

# GIFT ACCEPTANCE POLICY

Effective March 14, 2019

## INTRODUCTION

Loyola University of Chicago (“Loyola” or “University”), an Illinois not for profit corporation described as a tax-exempt organization under Internal Revenue Code Section 501(c)(3), encourages the solicitation and acceptance of gifts to the University for purposes that will help Loyola further its Jesuit, Catholic university mission. This Gift Acceptance Policy (“Policy”) has been developed to outline straightforward and objective procedures for accepting charitable gifts to the University. While the procedures set forth are detailed and specific to the type of gift, they shall be interpreted considering the following overriding principles:

1. A gift shall not be accepted unless there is a reasonable expectation that acceptance of the gift will benefit Loyola.
2. A gift shall not be accepted if such acceptance imposes upon the University overly burdensome administrative or other costs.
3. This Policy is intended to provide guidance to the Loyola community regarding the acceptance of prospective gifts to the University. Donors are ultimately responsible for ensuring that the proposed gift furthers their own charitable, financial and estate planning goals. Therefore, each prospective donor is urged to seek the advice of independent financial and legal counsel in the gift planning process. It is not within the province of the University nor its staff to give legal, accounting or tax advice to prospective donors.
4. All members of the University community are expected to clear any and all formal and/or informal gift solicitations with the President of the University or the Vice President for Advancement of the University, or their designee, prior to making any such contact with current or prospective donors (this includes individuals, corporations, foundations and government bodies).
5. If, on behalf of the University, any member of the University community receives any gift to the University (including but not limited to cash, checks, securities, property, or other items) it is essential that the University Advancement Division be notified immediately. It is also essential that all letters, certificates, or other documents relating to such gifts, including the envelope in which it arrived with post-marks intact, be saved and forwarded to the University Advancement Division. This is to ensure that all gifts are credited to the appropriate University account, and to further ensure that the University complies with all legally-mandated gift acknowledgement procedures. If you have any questions or are in doubt about a particular point, please contact the University Advancement Division.

See the Council for the Advancement and Support of Education (CASE) Donor Bill of Rights for additional principles that guide the work of the University in accepting philanthropic gifts.

## I. GIFT AND GRANT DETERMINATION

For determination if a contribution is a gift or grant, please refer to the University’s Gift vs. Grant Determination Process at the following link:

[https://www.luc.edu/media/lucedu/policy/pdf/Gift\\_vs\\_Grant\\_Determination\\_Checklist%208.4.2017.pdf](https://www.luc.edu/media/lucedu/policy/pdf/Gift_vs_Grant_Determination_Checklist%208.4.2017.pdf)

## **II. GIFT ACCEPTANCE COMMITTEE**

The Gift Acceptance Committee (“GAC”) shall consist of the following:

- University President; and
- Vice President for University Advancement; and
- Senior Vice President and Chief Financial Officer; and
- Other members appointed by the President, as needed, e.g. Vice President and General Counsel

The Gift Acceptance Committee will:

- Review significant gifts made to Loyola (e.g., gifts with a value equal to or greater than \$1 million) and other gifts as outlined in this Policy (e.g., gifts in kind at the request of the advancement division);
- Make recommendations to the Board of Trustees on changes to this Policy or on gift acceptance issues;
- Approve exceptions to this Policy (which has been approved by the Board of Trustees); and
- Advise on appropriate matters that relate to the acceptance of philanthropic contributions.

## **III. ACCEPTANCE OF GIFTS AND REVIEW OF GIFT AGREEMENTS**

### **1. Gift Acceptance/Signature Authority**

Pursuant to the Gift Acceptance Resolution adopted by the University’s Board of Trustees from time to time, only the President of the University, and such officers of the University to whom the President has delegated gift acceptance authority in writing, are authorized to accept, on behalf of the University and in the name of the Board of Trustees, any gifts, grants, devises, bequests, legacies and distributions on behalf of the University. Similarly, only the President of the University, and such officers of the University to whom the President has delegated gift acceptance authority in writing, are authorized to sign any agreements related to the acceptance of any gift in accordance with the Gift Acceptance Resolution.

