



*Date of Origin: April 29, 1994*  
*Last Update: November 9, 2023*

**Section: Administration**

**Policy No: 2.1**

**Gift Acceptance Policy**

- PURPOSE:** To establish a general policy for acceptance, receipt and documentation of charitable gifts contributed by individuals, partnerships, corporations, private foundations, foundations, trusts and other organizations.
- GENERAL:** The College Heights Foundation was established in 1923 as an independent charitable organization and incorporated within the Commonwealth of Kentucky under section 501(c)(3) of the US Tax Code for the purpose of providing financial assistance to Western Kentucky University. As the main repository of charitable gifts at WKU, it is the responsibility of the College Heights Foundation to work with Western Kentucky University to implement programs to meet private funding needs identified by the University.
- POLICY:** The College Heights Foundation will ensure all gifts meet the basic requirement of charitable intent to be accepted by the Foundation. Any institutional projects must have WKU approvals prior to initiating fundraising efforts. Coordination of solicitations will be accomplished in accordance with established University, Philanthropy, and Foundation procedures. Acceptance of a charitable gift imposes a legal obligation upon the College Heights Foundation to comply with the terms established by the donor. Therefore, it is necessary that the nature and extent of any restriction be clearly understood and defined in writing. Foundation staff and representatives should exercise care when discussing tax implications of gifts and include in discussions and correspondence, the suggestion that donors contact their tax advisors for information pertaining to a specific tax situation. Foundation staff and representatives are expected to discuss any unusual requirements with the College Heights Foundation prior to making a verbal or written commitment. All agreements are subject to the approval of the College Heights Foundation President. Any gifts that impose an obligation to the University shall also be acknowledged by WKU representatives. The College Heights Foundation will accommodate any donor that requests their gift to remain confidential, to the extent allowed by law. While the College Heights Foundation will use the term anonymous and not release any details of this type of gift, the donor will always be known to the College Heights Foundation management.

The following types of assets may be accepted by the College Heights Foundation:

- A. *Cash and Cash Equivalents*. Gifts by cash, check, credit card, debit card, wire, ACH, or other means of electronic transfer shall be accepted.
- B. *Appreciated Securities*. CHF can accept gifts of stocks and bonds, which may be sold immediately. Asset delivery instructions will be provided to those wishing to transfer securities.
- C. *Gifts of Tangible Personal Property*. These include, but are not limited to works of art, manuscripts, literary works, boats, motor vehicles, and computer hardware. These are generally referred to as a Gift-In-Kind (GIK). If a gift is valued at \$5,000 or greater, the College Heights Foundation President shall decide the acceptability of this type of property by determining that the property is:
  - i. Readily marketable; or
  - ii. Needed by the University for use in a manner which is related to one of the purposes of the University.

*Guidelines for Acceptance of a GIK:*

- A GIK should be reviewed to ensure acceptance will not involve financial commitments in excess of budget or other obligations disproportionate to the usefulness of the gift.
- Any GIK with total values of less than \$100 need not be processed through the College Heights Foundation. The department or program accepting a GIK valued at less than \$100 may acknowledge the gift, but no further processing is required.
- Any GIK with a value exceeding \$100 shall be processed through the College Heights Foundation. While the GIK valued at less than \$5,000 does not require an independent verification of the fair market value of the gift, a Foundation or other appropriate university official must complete an Advice of Gift-In-Kind for each gift. This is to be forwarded to the College Heights Foundation for gift acknowledgment.
- GIKs with a value exceeding \$5,000 shall be processed by the College Heights Foundation. In addition to the Advice of Gift-In-Kind for each gift, an independent appraisal of the gift's fair market value must also be included. This is to be forwarded to the College Heights Foundation for gift acknowledgment.
- Gifts of services, value of income lost, and partial interest in property are not considered GIKs or charitable gifts by the IRS. While this type of gift will not be acknowledged as a charitable gift, it may, however, be included in calculating gift

recognition levels for the donor. An Advice of Gift-In-Kind should be completed and marked as non-charitable.

- The Foundation will consult with the University on making a determination of whether the asset is a Foundation or University asset for accounting purposes.

*Gift Acknowledgement and Disposition for GIK:*

- A receipt for the donor shall be prepared that will only indicate the item contributed and not a dollar value. It will, however, reflect the following two messages to emphasize the donor's responsibility to obtain tax advice:
  1. Your (the donor's) gift may require that you complete IRS Form 8283, together with an appraisal for the donated property. Please consult your tax advisor.
  2. The deduction you (the donor) receive from this gift may be limited to the lower cost or the market value of the goods donated. Please consult your tax advisor.
- Upon sale of any property, Foundation staff or appropriate departmental official shall notify the College Heights Foundation, in writing, of the net proceeds of the sale. The College Heights Foundation is responsible for filing IRS Form 8282 for gifts of tangible personal property valued at more than \$5,000 sold within three years of the date of the gift.

D. *Deferred Gifts.* This type includes retained interest gifts (charitable remainder trusts, lead trusts, and retained life estate gifts), bequests, and life insurance. The College Heights Foundation President must be consulted prior to finalizing any agreements and will have the final approval on acceptance of all deferred gifts to the foundation. In the absence of any agreements or restrictions, all undesignated gifts are encouraged to be placed into endowments to provide a lasting memorial to the deceased.

E. *Real Estate Property.* Although CHF may accept gifts of real estate, property transactions traditionally will be handled and accepted by the WKU Real Estate Corporation (WKUREC). Properties may include a primary residence, a vacation home, a farm or ranch, a commercial building, subdivision lots, rental property, or an undeveloped parcel of land. The CHF/WKUREC President will determine whether or not to accept a gift of real estate after considering factors such as the marketability of the property, environmental risks associated with the property, liabilities associated with the property, and costs associated with owning the property such as insurance, taxes, and other costs associated with ownership. Real estate will likely be sold as soon as possible after receipt of the gift unless the real estate property is in the

Campus Master Plan or the Board deems it appropriate to retain ownership for investment purposes.

- F. *Gifts of Non-Publicly Traded Stock.* Private company stock is a type of stock offered exclusively by a private company to its employees and investors. Unlike public stocks, the purchase and sale of private stock must be approved by the issuing company. The Foundation has established procedures indicating how gifts of non-publicly traded stock should be handled. These procedures will be part of the acceptance and marketing process for any gift of closely held stock.

Other types of assets not specifically addressed may be accepted by the College Heights Foundation with approval from President or CFO.