never accepts mortgaged property into a charitable remainder unitrust. Real property may be acquired subject to a mortgage, if the mortgage is current and assumable and only following the NAU Foundation Board Chair and Vice Chair approval. Prior to acceptance:

1. A clearly established method for the payment of the debt must be determined;
2. Appraisal by a qualified and licensed Appraiser will be required; and
3. The loan-to-value ratio must not be more than 50 percent.

8. Special Deed Clauses

The NAU Foundation Board Chair and Vice Chair and NAUF CEO must approve special deed clauses in advance of gift acceptance.

9. College or Unit Agreement

Each college or unit benefiting from a gift or other acquisition of real property agrees to accept the gift net of any taxes, fees, insurance, mortgage payments, and all other holding and carrying costs incurred by the NAU Foundation until the real property is liquidated.

10. Environmental Review and Requirements

No interest in real property, whether outright, in trust, by bequest, as a secured interest, or otherwise, will be accepted by or on behalf of the NAU Foundation without first complying with the following procedures:

An environmental review as described below shall be performed on every potential real property asset prior to acceptance by the NAU Foundation.

1. Residential, Rural or Agricultural - For real property located in a developed residential community, a rural area, or an agricultural area, an approved consultant will perform an Environmental Risk Assessment or a Phase 1 environmental survey.
2. Industrial – For real property located in a developed area where manufacturing of any class of Industrial activity may have taken place, a Phase I environmental survey will be completed.

3. High Risk Operation_- For real property with present or past high-risk operations, an approved consultant will perform a Phase I environmental audit.

If any environmental review indicates areas of significant concern, an additional investigation, including a Phase I, Phase II, and/or Phase III audit, as recommended, will be performed by an approved consultant prior to acceptance of the real property. If the above procedures disclose risk of liability, the real property will only be accepted with the approval the NAUF CEO and the NAU Foundation Board Chair and Vice Chair. All contracts for environmental audits will be prepared and reviewed by the NAU Foundation legal counsel.

The donor must pay for any and all environmental related assessments, audits and all required clean up prior to gift acceptance.

11. Unsolicited Deeds

Unsolicited deeds are generally not accepted. Upon the receipt or discovery of an unsolicited deed, the NAUF CEO will investigate and attempt to notify the grantor, or grantor's heirs, (in writing). The NAUF CEO has the discretion to accept the gift if requirements of this policy are met or return the property by quitclaim deed from the NAU Foundation, if necessary.

12. Special Types of Acquisitions

In addition to the above requirements, the following types of real property require additional items prior to acquisition:

1. Real property given to fund charitable remainder trusts will only be accepted to establish net income unitrusts or "flip trusts."
2. Proceeds from the sale of real property will be given to fund charitable gift annuities.
3. Time share units will not be accepted.

P. Non-Discrimination

The NAU Foundation will not discriminate or condone discrimination in its real property activities. The NAU Foundation will conduct all affairs in compliance with all applicable state and federal Equal Opportunity, Fair Housing, Equal Credit Opportunity, and other anti-discrimination laws.

Q. Exceptions

Upon written request by the NAU Foundation's CEO, the NAU Foundation Board Chair and Vice Chair will consider exceptions to these policies and procedures on an individual basis after consultation with the NAU Foundation legal counsel and the OPG.

III. GIFT COUNTING AND REPORTING

A. Adherence to Industry Standards

1. To ensure the highest possible gift crediting and campaign counting integrity, all charitable contributions to NAU will be counted and recorded in the NAU Foundation's database of record in accordance with the standards set forth by the Council for Advancement and Support of Education (CASE).
2. Any exception to CASE standards must be documented and approved by the NAUF CEO.

