

LAMAR UNIVERSITY
DIVISION OF UNIVERSITY ADVANCEMENT

**DEPARTMENTAL GIFT POLICY
AND
PROCEDURE MANUAL**

Revised May 2023

DONOR BILL OF RIGHTS

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 Lamar University and the causes they are asked to support, all donors have these rights:

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

P U R P O S E

The purpose of this manual is to provide guidelines for those who may engage in fund raising activities for the benefit of and under the auspices of Lamar University and to provide a framework for giving and accepting private contributions. The policies and procedures set forth in this manual apply to all fund raising projects associated with Lamar University.

It is the mission of the Division of University Advancement at Lamar University to support the University's instructional, research and service missions through effective fund raising, communications programs and special events, engaging individuals and special publics in the interest of the advancement of the University. Departments (or areas) in Advancement include Development, Advancement Services, and Alumni Affairs.

It is the mission of the development staff to support the University's missions through the cultivation of prospective donors and stewardship of past donors in order to raise funds for the benefit of the University, while working closely with the Lamar University Foundation, a separate 501(c)(3) organization whose mission is to support Lamar University.

The President of Lamar University maintains ultimate control over all fundraising activities. Once a project has received approval at all levels, the Associate Vice President of University Advancement will consult with those wishing to approach a funding source. In concert with the President and the Vice President for University Advancement, the Associate Vice President for University Advancement will determine the appropriate timing for solicitation in the light of University priorities and history of donor interest.

The Associate Vice President for University Advancement is responsible for coordinating all fund raising activities for University projects in such a way as to avoid the simultaneous approach to donors by development personnel and others across campus. Successful coordination of fund raising reduces duplication of effort, which eliminates confusion and embarrassment for both the University and the potential donor.

The Office of Research and Sponsored Programs Administration processes all research/grant contracts. All efforts to raise funds from non-governmental, private constituents (corporations, foundations, trusts, alumni, donors, parents, and friends) for annual, capital, and planned giving programs, whether unrestricted, designated, or restricted, should be coordinated with University Advancement.

Contributions treated as gifts are usually those that carry no reciprocal obligations between donor and recipient, and are substantially unrelated to the donor's business interests. A donor agreement may direct the gift to support a specific area, department, or discipline, but the departments or faculty members retain broad discretion on how the funds are expended and which activities and programs best support the intent of the gift.

Gift funds may include a requirement for general or specific reporting, but do not include a process for the return on unspent funds. The university retains discretion on how the funds are used to meet the intent of the donor.

When the business interests or mission of the funding source are specifically related to the use for which the funds are granted, the contribution should most likely be treated as a sponsored award. Such awards will usually be used to support activities that bolster the grantor's interest. Grants related to a specific project, which usually includes a research plan and a budget, and covers a specific period of time should be considered sponsored awards. It is often the case that unspent sponsored funds are returned to the granting agency or individual. Sponsored awards usually involve an identified university faculty, or group of faculty, as the academic leader and specify goals, objectives and methodologies. Sponsored award grantors expect the university and the faculty to report on progress or results to the sponsor at intervals or benchmarks identified in the grant or contract.

In some cases, the distinction between a gift and a sponsored award (grant or contract) is ambiguous and requires consideration of many factors, including but not limited to the mission of and potential benefit received by the funder, the value exchanged; the scope of work; whether there are any defined activities and, and if so, their nature and the specificity with which they are defined; the terms of accountability for use of funds and deliverables; and – in case of failure to complete the defined activities – the ability of the funder to recoup the funds provided or to obtain a refund (or receive a reversion) of unused funds. Alternately, some external funding can initially resemble a gift because its terms may lack detail about activities to be funded but may require a mechanism by which a funder would be asked periodically to approve specific program or research activities and/or specific uses of portions of funds; such funding would therefore likely be considered as a sponsored award, because of the lingering control of the funder over specific activities for which the funds would be used and/or the budgets for those activities.

In some cases, external funds received may be, by the terms on which they are provided, in part a gift and in part a sponsored award. In that event, funds received may be allocated between gift and sponsored award, and the corpus of each portion treated differently and appropriately for management, accounting, compliance and oversight purposes.

All gifts (monetary and in-kind) to the University must be reported to the Advancement Division in order to maintain accurate donor gift records and for the issuance of required IRS documentation.

I. GIFT POLICY

The IRS defines a charitable contribution as a donation or gift to or for the use of a

qualified organization. The term “gift” is broad and includes any type of contribution – cash, checks, real estate, life insurance, etc. It is voluntary and is made without receiving or expecting to receive anything of equal value. It must not be set aside for use by a specific person (IRS Publication 526).

In accepting gifts, Lamar University values and will protect its integrity, its independence, and the academic and civic freedom of its faculty, students and staff.