### **2. Review of Gifts and Gift Agreements by Loyola**

Gifts and gift agreements should be reviewed by Loyola’s Finance Department and the General Counsel’s Office in accordance with the University’s Contract Policy which can be found at <https://www.luc.edu/purchasing/contractpolicy/index.shtml>. Review is also recommended for:

- Closely held stock transfers that are subject to restrictions or buy-sell agreements;
- Gifts where Loyola is named or acting in the capacity of a trustee;
- Gifts involving real estate, or other transactions requiring Loyola to assume a legal obligation;
- Gifts of patents or other intellectual property;
- Gifts of partnership interests; and
- Other instances in which review is deemed appropriate by the GAC or Loyola’s Board of Trustees.

### 3. Donor Advice

Loyola cannot give accounting, tax or legal advice to donors or their advisors. It is the donor's responsibility to secure independent counsel for all gifts made to Loyola.

## IV. ETHICAL STANDARDS

Loyola will comply with model standards and rules of ethics as adopted by the national fundraising and advancement organizations including, but not limited to, the Council for Advancement and Support of Education (CASE), Association of Fundraising Professionals (AFP), National Association of Charitable Gift Planners (NCGP), American Council on Gift Annuities (ACGA), Association of Professional Researchers for Advancement (APRA), National Association of College and University Business Officers (NACUBO), Financial Accounting Standards Board (FASB) and Association of Governing Boards of Universities and Colleges (AGB).

## V. CONFLICTS OF INTEREST

Conflicts of interest by and between faculty, staff, students, parents, trustees, key volunteers, vendors and suppliers will be avoided or fully disclosed in accordance with Loyola's Conflict of Interest Policies. Loyola reserves the right to refuse or decline any gift based upon a conflict of interest or the appearance of such a conflict.

Loyola will strive to avoid even the appearance of impropriety in its relationship with donors and potential donors. Donors should consult their own attorneys and/or financial advisors and seek independent advice. Gifts that may suggest a "quid pro quo" transaction will be closely scrutinized and require full disclosure of the relative benefits a donor might receive in return for the gift.

Additionally, Loyola does not pay fees to any person as consideration for directing a gift to Loyola, and it does not pay commissions or percentages associated with negotiation and acceptance of any form of gift. In accordance with CASE and AFP ethical principles and standards of professional practice, no fundraiser is compensated based on a percentage of funds raised or on a contingent basis. Independent contractors and consultants are compensated on a project basis.

## VI. GIFT PROCEDURES

**Gift Designations:** Loyola, through the Office of University Advancement, records each gift according to the designation indicated by the donor. If specific restrictions are indicated and the donor's restrictions are impracticable to follow, the gift will not be accepted. If a donor wants to designate a gift with provisions relating to ethnic, religious, gender or other descriptions, the University will follow applicable federal and state law.

**Types of Gifts:** Loyola accepts gifts in the form of outright gifts, pledges or deferred commitments. The details of gift acceptance and the procedures for gift recording differ according to the type.

1. **Outright or Current Gifts** - Outright gifts include cash and cash equivalents, securities, charitable IRA rollover, real property and personal property.

- a. *Cash and cash equivalents* - Cash gifts of any amount are accepted by the University, except as otherwise provided in this Policy.

These gifts can take the form of currency, check or credit card contribution. Cash or checks may be delivered in person, by mail, by Electronic Funds Transfer (EFT) or by wire transfer. Gifts are booked for the University's internal purposes as follows:

- Checks mailed to the University are booked to the date they were mailed to the University (e.g., the postmark date)
- If such documentation is not available, the check is booked to the date noted on any accompanying correspondence (e.g. when a letter accompanies the check)
- If gifts are transferred by EFT or wire, the date of the gift is the date the money is transferred into the University's bank account.
- When gifts are received by credit card, the date of the gift is the date the credit card charges are processed.

For acknowledgement and recognition purposes, gifts to the University will be considered public in nature except those gifts specifically designated by the donor as "anonymous".

- b. *Securities* - Publicly traded securities (stocks, bonds and mutual funds) are accepted by the University.

Gifts of securities are valued at the average of the high and low quoted selling prices on the date the donor relinquished dominion and control of the assets in favor of the University. If the security was not traded on that date, the University will use the average valuation of the trading days immediately prior to and immediately after when the security was given. Neither losses nor gains realized by Loyola's sale of the securities after their receipt, nor brokerage fees or other expenses associated with the transaction should affect the value reported to the donor.