B. Reporting

1. Fiscal Year Dollars Raised – Dollars Raised reporting includes fiscal year-to-date cash and/or new fundraising (commitments) for a specific fiscal year only (July 1 to June 30).
 - a. Cash reflects tangible asset transfers to the NAU Foundation (e.g., outright cash gifts and realized bequests)
 - b. New fundraising commitments reflect new pledges to NAU, including planned gifts. These reports highlight the impact of donor commitments to NAU, including those that will be realized in the future.
2. Campaign Reporting - Campaign reporting differs from fiscal year reporting in that fundraising totals span more than one fiscal year. The principles for counting gifts during a campaign include, but are not limited to, the following:
 - a. Gifts and pledges received or committed to during the specific period of time identified for a campaign are counted in campaign totals.
 - b. A gift or pledge received or committed to prior to the start of the campaign period may be counted only if the gift or pledge was not counted in a previous campaign, and if it meets one of the following criteria:
 - i. The gift or pledge was made by the donor with the explicit understanding that it would be counted in current campaign totals,
 - ii. The pledge payment made was on a prior non-campaign pledge.
 - iii. The gift or pledge was a challenge grant that will be met during the campaign period.
 - c. The value of any canceled or unfulfilled pledges must be subtracted from campaign totals if it is in the future determined they will not be realized.

3. Gift Recognition Reporting - NAU Foundation also produces reports demonstrating the impact donors have beyond the legal credit assigned based on IRS regulations. These reports may include all of a donor's cash gifts, as well as pledges and soft credit (e.g., donations through donor advised funds, matching gift companies, and related family foundations). These reports may be used to help determine donor eligibility for various forms of recognition among other purposes.
 1. Pledges – A pledge commitment is a promise given by a donor to pay a specified amount in full over a predetermined time period, usually no more than five years. This does not, however, mean an institution cannot accept longer period commitments. Exceptions for longer pledge periods will be determined by the NAUF CEO.
 - i. Fiscal Year Dollars Raised: Newly documented commitments will be counted in five-year increments until they are completely accounted for over the duration of the commitment period.
 - ii. Campaign Reporting: All pledge payments scheduled through the end of a campaign may be included in campaign totals. Any pledge payments scheduled beyond five years after the end of a campaign will not be included.
 - iii. Documentation: Pledges are to be documented in writing, including pledge amount, designation, payment schedule, contributor signature, matching gift information if applicable, and date. Certain gift agreements indicating intent to credit a gift toward the campaign that is made before the beginning of the campaign and in anticipation of the campaign may be counted on a case-by-case basis.
4. Gifts vs. Sponsored Projects/Exchange Transactions – The provided matrix can offer direction on whether an award opportunity should be categorized as a gift or a sponsored project. In specific situations, the ultimate classification will result from a joint assessment conducted by the Office of Corporate and Foundation Relations and the Office of Sponsored Projects.

Determining Factor	Gift Indicator	Sponsored Project Indicator
Source of Funding *	Individuals Non-Profit Organizations Private Foundations Corporations Corporate Foundations Other Organizations, such as Community Foundations through Donor Advised Funds, or Public Charities. (Family or individual foundations are generally treated as individuals.)	Government Agencies Non-Government Agencies Profit & Non-Profit Organizations Private Foundations Corporations Corporate Foundations Public Charities
Purpose of Award	The donor may specify an area of interest or a goal to be funded with their gift, including use of funds as outlined in supporting documentation, such as award letters and grant agreements, indicating charitable intent in the form of unrestricted and restricted gifts and grants.	The sponsor specifies how the funds should be used, as outlined in the supporting proposal and award documentation (notice of award letter, approved award budgets, contract, or grant agreement).
Value Exchange	No implicit or explicit value is exchanged other than recognition.	The resource provider receives a direct benefit related to the dollar amount they provide to the fund recipient.
Reporting	There is no formal fiscal accountability or expectation of tangible product, service, and/or research deliverables other than periodic progress reports and reports of expenditures. These reports may be considered a requirement of good stewardship rather than a contractual obligation.	Through an agreement or contract, the sponsor holds the university accountable for successful and timely completion of the work and agreed-to “hand-over” of the deliverables, such as knowledge generation, data, publication rights, particular products, or research with commercial value. The sponsor requires the performance of specific duties such as research, budget reports, progress reports, and frequently reserves the right to recoup all or some of the sponsored award from the recipient.
Start/End Dates	Typically, no time period is associated with the use of funds from individual donors, although corporations and foundations have published grant cycles that align with project time periods.	Typically requires a specific time period for conducting projects.
Use of Excess Funds	N/A - no funds are considered "excess". Institutional funders allow for a “no-cost extension”, typically between 6-12 months, in case additional time is needed to complete a proposed project or program.	May be required to return to sponsor or a no-cost extension must be requested. If the funded program or research is not pursued, or the deliverables are not attained, sponsors often reserve the right to recoup all or some of the sponsored award from the recipient.
Penalty for Non-Performance	No penalties for failing to use the funds.	Penalties may exist for failing to use the funds or to deliver the items on a timely basis.

