



POLICIES

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Approved by: James E. K. Hildreth, Ph.D., M.D.
President and Chief Executive Officer

Subject: Advancement and College Relations - Fundraising and Acceptance of Gifts

PURPOSE:

In keeping with the original spirit and intent of its founders, Meharry Medical College is dedicated to excellence in education through the utilization of private giving in order to make available opportunities which complement the institution's mission. To that end, the College is committed to providing ongoing financial resources through private sector fund raising in the following areas: endowment, general and endowed student scholarships, endowed faculty chairs and professorships, faculty development, information technology, campus revitalization, library endowment, and the annual fund.

Gifts of real estate and personal property from individuals and organizations often benefit colleges and universities by making possible the accomplishment of objectives for which support from other sources is limited or unavailable. Gifts also often represent a means by which the donor may contribute to an aspect of higher education that is of particular interest to the donor.

ACCOUNTABILITY:

By direction of the President, responsibility for implementing this policy is delegated to the Vice President for Advancement and College Relations. The Division of Advancement and College Relations is responsible for coordinating all annual fund raising or solicitation activities in the private sector, with the exception of private contract grants. Gift solicitation programs conducted by anyone for the benefit of Meharry Medical College or any of its entities require the prior approval of the president through the vice president for advancement and college relations. The Division has responsibility for the entire development process, including the identification, cultivation, and solicitation of sources of potential financial support for Meharry Medical College, as well as, the valuation, recording, and acknowledgment of gifts received.

The Division of Advancement and College Relations will have the primary responsibility to receive donations of money, securities, and property from any source on behalf of Meharry Medical College and is responsible for using these

gifts in accordance with the conditions established by the donor.

The leadership for all capital campaigns comes from the Meharry Medical College Board of Trustees, the president and campaign committees.

PROCEDURE:

Meharry Medical College operates on a fiscal year from July 1 through June 30. Alumni, friends, trustees, students, parents, faculty, staff, businesses, corporations, foundations, and others are solicited for gifts on an annual basis, and these prospective donors may designate gifts for unrestricted or restricted purposes. The Annual Fund program, which includes funds raised through The Meharry National Alumni Association, is extremely important to the College.

All efforts within the College to raise funds from private sources—including corporations, foundations, individuals, or other non-public entities—must be approved by the vice president for advancement and college relations prior to their initiation. All activities related to the solicitation and acceptance of gifts will be implemented in a manner which serves the mutual interest of the donor and Meharry. This policy applies to faculty members, administrators, and any others who are or who may become involved in soliciting or receiving gifts for any purpose.

Prior to the initiation of a formal request for solicitation approval, senior advancement officers are available to consult with those who wish to approach potential funding sources. Senior officers can provide advice or can make a preliminary evaluation of the feasibility of the proposal/project. The vice president or his/her designee will assess the appropriateness and timing of such a solicitation in light both of institutional priorities and any known financial commitments by those considered to be potential donors.

This policy does not apply to grant or contract proposals submitted to any governmental agency or government organizational entity.

Faculty members, departments and units who wish to seek non-contract funding from the private sector should refer to the *Policy on Prospect Clearance for Fund Raising Activities*.

Only officially recognized student organizations will be authorized to conduct fund raising projects at Meharry Medical College and at other approved locations. As an adjunct to fund raising, organizations may accept but not solicit dues. All student fund raising project proposals must be submitted to the Office of Student Affairs for approval at least two weeks prior to the proposed event. Forms for project approval can be obtained from the Office of Student Affairs. Proposals should be made in writing and detail the project, its goals, and planned use of funds.

