

# Utah Tech University Policy

## 261: Fundraising Authority, Acceptance, and Management



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### I. Purpose

- 1.1 To establish ongoing, systematic, and charitable giving policies to support the growth and mission of Utah Tech University (“the University”) and ensure compliance with charitable best practices, and state and federal law.
- 1.2 This policy recognizes University Advancement as the sole University entity with authority to procure Charitable Gifts to the University.
  - 1.2.1 As such, University Advancement directs how and when University employees, students, and other University representatives may engage in activities intended to secure Charitable Gifts.

### II. Scope

- 2.1 This policy applies to all employees (as defined in University Policy 301), students, and volunteers of the University.

### III. Definitions

- 3.1 **Charitable Gift/Contribution:** A voluntary and irrevocable transfer of property (real property, personal property, cash or securities) by the Donor to the University, for a charitable purpose designated by the Donor without any compensation or substantial benefit per IRS publication 1771.
  - 3.1.1 Property transferred from local, state, and federal government entities is not considered a gift.
- 3.2 **Donor:** Any individual, corporation, foundation, or other entity making a

## Charitable Gift.

- 3.3 **Endowment:** The minimum amount to create an Endowment is \$25,000. Endowment funds are invested for the purpose of producing present and future income that may, also by Donor stipulation, be expended or reinvested with the original gift. The principal or corpus must remain intact. The Donor designates criteria based on their philanthropic desires, current University and Financial Aid needs. Endowment funds are invested and managed by the University (see University Policy 202).
- 3.4 **Fundraising Activities:** All activities related to procuring private, philanthropic support for the University, including, but not limited to, Gift Solicitation, gift proposals, prospective Donor and Donor relationship management, Donor events, receiving and processing gifts, gift receipting, development of promotional materials, and public announcements of gifts.
- 3.5 **Gift in Kind:** A Gift in Kind is a non-cash gift of physical property. The University accepts gifts, which provide support to our students and furthers the work of the departments and programs.
- 3.6 **Gift Solicitation:** Any oral or written request for a Charitable Gift.
- 3.7 **Gift Valuation (Fair Market Value):** The price of an item that would be agreed on between a willing buyer and a willing seller, with both having reasonable knowledge of the relevant facts. The University requires qualified appraisals for Gift in-Kind donations in accordance with IRS regulations.
- 3.8 **Grant:** A contribution that typically comes from a corporation, foundation, or other organization (not an individual) and is received by the University for either unrestricted or restricted use in furthering the mission of the University. The University may determine that what a Donor calls a Grant is, for internal record-keeping purposes, a gift. A Grant that has been determined to be a gift is donative in nature, given voluntarily and without expectation of any tangible compensation and implies no responsibility to provide the Donor with a product, service, or intellectual property.
- 3.9 **Other University Representations:** Non-University employees representing the University in some official capacity; including, but not limited to, volunteers, board members, and search committee members.
- 3.10 **Receipting:** Official written communication from University Advancement acknowledging the Charitable Gift. If a Donor receives benefits in return for a contribution, the amount of the gift recorded and reported is reduced

by the Fair Market Value of all benefits given in accordance with IRS regulations (see IRS Publication 526, Charitable Contributions).

- 3.11 **Sponsorships:** Qualified sponsorship of Fundraising Activities is permitted where there is no arrangement or expectation that such person will receive any substantial return benefit other than the use or acknowledgement of the name or logo of such person's trade or business in connection with the activities of the organization that receives such payment. (See University Policy 262).
- 3.12 **Supervising Executive:** The vice president, associate vice president, or dean who most closely oversees a University department or organization.
- 3.13 **University Foundation (Foundation):** The duly established Utah non-profit corporation organized to be a charitable, tax-exempt 501(c)(3) entity that operates exclusively for the benefit of the University. The Foundation may accept Charitable Gifts to the University. The Foundation is directed by a board comprised of volunteers and University employees. For this policy, references to University Advancement shall be presumed to include the Foundation and its board.