* *Dependent upon the purpose of the award.*

C. Clarification on Differences between Financial Accounting and Reporting and Advancement Reporting

1. It is important to clarify the distinction between financial accounting, which underlies the financial reporting of gifts following accounting principles generally accepted in the United States of America (“US GAAP”) established by the Financial Accounting Standards Board (FASB), and Advancement reporting, which is a measure of fundraising activity in accordance with standards set forth by the Council for Advancement and Support of Education (CASE) and approved by the NAUF CEO. This policy focuses on Advancement reporting, not financial accounting and reporting.
2. NAU Foundation tracks all outright gifts, pledges, and planned gifts received. The intent of advancement reporting is to reflect the total impact of fundraising efforts by representing all gifts, including the value of pledges and planned gifts, at both face and present values.
3. Gift revenue accounted for in the Foundation’s financial accounting system and presented in the Foundation’s audited financial statements is in accordance with US GAAP and may differ from gifts included in Advancement reporting for a number of reasons including but not limited to: transfers of assets not recognized as gifts in the Foundation’s financial accounting system; gifts recognized in different periods than in Advancement reporting; and gifts reported at different amounts based on differing methodologies used to value gifts in the Foundation’s financial accounting system and Advancement reporting.

IV. MISCELLANEOUS POLICY PROVISIONS

1. Expenses for Gifts to the Foundation

It will be the responsibility of the donor to cover various expenses involved in securing and managing gifts, including, but not limited to, securing a qualified appraisal (where required), environmental assessments and attorney’s fees for all gifts made to the NAU Foundation. The NAU Foundation may require appraisal from a member of the Member Appraisal Institute or a Senior Residential Appraiser depending upon the circumstances of the gift property.

2. Fees

The NAU Foundation may assess a fee upon acceptance of a Gift, to support any related NAU Foundation’s expenses associated with the acceptance and maintenance of such Gift.

3. Community Property and Other Title Issues

Special care should be taken by the donor to determine if the gift property is held as community property (or if there is any other party having an interest in or claim to the property). In all cases involving a donor who is married, efforts should be made to determine whether the spouse has consented to any gift arrangement in which the spouse is not also a donor and beneficiary, and to secure consent if deemed advisable by NAU Foundation legal counsel.

4. Valuation of Gifts for Development Purposes

When the NAU Foundation receives a gift, it will record the date of the gift and the value of the gift on that date. It shall be the responsibility of the donor and the donor's advisors to establish the effective date of any gift and the value of the assets on that date. The NAU Foundation will assist the donor by providing the amount of the charitable deduction for a new planned gift or an addition to an existing gift. However, the donor should confirm this amount with his or her own advisors. In the case of a gift involving property other than cash or publicly traded and liquid securities, the NAU Foundation has a direct interest in the valuation used and may decide to independently verify the appraisal obtained by donor.

5. Responsibility for IRS Filings Upon Sale of Gift Items

The NAU Foundation Finance Department is responsible for filing IRS Form 8282 upon the sale or disposition of any part or all of an asset within two years of receipt when the NAU Foundation is required to sign IRS Form 8283 Part B when the gift is made. The NAU Foundation Finance Department must file this form within 125 days of the date of sale or disposition of the asset.

6. Policy on Gifts the NAU Foundation Will Not Accept

The NAU Foundation Board of Directors has determined that certain gifts are not advisable to accept on behalf of NAU.