Non-publicly traded, (closely-held) securities must be approved by the GAC prior to acceptance. The GAC may look at measures such as valuation, marketability, restrictions, and any other issues that may arise either in the gift negotiation or in a corresponding shareholders' agreement.

- c. *Charitable IRA rollover funds* - Charitable IRA rollover funds are accepted by the University in accordance with IRS guidelines.

- d. *Real property* - To be accepted by the University as an outright gift or as a bargain sale gift, the gift portion of a property's fair market value, net of any mortgages, must be at least \$150,000. If a gift is in the form of an undivided partial interest in real property, the undivided interest must have a minimum value of at least \$150,000. The University generally does not accept mineral interests, water rights, time-shares or notes receivable unless values of at least \$500,000 can be determined.

Real property includes improved or unimproved land, personal residences, farmland, commercial property, rental property and mineral interests. These types of gifts are complicated and require involvement of several professionals, advisors and University staff. Gifts of real estate require more planning than gifts of cash or marketable securities because of the evaluation, approval and transfer process.

As with any gift of property, if the University sells or otherwise disposes of the donated property within three years of the date of the gift, the University must file an information return on IRS Form 8282 and send a copy to the donor.

Questions regarding gifts of real estate should be referred to the University's Vice President for Advancement, the University's Senior Vice President and Chief Financial Officer, and/or the University's Vice President and General Counsel. Thorough due diligence shall be conducted on any gift of real estate, which shall include (but not be limited to) those procedures outlined by the Office of Capital Planning. Upon recommendation, the GAC will review all proposed gifts of real property and will consider the following:

- i. Donor restrictions. Generally, the University will not accept real estate gifts if the donor places restrictions on the gift that limits the choices of the University with respect to owning, managing or disposing of property.
  - ii. Market value and marketability. A marketability study must indicate clearly and convincingly to the University that the property under consideration can be sold within a reasonable period. The University reserves the right to have an employee or agent conduct a walkthrough of the property. In accordance with IRS regulations, the donor must provide Loyola with a current appraisal (by a qualified appraiser) of the fair market value of the property no more than 60 days before the completed transfer of the gifted property. The University may assist the donor in locating an appraiser who meets IRS requirements, but the donor must contract directly with the appraiser and pay the full cost. The qualified appraisal will be the value of the gift to the donor.
  - iii. Sale and/or retention of property. Generally, regardless of the value placed on the property by the donor's appraisal, the University will attempt to sell at a reasonable price, as reflected by the current market, as soon as possible after its acquisition. However, gifts of real estate may be considered for retention if the expected return as an investment exceeds what the net sales proceeds might produce if invested as a part of the University's endowment or if there is a direct use of the property by the University. The University shall avoid selling property at a distressed price.
  - iv. Potential environmental risks. All proposed gifts of real property, including gifts from estates, must be accompanied by evidence of appropriate environmental disclosures. Any questions raised may be reviewed by the GAC.
  - v. Carrying costs. The existence and amount of any carrying costs, such as property owner's association dues, transfer charges, utilities, taxes and insurance, must be disclosed. The donor shall be responsible for all such costs until the property is completely transferred to Loyola.
- e. *Personal property or gifts-in-kind* - The University may consider gifts of tangible personal property (gifts-in-kind) – including but not limited to works of art, manuscripts, literary works, motor vehicles, computer hardware and software, patents, and intellectual property - only after a review indicates that the property is either readily marketable or needed by the University for use related to education, research or another aspect of the mission of the University.

Prior to the acceptance of a gift-in-kind, the appropriate unit (e.g. college, school, institute, center, campus program, etc.) shall submit its written recommendation as to whether the proffered gift is of value to the University. To approve acceptance of a gift-in-kind, the GAC

must have information about compatibility, maintenance, storage, and transportation costs, as relevant. Only after such review will the GAC determine whether to accept the gift. Title to the gift property should be clear and unencumbered, and properly documented. The University may require the donor to provide the provenance of a gift-in-kind before it is accepted. The donor may be responsible for the cost of conveyance to the University.