## IV. Policy

### 4.1 Responsibility

- 4.1.1 University Advancement shall direct all Fundraising Activities for, or on behalf of, the University. No University offices, employees, students, or other University representative may engage intentionally in Fundraising Activities without the prior approval of the Vice President of University Advancement or their designee.
- 4.1.2 All University offices, employees, students, and other University representatives are responsible for directing received Charitable Gifts to University Advancement for processing, Receipting, and reporting purposes
- 4.1.3 University Advancement and other University representatives shall abide by the highest standards of ethical conduct in fundraising.
- 4.1.4 No party in connection with a Charitable Gift to the University will receive a commission or a finder's fee of any kind.

### 4.2 Gift Acceptance

- 4.2.1 University Advancement shall be the repository for all Charitable Gifts made to the University. The University cannot accept

donations that involve unlawful discrimination based on race, religion, sex, age, national origin, color, disability, or any other basis prohibited by federal, state and local laws and regulations (see University Policy 164).

- 4.2.2 All donations made to the University will be managed and maintained through University Advancement's designated customer relationship management (CRM) system, the University's sole repository of information relating to donations.
- 4.2.3 At the request of the Donor, the University may treat a gift as anonymous. In doing so, the University will make every effort to honor the Donor's request to the extent the law allows.

## **V. References**

- 5.1 IRS Publication 526, Charitable Contributions
- 5.2 IRS Publication 1771 Charitable Contributions, Substantiation & Disclosure Requirements
- 5.3 University Policy 164: Protected Class and Non-Title IX Discrimination, Harassment, Sexual Harassment and Retaliation
- 5.4 University Policy 201: Cash Handling and Income Recognition
- 5.5 University Policy 202: Investment of University Funds
- 5.6 University Policy 262: Coordination of Sponsorship and Advertising
- 5.7 26 U.S.C. § 501 Internal Revenue Code
- 5.8 Utah Board of Higher Education Policy R530 Acceptance of Conditional Gifts
- 5.9 Utah Code 16-6a Utah Revised Nonprofit Corporation Act
- 5.10 Utah Code 53B-20-105 Institutional right to receive and convert grants, gifts, devises, or bequests
- 5.11 26 CFR § 1.170A-17 Qualified Appraisal and Qualified Appraiser

## **VI. Procedures**

- 6.1 Approval Process
  - 6.1.1 Prior to engaging in any Fundraising Activities, all University

employees or organizations must secure approval from their Supervising Executive.

- 6.1.2 Upon securing approval from their Supervising Executive, University employees must then secure approval from the Vice President of University Advancement or their designee.
- 6.1.3 Prior to engaging in any Fundraising Activities, student groups shall secure approval from University Advancement for the fundraising purpose and the amount and individual or organization to be solicited.
- 6.1.4 All University offices, employees, students, or other University representatives shall promptly notify University Advancement if they receive inquiries, offers, or information regarding a possible gift to the University.

## 6.2 Gift Processing

- 6.2.1 All Charitable Gifts will be deposited according to the University's cash handling policy (See University Policy 201).
- 6.2.2 All Charitable Gifts received by University Advancement are processed utilizing University Advancement's CRM and reconciled with Banner.
  - 6.2.2.1 Gifts are receipted and acknowledged according to best practices and CASE Donor bill of rights.
  - 6.2.2.2 Any communication to a Donor or prospective Donor concerning tax deductibility of Charitable Gifts must be made by University Advancement.
- 6.2.3 If a Charitable Gift or event sponsorship results in the Donor receiving material benefits, the Fair Market Value of the benefit must be determined by University Advancement and accounted for in the gift receipt.
- 6.2.4 Gifts in Kind should be reported at the Fair Market Value. If the item(s) in the aggregate are valued at more than \$5,000, the donation will require a qualified appraisal by an independent, expert appraiser. The qualified appraisal must be done in accordance with applicable IRS Regulations. The qualified appraisal cannot be made earlier than sixty (60) days prior to the date of the gift. The University cannot recommend appraisers to potential Donors, and University faculty or staff may not provide a qualified appraisal to

substantiate a Donor's Gift Valuation.

6.2.4.1 Donation receipts supplied to the Donor for Gift in Kind will not reflect a dollar amount. The amount and tax-deductible nature of a Gift in Kind is rather to be determined by the Donor and the Donor's tax advisor.

6.2.4.2 Gift in-Kind forms are available through University Advancement.

## **VII. Addenda – N/A**

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Policy Owner: Vice President of University Advancement

Policy Steward: Director of University Advancement and Foundation Relations

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