1. Gifts of "S Corp stock".
2. Gifts of "time shares".
3. Outright gifts of term life insurance.
4. Mortgaged property into a charitable remainder trust.
5. Gifts of non-marketable securities.
6. The NAU Foundation will not accept gifts of vehicles but will assist in the facilitation of vehicle gifts to KNAU.

D. Other Gift Acceptance, Counting and Recording Procedures

The procedures for the acceptance, counting and recording of gifts not covered in this NAU Foundation Gift Acceptance, Counting and Recording Policy and Appendices are to be established under the direction of the NAU Foundation CEO using best practices and industry standards. The procedures for the daily operation of the NAU Foundation are to be established and approved by the Foundation CEO.

V. CROSS-REFERENCES

[Donor Bill of Rights](#)

[Comptroller Policy Manual - Policy CMP-303](#)

[IRS regulations](#)

[NAU Foundation Confidentiality Policy](#)

Effective: 2008

Revised: October 2023

APPENDIX A

I. PROCEDURE FOR GIFT DOCUMENTING, RECEIPTING AND ACKNOWLEDGEMENT

All gifts and pledges must be documented with a written gift instrument (e.g., gift agreement, memorandum of understanding, check, commitment form, online form, or other written documentation completed for a gift via phone) that includes:

1. A description of the gift;
2. Gift purpose: current use or endowed;
3. Gift use: unrestricted or any donor-imposed restrictions;
4. Any other information necessary to fully document the donor's wishes (e.g., whether the donor wishes to be acknowledged by name or not); and
5. Explicit donor written approval.

There are additional specific documentation requirements for endowed gifts, gifts that confer special naming (recognition), complex gifts, and planned/deferred gifts. Gift terms must be documented in accordance with the NAU Foundation's policies and procedures.

APPENDIX B

I. PROCEDURE FOR RECORDING GIFTS-IN-KIND

Gifts in-kind obtained as part of the NAU Foundation approved special events will be recorded as NAU Foundation gift-in-kind. Examples include gift cards and items received for silent auctions and raffles. Most tangible property gift-in-kind will become NAU assets.

After the above requirements have been met, the gift-in-kind will be received by the NAU Foundation. A proper acknowledgment will be issued to the donor. The acknowledgment will clearly state that the donor is solely responsible for the declared fair market value of the gift-in-kind the donor wishes to claim as a charitable income tax deduction for the gift.

Title to the gift-in-kind may be transferred from the NAU Foundation to NAU at any time, but only with the expressed written consent of the NAUF CEO or their designee. The NAU Foundation will notify NAU Property Control when any Gifts-In-Kind for NAU are received through the NAU Foundation. The item or items will then be placed on the inventory list of NAU and the NAU Foundation will have no further concern or responsibility.

If title to the gift-in-kind is retained in the NAU Foundation, the item or items will be placed on the inventory list of NAU Foundation assets with appropriate information such as serial number, model number, declared value, description, location, etc. NAU conducts an annual inventory to ensure that assets are still in the possession of the user department at NAU. If the gift-in-kind is declared of no further benefit to NAU Foundation or has greater value to NAU if sold or traded, and there was no restriction placed on the item or items by the donor, the gift-in-kind may be sold, traded or discarded, but only with the expressed written permission of the NAUF CEO.

APPENDIX C

I. PROCEDURE AND PROCESS FOR REAL ESTATE

- A. Procedure Accepting All Types of Real Estate
- B. Process for Evaluating a Real Estate Gift
- C. Procedures for the Sale and Management of Real Property Gifts

A. Procedures for Accepting All Types of Real Estate

In furtherance of its mission, the NAU Foundation may acquire interests in real property by non-gift means for use by NAU. Most frequently, the NAU Foundation sells gifts of real property. The proceeds are then used for charitable purposes specified by donors.

All appropriate inquiries will be made concerning the condition of real property, valuation, including marketability, carrying costs, and environmental risks, prior to acquisition by the NAU Foundation in any capacity.