Acceptance of Gifts

1. The President, and the Division of Advancement and College Relations through its vice president, associate and assistant vice presidents, and development officers are authorized to accept gifts on behalf of Meharry Medical College, subject to the following conditions:
 - a. Only the Board of Trustees may accept a gift if board acceptance is a condition set by the donor.
 - b. Only the President and Board may accept gifts of real property or any permanent interest in real property, and title must be conveyed in the name of the College, for the use and benefit of Meharry. (Read section on Gifts of Real Estate.
 - c. Gifts with conditions that ultimately will require consideration by the Board or must be approved by the President prior to acceptance (e.g., gifts to support the initiation of a new academic program or capital improvement project).
 - d. Gifts of property subject to indebtedness must be approved by the President after consultation with the Vice Presidents for Finance, Advancement and College Relations, and the General Counsel.
2. The President may delegate to a campus official or officials his authority to accept gifts on behalf of the institution.
3. Corporate stock given to Meharry Medical College may be sold by the institution through consultation with a registered security broker within 60 days of receipt of stock certificate, and the sale may be executed by the Vice President for Advancement and College Relations or the Associate Vice President for Development.
4. Gifts-in-Kind (equipment, art objects, real estate, etc.) to Meharry Medical College must be evaluated by the development office before the gift is accepted. This review is designed to assure that acceptance will not involve financial commitments in excess of budget capabilities. Consideration will be given to the costs of maintaining, cataloging, delivering, insuring, displaying, securing, and warehousing gifts-in-kind. When gifts-in-kind are given to the college with the intent of the donor's receiving a tax deduction, it shall be the responsibility of the donor to obtain an appraisal. It is in the donor's best interest that the college neither provides directly nor be responsible for securing the service of appraisers in connection with gifts to the college.

When gifts-in-kind are received by any office or department of Meharry Medical College, the pertinent sections of the Notification of Gift form shall be completed by that office and forwarded to the advancement

and gift management services office.

5. Acceptance of a restricted gift, such as a scholarship, imposes a legal obligation to comply with the terms established by the donor; therefore, it is necessary that the nature and extent of this obligation be clearly understood. For this reason, the terms of each restricted gift will be reviewed with appropriate staff within the division of advancement and college relations before acceptance to assure that it does not hamper the usefulness and desirability of the gift to Meharry Medical College. If a gift is deemed unacceptable because of the restrictions the donor has placed on its use, the donor will be counseled to remove or modify the restrictions. The vice president for advancement and college relations decides when a gift will be refused or returned; when a gift is inappropriate or not conducive to the best interests of the college; or when it would obligate the college to undertake responsibilities, financial or otherwise, which it may not be capable of meeting.
6. The Office of Planned Giving within the Division of Advancement and College Relations must be informed when notification is received by any office or unit of the College that it has been included in a will as beneficiary, or that it will benefit from any trust, annuity, or other form of planned giving. The solicitation for bequests and planned gifts must be coordinated with the planned giving office.
7. Appropriate procedures must be established for acknowledging acceptance of gifts and for ensuring compliance with conditions set by the donors.

Gift Types and Counting Criteria

These guidelines pertain to CASE and CAE reporting only. Reports should mirror accounting reports as far as the date is concerned. The date indicated and used for CASE and CAE reports should be the same used for accounting purposes—namely the date the gift was credited to the College's general ledger, which may not be the legal date of gift as outlined in IRS Publication 526.

1. **Cash and checks** are credited as of the date the College receives or processes them.
2. **Gifts made by credit card** are recorded in much the same manner as gifts made by cash or check, but the legal date of gift is determined differently. Credit card gift is not a gift until the institution has received authorization of the charge from the credit card agency. Therefore, credit card donations should not be counted or reported until the date that authorization is received.

3. **Gifts of marketable securities** are credited at the average of the high and low Quoted prices on the date the gift was transferred to the College.
4. **Gifts of closely held stock** are credited at the fair market value shown on the “qualified appraisal” required if stock is valued at more than \$10,000. If less than \$10,000, the per-share cash market price will be credited.
5. **Gifts of real estate and personal property** – such as land, residential housing, income producing property, paintings, antiques, and rare books—are to be valued by an independent, expert appraiser paid for and retained by the donor. The College retains the right to receive its own independent appraisal for property with a market price of \$250,000 or more.
 - a. **Gifts of real estate** must undergo an environment study and zoning assessment before they are accepted as specified in the College’s Policy on Gifts of Real Estate.
 - b. **Small gifts of real and personal property**—such as land, residential housing, income producing property, paintings, antiques, and rare books—are to be valued by someone with knowledge in the field and that informal valuation may be used for reporting purposes.
 - c. **Gifts of real estate and personal property** for which donors qualify for charitable deduction, if accepted by the College, will be credited to the campaign goals at the full fair market value shown on the “qualified appraisal.”
 - d. **Gifts accepted by the College which may become part of the College’s inventory** (generally, property held for sale in the course of the donor’s trade or business), will be credited to the Campaign at fair market value.
6. **Gifts in Kind** such as equipment and software, shall be counted at their fair market value.