In seeking gifts, several necessary conditions must be kept in mind. Gifts can only be sought for purposes, positions and programs that already have appropriate academic or other approval. A University project requiring private funding must be approved at the following levels before the Advancement Division is contacted:

1. Faculty members must receive approval from the Department Chair.
2. The Department Chair must receive approval from the Dean.
3. Deans must receive approval from the Provost and Vice President for Academic Affairs.
4. Directors must receive approval from the appropriate division Vice President.

Most donations to student organizations are considered gifts to that organization, and not gifts to Lamar University. These gifts and donations are not processed by University Advancement and should be handled according to University procedures for student organizations. On rare occasions, some donations do qualify as tax deductible gifts to Lamar University for student organizations. Donations to the university for club team travel or equipment which is owned by the university, and/or for educational expenses for professional groups can sometimes be considered tax deductible gifts. For questions about this, please contact the Director of Advancement Services at 409-880-7819.

Gifts may be sought from individuals, corporations or foundations. Whenever it appears that a gift, because of its source, its conditions, or its purpose, could expose the University to adverse publicity, extend the University's resources beyond its strength, or involve the University in new and unexpected responsibilities, the matter should be referred to the Director of Advancement Services prior to final acceptance of the gift. The Director of Advancement Services and/or the Vice President for University Advancement will then consult with the Provost and/or President. It is a requirement that gifts-in-kind have prior approval by the appropriate Vice President before acceptance if that gift will require physical space or ongoing maintenance. Approval from Information Technology Compliance must be sought before accepting donations of electronic equipment or software.

Under normal circumstances, The Texas State University System Board of Regents will delegate the authority to the President and then through to the Vice President for University Advancement and/or the Associate Vice President for University Advancement to solicit and accept gifts. When the gift has implications that could be serious for the University, the Vice President for University Advancement and/or Director of Advancement Services may withhold approval pending a review by any

faculty members and administrators appointed for that purpose.

While donors often wish to specify the general purpose for which a gift is given, the University will not accept gifts which are too restrictive in purpose or which do not support its own stated purposes. Gifts for the purpose of resale are not usually accepted by The University. The University will not accept a gift that bears with it any discrimination based upon race, color, creed, age, religion, or sex. The University will not accept a gift that obliges it to break the law.

Biographical and financial records will be treated as confidential information. Under no circumstances will data be released for the primary purpose of private enterprise or gain. All Freedom of Information Act regulations will be observed.

II. GIFT OPPORTUNITIES

Lamar University welcomes gifts of cash, credit card, securities, bequests, life insurance, trusts, annuities, selected gifts-in-kind and, in special instances, real property contributions. Gifts may be in the form of annual giving funds, unrestricted, designated, or restricted monies. All donors receive recognition online within the Development website.

The Development Office's primary role is to assist all campus departments as they work with potential donors to raise funds for their various programs. Whenever a potential donor is identified, please contact a development officer to work with you and the donor to ensure that all applicable rules and regulations are followed, including IRS regulations which may impact a donor and/or the University.

There is a wide variety of forms of giving to Lamar University. Unrestricted gifts may be given to a particular college or department enabling their use in meeting their day to day needs. Restricted, or designated, gifts are those directed to a specific program or group. A very common form of restricted gifts are those given to scholarships.

Scholarship Funds

Lamar University and the Lamar University Foundation combined have about 670 privately funded scholarship endowments valued at approximately \$70 million. Donors may establish scholarships in honor or memory of a specific person or persons. Scholarships are awarded each year to qualified students, according to guidelines established by the donor, the development staff and the academic department, if appropriate.

Student selection criteria must comply with all state and federal regulations, as well as Lamar University and Lamar University Foundation policies. Donors may select such criteria as:

- College and/or Major

- Classification level
- Grade Point Average
- Full and/or part time student

Donors are not able to select criteria based on protected classes as outlined by state and federal regulations such as race, gender, national origin, religion, age, disability or citizenship. Students accepted to Lamar University have all the same equal rights as any admitted student and the University is not able to accept a gift that would discriminate or limit a student's ability to compete competitively for scholarships.

An endowed scholarship, which is usually named according to the wishes of the donor, may be established with a contribution of \$15,000 or more and is generally managed by the Lamar University Foundation. Once established, the scholarship may be increased by gifts of any amount. Income from the endowment, as determined by the investment policy of the Lamar University Foundation, is used for the scholarship award, thus preserving the initial gift in perpetuity. The donor signs an endowment agreement specifying the criteria for awarding the scholarship.

An initial gift of \$1,000 is sufficient to begin funding a named endowed scholarship if the donor makes a written commitment to increase the amount through additional gifts within two years (this deadline may be extended by the Associate Vice President for University Advancement during special campaigns). If the \$15,000 minimum is not achieved during this period, the principal will be added to a general scholarship fund.

A named annually-funded scholarship is another form of aid to students provided by donors. This type of scholarship can be established within the university and named by the donor by a pledge to contribute a minimum of \$5,000 per year for a period of not less than four years.