Absent a related use for the donated property, if accepted, the University generally will sell or otherwise dispose of such gifts. Because the extent of the donor's allowable charitable deduction depends upon the standard of "related use," the University's intention either to resell the property or to retain it for a related use must be clear to the donor at the time of the gift.

The University will meet all obligations with respect to IRS forms 8283 and 8282. That is, if the University should sell or otherwise dispose of the donated property within three years of the date of the gift, the University must file an information return on IRS Form 8282 and send a copy to the donor.

Any gift-in-kind that involves any of the following circumstances, must be approved by the GAC:

- i. Acceptance of the gift involves significant or unbudgeted additional expense for its present or future use or display, maintenance, transfer, insurance, fees or other institutional costs.
- ii. Financial or other burdensome academic, technical, or service obligation or expense is or will be directly or indirectly incurred by the University as a result thereof.
- iii. The gift is made on the condition or expectation that the items will be loaned back to the donor or to the donor's designee for life or extended periods of time to be determined by the donor.
- iv. Acceptance or subsequent utilization of the property would result in an "unrelated activity" as defined in unrelated business income tax law.

Receipts for gifts-in-kind shall describe the property transferred but shall not state a monetary value. Gifts-in-kind will ordinarily be valued at their full fair market value. However, the GAC may choose to value the gift (for internal purposes) at other than the appraised amount.

Generally, gifts with a fair market value exceeding \$5,000 will be receipted at the values placed on them by qualified independent appraisers as required by the IRS for valuing non-cash charitable contributions. It shall be the donor's responsibility to order and pay for the qualified appraisal.

- f. *Gifts of services* - The IRS does not allow charitable deductions for gifts of services (only for tangible items), even if the market value of such services can be readily attained. In addition, counting guidelines from the Council for Advancement and Support of Education (CASE) and the National Association of College and University Business Officers (NACUBO) do not allow gifts of services to be counted. The receiving department may acknowledge and thank the donor for the services, without specifying a dollar amount. No receipt should be generated.

- g. *Cryptocurrency* - The University may accept gifts of cryptocurrency if approved by the GAC. Gifts of cryptocurrency are a new source of philanthropy. The IRS classifies cryptocurrency as property, which can be either ordinary income property or long-term capital gain property. Depending on the amount of the donation, the donor may need to substantiate the value of their deduction by way of a qualified independent appraisal.

Because of the volatility of exchanging cryptocurrency into US currency, gift agreements must include disclosures and agreements between the donor and the University regarding making up any difference if the exchange results in a lower amount than what the donor anticipated.

Gift receipting for cryptocurrency should be similar to that for personal property, stating the name and number of cryptocurrency coins donated, the date of receipt, and the fund or account benefiting from the gift.

- h. Donor Advised Funds – The University may receive donor-advised fund gifts. Gifts from donor advised funds are valued at their face value as of the date of the gift. Donor receipts are not required. Pursuant to IRS rules, the donor-advised fund advisor(s) may receive no more than an incidental benefit from any donor-advised fund gift. A donor’s intention to recommend gifts from a donor-advised fund should be documented with a memorandum of understanding.
- i. Raffles or Auctions: The University may utilize a charity auction or raffles as a means of raising funds. The University shall comply with all federal and state laws regarding the operation of the auction or raffles and regulations regarding the value of the items contributed for auction or raffles purposes, as well as such laws and regulations applying to purchasers of auction items or raffle tickets and corresponding winnings. In accordance with IRS regulations, the purchase price of raffle tickets is not considered a charitable contribution.

## **2. Endowed Gifts**

Endowed funds (or "endowments") are generally given subject to a condition that amounts received by the University are not to be spent currently, but rather invested in perpetuity in order to provide a stable source of earnings for support of University programs and activities. Endowed gifts are typically accepted with restrictions imposed upon the use of the investment earnings they generate. Usage restrictions and other terms of endowed gifts must be agreed between the donor(s) and the University and clearly documented in a gift agreement executed in accordance with the University's Contract Policy. Due to endowed funds' perpetual nature, the University endeavors to ensure their terms are defined in a manner which will provide for their productive use both at the time of their establishment and far into the future, with the recognition that the conditions under which the University operates and the courses of study it will be called upon to deliver in later years may be quite different from those of the present.