The following requirements must be met for the acquisition of any interest in real property, in any capacity, prior to acceptance or recording of any documents. After initial review and approval by the Office of Planned Giving (“OPG”), all issues and materials required for the acceptance of real property must be submitted for consideration by the NAUF CEO and the NAU Foundation Board Chair and Vice Chair.

The OPG is responsible for the collection of all necessary information and due diligence to present to the NAUF CEO and the NAU Foundation Board Chair and Vice Chair for proper consideration of a gift of real estate.

Information to be gathered includes, but is not limited to:

1. Market conditions for resale or the ultimate disposability of the property;
2. The condition of the land, buildings, and any improvements located on the property;
3. Current and potential zoning, land use, and concurrency issues;
4. Any costs associated with holding the property for resale; and
5. Relevant short and long range plans such as local and regional infrastructure (utilities, road, waterways, electricity, sanitation, pipelines), local and regional population growth/contraction forecasts, changes in building codes and, local and regional economic projections and plans.
6. Other considerations specific to the acquisition of the property.

B. Process for Evaluating a Real Estate Gift

1. OPG obtains information regarding address, assessed value, tax liabilities, mortgages (if applicable), liens, listed owners and other information deemed relevant.
2. If the OPG finds the real estate gift appropriate, a representative of the OPG visits the site of the proposed gifts, takes photos, and makes written observations of the general condition and locations.
3. If the OPG in its best judgment believes this is a potential viable gift to the NAU Foundation, a request will be made of the donor to provide the following:
 - a. Provide a market comparison for the property from a professional real estate agent.
 - b. Building inspections if developed land;
 - c. Appropriate environmental survey;
 - d. Proof of clear title;
 - e. Any documentation related to mortgages, liens, etc., if applicable; and
 - f. Any other information deemed relevant.

1. Upon receipt of the requested documentation, the OPG will provide its recommendations to the NAUF CEO.
2. If the NAUF CEO or designee believes the gift is viable, then the NAUF CEO will call a meeting of the NAU Foundation Board Chair and Vice Chair to review the proposed information.
3. After review, the NAUF CEO and the NAU Foundation Board Chair and Vice Chair will either approve or accept the gift, then direct the OPG to move forward, or reject the gift, or request further information to assist in its decision making.
4. A qualified real estate appraisal will be provided and paid for by the donor for final acceptance.
5. Upon the NAU Foundation Board Chair and Vice Chair approving the acceptance of the proposed real estate gift, the OPG will move forward with arranging completion of the gift.
6. Upon the NAU Foundation securing title to the property, the OPG will be responsible for locating a real estate agent, working with the NAU Foundation regarding all contracts, working with the college or unit that will benefit from the sale to assure the donor's requests for the application of the sales proceeds are met, ensuring all gift agreements are in place and signed by appropriate individuals.

C. Procedures for the Sale and Management of Real Property Gifts

The NAU Foundation is authorized to charge routine property carrying expenses such as taxes, insurance, maintenance, travel, surveying, engineering, title examination, closing, and other costs to the college or unit benefiting from the real property. These expenses will be reported regularly to the appropriate fund administrators.

The NAU Foundation will diligently work to obtain the best price and terms in the shortest amount of time for all real property. However, real property may be held for the production of income or appreciation after consultation with all interested parties and approval at the discretion of the NAU Foundation Board Chair and Vice Chair.

The NAU Foundation will attempt to have all properties listed or for sale. No referral fee will be paid to any broker securing a gift of real property.

7. Listing Price Determination

Real Property will be listed at not less than the approved price. The approved price will be determined by either of the following:

1. If a qualified appraisal, dated within one year, is available, the NAU Foundation will set the approved price at not less than the value contained in the appraisal; and shall have the authority to reduce the approved/list price if the property does not sell within five months, regardless of the value stated in the qualified appraisal. If there is a question as to the accuracy of a qualified appraisal for current market conditions, the NAU Foundation may require an additional appraisal arranged by the NAU Foundation.
2. If no appraisal is available, or file appraisals are more than two years old, the NAU Foundation will attempt to determine market value via market inquiry, competitive market analysis, or updated or new appraisals and will recommend an approved price.