Planned Gifts

1. **Gifts to establish charitable remainder trusts**, contributions to pooled income funds, and gift annuities are to be credited at fair market value (i.e., the full amount of assets given). Regarding trusts administered by others, the value of the assets in trust that the donor has chosen to have administered by others is to be included in the gift totals provided by the trust

is irrevocable and the College is an irrevocable beneficiary. The College must have a copy of the trust agreement.

2. **In crediting charitable lead trusts**, only the income received from the lead trust each year during the period of the Campaign (or a five-year period) is to be reported in the gift totals.
3. **Paid bequests, outright bequests from estates in probate**, and any additional payments on previous bequests received during the campaign are to be given full credit for the amount received.
4. **Testamentary pledge commitments** included in campaign totals should satisfy the following requirements:
 - a. Have a specified amount or percentage of the estate stated in the Will based on a credible estimate of the future value of the estate at the time the commitment is made;
 - b. Have verification of the commitment in the form of a letter from the donor or the donor's attorney, or a Charitable/Deferred-Pledge Agreement, or a copy of that portion of that portion of the existing Will relating to the College.
5. **All bequests realized during the Campaign** should be counted at full value in campaign totals so long as they were not counted in a previous campaign. Bequest expectancies are to be reported separately so as to emphasize the fact that the proceeds therefore will likely be available to complete the goals of the Campaign.
6. **In crediting gifts of insurance**, the College must be named both beneficiary and irrevocable owner of an insurance policy before the policy is to be recorded as a gift.
 - a. The cash surrender value of the policy when given, rather than its face value, is the amount to be credited as a gift.
 - b. If the donor pays further premiums on the policy, the premiums are to be included in the gift totals when they are paid.
 - c. If the College elects to pay the premiums, the institution should consider those payments as operating expenditures and not report increases in the cash surrender value as gifts.
 - d. Regardless of whether the donor or the College pays the premiums on the policy it owns, the difference between the cash value and the insurance company's settlement at the death of the donor should

not be reported as a gift but rather as a gain on the disposition of assets.

- e. In those cases where the College receives the proceeds of an insurance policy in which it was named the beneficiary but not owner, the full amount received is to be reported as a gift.
7. Gifts of insurance without cash surrender value (CSV) will be recognized at full value but treated as future support (similar to bequest expectancies).

Government and Non-Government Grants and Contracts

1. A differentiation must be made between gifts, grants and contracts when reporting. Grant income from private, non-government sources should be included in the gift totals; **contract revenue** should not be included.
2. A private grant is bestowed voluntarily and without expectation of any tangible compensation; it is donative in nature.
 - a. Whereas Meharry Medical College has the legal responsibility of using funds received as gifts and grants for the purpose specified by its donors, its obligation to the donor usually does not, and probably should not exceed the limit of the gift.
 - b. Meharry's responsibility under a contract, on the other hand, normally involves the generation of some tangible product or service, such as a report of research, often for the exclusive or proprietary use of the contracting agency and subject to certain standards of performance, and the expectation of economic benefit on the part of the grantor.
3. Government grants, whether local, state, federal or foreign, are not to be included in the Campaign gift totals: exceptions must be reviewed and approved by the gift and Policy Committee.

Gift Records and Reporting

The Office of Advancement and Gift Management Services records and acknowledges receipt of all private gifts to Meharry Medical College or any of its entities. Private gifts include cash, pledges, securities, trusts, planned gifts, insurance policies, real estate, and other gifts-in-kind. Therefore, all private gifts must be processed through the advancement and gift management services office in accordance with accepted accounting procedures to allow a proper audit trail.

1. A summary of all gifts to Meharry Medical College during a fiscal year will be included in the vice president's quarterly and annual reports to the Board.

The purpose of the guidelines listed above is to assure that complete and accurate records of every donation to Meharry Medical College are maintained by the Office of Prospect Research and Donor Relations and maintained electronically by the office of advancement and gift management services. These records shall be held in strictest confidence. Donor anonymity will be protected whenever desired by the donor. Principal and major gifts shall be acknowledged by the president when informed of them by the Office of Prospect Research and Donor Relations. Additional letters of appreciation should be sent by the vice president for advancement and college relations and others as appropriate.