In some cases, donors may designate that an endowed gift may be dissolved or made fully expendable after passage of a certain period of time (a "term endowment"). Term endowments otherwise remain subject to the terms of this policy. Endowed gifts are also subject to certain minimum contribution levels, which the University will establish and review from time to time and which may vary depending on the use(s) for which a prospective endowed fund is to be established.

Please refer to the University’s Endowed Funds Gift Policy for further information:  
<https://www.luc.edu/media/lucedu/policy/pdf/named-endowment-fund-minimums.pdf>

**3. Deferred Gifts** - Loyola accepts deferred gifts including charitable bequests, charitable gift annuities, charitable remainder trusts, charitable lead trusts, gifts of life insurance and retained life estates.

- a. *Charitable bequests and beneficiary designations* - The University may accept gifts for which it is named whole or partial beneficiary. Such gifts include IRAs, retirement plans, and life insurance. A donor can make a charitable bequest to the University in a will and/or living trust. A bequest of cash or publicly traded securities is acceptable, except as otherwise provided in this Policy. Additional gifts include IRAs, retirement plans, and life insurance. A bequest of any asset defined herein as being of significant or moderate risk must be approved or declined by the GAC as described in this Policy. For a bequest involving real property, the executor, personal representative or trustee may be asked to sell the property within the estate or trust and distribute the net proceeds to the University. The University may also choose to disclaim the property.
- b. *Charitable gift annuities* - A charitable gift annuity is a contract between the University and a donor (not a trust agreement) whereby the donor makes an initial payment of cash, marketable securities or other assets to the University and the University agrees to pay the annuitant(s) an annuity for the rest of his/her/their lifetime(s).

The minimum funding will be assets valued at \$25,000. The annual payment to the annuitant is based on the annuitant(s) age(s) and the fair market value of the assets used to establish the annuity. The University uses the gift annuity rates recommended by the American Council on Gift Annuities. The University will accept current gift annuities which begin payment within one year of the gift date, as well as deferred gift annuities, for which the initial payment is at least a year after the gift date. The deferral period will be at the discretion of the donor and the Office of Gift Planning.

Gift annuity agreements shall be limited to one life or two lives. The minimum age for the annuitants shall be 60 for immediate annuities and 50 for deferred annuities, with a minimum deferral period of 10 years.

Gift annuity agreements over \$500,000 may be subject to an internal review process by the Vice President for University Advancement and the Senior Vice President and CFO.

- c. *Charitable remainder trusts*
  - i. *Unitrusts* - The basic form of unitrust provides for payment to a donor and/or beneficiary(ies) of an amount equal to a set percentage of fair market value of the assets of the trust, valued annually. The percentage is determined at the time the trust is created, is stated in the trust, and is permanent. The terms including payout and term will follow IRS regulations.

Payments to income beneficiaries must come exclusively from the trust assets and are not guaranteed by the University.

- ii. *Annuity trusts* - Annuity trusts are like unitrusts except that the donor and/or beneficiary(ies) annually receive a payout that is fixed irrevocably at the time of the gift and stated in the trust agreement. The payout will follow IRS guidelines. Unlike a unitrust, IRS regulations do not allow additions to annuity trusts.



- d. *Charitable lead trusts* - This trust is designed to make periodic payments to a charity for a period of several years, after which the trust terminates, and the assets pass to the designated individuals either outright or in trust.
- e. The University will not serve as trustee for any trust in this section unless approved by the GAC. When the University serves as Trustee, trust assets are invested according to guidelines established by the Investment Committee of the University's Board of Trustees for such assets, and Illinois law, regarding the investment of such assets. Any trust for which the University serves as Trustee must name the University as at least a 51% irrevocable beneficiary of the remainderment or lead payments of the trust.
- f. *Life Insurance* - The University can receive two types of life insurance gifts: as beneficiary or as owner and beneficiary. The donor, on the advice of his/her advisors, must decide which arrangement is in the donor's best interests. In all cases, life insurance gifts shall be valued, for accounting purposes, at the cash surrender value.

The University will not accept gifts of term insurance for which it is owner and beneficiary unless approved by the GAC.

If the University is named beneficiary of a life insurance policy (and does not own the policy) review of the gift is not required by the GAC.

If the University receives a gift of insurance for which the University is the beneficiary and the owner, the gift must be reviewed by the GAC. The following criteria apply:

- i. The premium must be a lump sum payment or annual premium payment for not more than ten years.
- ii. The donor must agree to be responsible for making additional premium payments if the interest rates fall below expectations and additional premium payments are required. Cash gifts to be used for premium payments are booked at face value as received. The minimum face value for acceptance of a gift of insurance for which the University is handling the administration, (e.g. payment of premiums) is \$100,000. The \$100,000 threshold does not apply to insurance policies that do not require ongoing administration.
- iii. The donor will be informed that if, for any reason, they are unable to make the gifts to cover the premium payments and there are not dividends to cover the payment, the University will select an option for the future of the policy based upon several factors, which may be age of donor, death benefit, amount of paid-up insurance, amount of premium, number of premiums remaining, etc. The options include not paying additional premiums and considering the policy paid at current level, surrendering the policy for the cash value or, in rare situations, using University resources to pay the insurance premium. If the University elects to pay the insurance premium, the University may determine the designation of the policy benefits.
- g. *Retained life estate* - Donors can qualify for a sizable charitable income tax deduction by making a gift to the University of their personal residential property, vacation property, (or a farm) while retaining full use and rights to the property during their lifetime. The donor retains a "life estate" and the University receives the "remainder interest."

A life estate gift is created by transferring the deed for the property to the University which reserves a “life estate” for the life of the donor, or his/her designees. Properties used in a life estate gift are accepted on a case-by-case basis as approved by the GAC. Donors must sign a Life Estate Agreement with the University to clarify the life tenant’s responsibility as life tenants for the property, including but not limited to repairs, taxes, insurance, rentals and sub-rentals, and other expenses. As part of the Life Estate Agreement, the University must be able to inspect the property from time to time during the period of the life estate agreement. All the normal review and gift acceptance procedures for gifts of real estate apply to gifts of life estate/remainder interest deeds.

- 4. Pledges** - Pledges are commitments to make future gifts. Only the entity exercising legal control over the assets to be given can make a pledge. Therefore, an individual cannot make a pledge that includes anticipated matching contributions from an employer or some other source. Nor can an individual commit funds that may come from a donor-advised fund or foundation. An enforceable, countable pledge includes only those funds that will be given by that legal entity.

“Conditional” pledges are those that place requirements on the institution to perform some task or take some sort of action that it might not otherwise initiate. A conditional pledge may also depend on some future event over which neither the institution nor the donor may have control. Examples of conditional pledges are challenge gifts, gifts for capital projects (if the pledge is conditional on either raising other funds or moving forward with the plans to build or renovate), and pledges that are non-binding on the donor’s estate.

The University will accept, and record written pledges if pledge documentation includes the amount, purpose, and payment period and is signed by the donor(s). Multi-year pledges are generally not accepted beyond five (5) years.

- 5. Matching Gifts** - The University honors each organization’s matching gift rules while optimizing matching gift opportunities as fully as possible. If the University has reason to believe that a donor is not in compliance with a matching entity’s policies, staff will contact the donor for clarification.

Examples may be gifts directed to non-qualifying programs (in some cases, Athletics) or pooling of gifts with non-employee donors. The University will not submit claims for non-qualifying gifts.

- 6. Gifts from University Employees** - Gifts to the University from University employees are encouraged and may be accepted if the purpose of the gift is to support bona fide University activities and/or purchases. Such gifts are subject to University policies and procedures for expenditure and cannot be directed toward an employee’s own research or business or travel account. Gifts can be made to support a general department or school and an appropriate third party (such as dean, department chair, president, or other employee in a supervisory role to the employee) must be the fund administrator on any such account and take special care in approving expenditures in order to ensure that the University’s use of the gift supports its charitable purposes. Similarly, employees who are entitled to receive wages for services provided must receive those payments as compensation and incur all income taxes associated with the payment. An employee may elect to make a gift to the University with the post-tax proceeds of such payments, but may not donate the compensation in lieu of payment. All such gifts from University employees should be in accordance with the University’s Conflict of Interest Policy.

7. **Memorial and Honorary gifts** - Memorial and honorary gifts are encouraged by the University as generous and thoughtful ways to recognize people's lives and accomplishments. When the University notifies the decedent's next of kin of memorial or honorary gifts, such notifications must not include gift amounts. The next of kin may be consulted about the designated use of memorial monies, including whether the funds will be endowed or spent as current funds. In the case of honorary gifts, the honored person is notified, again without detail about gift amounts. For any memorial or honorary gift which includes a naming right, the donors will use best efforts to obtain appropriate consent regarding the use of an individual's name.
8. **Gifts for the Benefit of Specific Individuals** - A gift that is made with the condition that the proceeds will be spent by the University for the personal benefit of a named individual or individuals (e.g., a scholarship for a particular student or gifts for the benefit of specific University employees) will not be received by the University as a charitable contribution.
9. **Premiums or Goods/Services received** - The IRS requires tax-exempt entities to verify that no goods or services were received in exchange for a contribution, in order for the gift to qualify for a full charitable deduction. Standard receipts verify this qualification. Where premiums or services are offered, only the qualifying gift amount is receipted.
10. **Naming Gifts** – The University adopted and maintains a Naming Gift Policy which may be amended from time to time, which can be found at:  
<https://www.luc.edu/media/lucedu/policy/pdf/naming-gift-policy-092021.pdf>

## VII. TAX RECEIPTING AND WRITTEN DISCLOSURE STATEMENTS

A receipt/acknowledgement is sent to each donor upon receiving a gift. The receipt reflects the amount or type of the gift and the value of any benefits received by the donor. Special acknowledgements are sent to donors and families or honorees for memorial and tribute gifts.

IRS rules require that a donor, to obtain a charitable contribution deduction for Federal income taxes, must substantiate any charitable contribution of \$250 or more with a receipt from Loyola (a canceled check is specifically not sufficient). The receipt must provide the amount of the gift, the value of any benefits received (goods or services) by the donor from Loyola, and the resulting amount of the gift. In addition, the IRS requires the receipt to state affirmatively if the donor has not received any benefits received. Gift receipts from Loyola reflect these requirements.

## VIII. Confidentiality of Information

The University is committed to protecting the privacy of people whose personal information is held by the University through responsible information management, and in accordance with applicable law. This includes information on constituents (alumni, donors, and potential donors) that is held by the University's Division of Advancement. This commitment applies to all employees, including part-time, temporary, contractual, and student employees, paid and unpaid interns, and agents of the University who assist in the University's fund-raising and alumni outreach mission.

- IX. Donor Control** – In order to ensure the deductibility of donors’ gifts as well as comply with laws and ethical standards, gifts may not be controlled by a donor nor may a donor personally benefit from a gift, or have a role in influencing expenditures. Donors may restrict gifts for a particular use within the University, but may not control how the gift is used.

## **X. CHANGES TO GIFT ACCEPTANCE POLICY**

Changes and/or amendments to this Policy must be reviewed and approved by the Board of Trustees.

Previous policy approved by the Loyola University of Chicago Board of Trustees: 6/4/99 revoked effective March 14, 2019

New Policy Approved by the Loyola University of Chicago Board of Trustees and Effective March 14, 2019

## **XI. COUNCIL FOR ADVANCEMENT AND SUPPORT OF EDUCATION (CASE) DONOR BILL OF RIGHTS**

The text of this statement in its entirety was developed by the American Association of Fund-Raising Counsel (AAFRC), Association for Healthcare Philanthropy (AHP), Council for Advancement and Support of Education (CASE), and the Association of Fundraising Professionals (AFP), and adopted in November 1993.

Philanthropy is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To assure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the not-for-profit organizations and causes they are asked to support, we declare that all donors have these rights:

- a. To be informed of the organization’s mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.
- b. To be informed of the identity of those serving on the organization’s governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities.
- c. To have access to the organization’s most recent financial statements.
- d. To be assured their gifts will be used for the purposes for which they were given.
- e. To receive appropriate acknowledgment and recognition.
- f. To be assured that information about their donations is handled with respect and with confidentiality to the extent provided by law.
- g. To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.
- h. To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.
- i. To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.
- j. To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.