Another way for donors to aid Lamar University students is through donations to the university's General Scholarship Fund. The General Scholarship Fund is not named for one person, but represents many donations given by Lamar University alumni and friends, and is an excellent way to make a gift which directly benefits Lamar students. Donations to this fund are accepted for any amount and may also be made in memory or in honor of a friend or loved one. The person being honored will be provided with a card informing them that a gift has been made in their honor, or to the family, in the event of a memorial gift. The amount of the gift is not disclosed.

Please contact the Lamar University Foundation at 409-880-2117, or the development office at 409-880-8422, to assist you by working with potential donors regarding any scholarship questions, or to establish a new scholarship.

Memorial Donations

Many times, memorial gifts to the university are requested in an obituary without prior involvement or knowledge of the development office. This can be problematic when incorrect information is provided such as listing a named scholarship for the deceased

person without the knowledge of the minimum amount required to do so. All requests from a family member regarding memorial donations should be referred to the Lamar University Foundation for direction.

In some instances, it is clear from the obituary that any donations made should be deposited directly into a particular scholarship which already exists or an academic department account. But some are listed vaguely or refer to a scholarship fund that does not exist. In these instances, funds are deposited into the university Quasi account and are tracked for an appropriate period of time until the coordinator (surviving spouse, etc) may be contacted for instructions on how to proceed. The Development officer will explain the options available to the family either to continue building towards a named scholarship at the minimum endowment amount, or to transfer the donated funds to a general scholarship fund or specific department account. The options available on transferring the funds will depend on how the obituary was listed. For example, if the obituary states that funds will be used for a scholarship, then the general scholarship fund should be utilized over transferring to an academic department in order to comply with the apparent wishes of all of the individual donors making contributions

III. METHODS OF GIVING

A variety of ways to give to Lamar University allows donors the opportunity to choose the most advantageous method.

A. Cash (including checks and credit card gifts)

Lamar University welcomes gifts in the form of cash, check, or via credit card. Checks should be made payable to Lamar University. In general, the report date of cash gifts is the date Lamar University receives the gift. For IRS purposes, at year-end the postmarked date is considered the gift date.

Lamar University accepts MasterCard, Visa, Discover, and American Express. To make a donation by credit card, the Development Office needs *the donor's name, the name printed on the card, the donor's address, the credit card number, expiration date, the 3-digit security code from the back of the card (Amex is on the front), and the amount of donation and the gift designation.* At no time may credit card numbers be historically filed by any university department. The preferred method for credit cards is online through our secure website www.lamar.edu/giving.

B. Securities

It is preferable that all gifts of securities be contributed through the Lamar University Foundation, Inc. Contact the Development Office or the Lamar

University Foundation for more information.

There are many tax advantages to donors who make a gift of stock that has appreciated significantly in value. A development officer can assist a faculty or staff member in discussing these benefits with a particular donor. However, under no circumstances should a faculty or staff member of the University attempt to provide financial advice but should refer the prospective donor to his or her personal advisor to discuss their particular situation.

C. Deferred Gifts

Donors may make planned (or deferred) gifts to the University through bequests, charitable remainder trusts, gift annuities and lead trusts, by making the University the beneficiary and owner of an insurance policy; and through charitable income trusts. The Associate Vice President for University Advancement or the Director of Planned Giving should be notified if a donor mentions to a faculty or staff member that they desire to list the University in their will. The donor will be contacted in order to record their wishes so that these will be followed upon receipt of the gift.

It is preferred that all planned gifts be received and facilitated by the Lamar University Foundation, Inc.

D. Art and Other Tangible Personal Property

In general, the University is grateful to receive gifts of equipment, art and other tangible personal property, such as antique furniture, rare books and collections.

Such in-kind gifts may be used by the University for educational programs and activities or may be converted and used for purposes listed in Section II, Gift Opportunities. These types of gifts are treated as *Gifts in Kind*, detailed in the following section E. Proposed gifts of art to the Dishman Art Museum Collection must be approved from the curatorial acquisitions committee prior to acceptance.

E. Gifts-in-Kind

Acceptance of gifts-in-kind to the University (equipment, software, personal papers, vehicles, etc.) must be approved by the appropriate dean, and also by the vice president and the president if acceptance of the gift requires maintenance or physical space be provided. Not all gifts-in-kind that are offered to the University should be accepted. **The potential gift must be able to be used by the receiving department for purposes or**

programs that already have appropriate academic or other approval. The receiving department should not verbally accept nor take possession of in-kind gifts until written approval is secured. To initiate a request for approval, the potential recipient must submit a memorandum in which are described the item(s), estimated cost of storage and/or maintenance (if any), and value to the receiving unit and to the University. (Note: This policy does not include gifts of books to the library (See Section F, next page).

Gifts of real and personal property that qualify as a charitable deduction for a donor will be counted by University Advancement at full market value regardless of the value the donor may be able to take as a charitable deduction. IRS requirements for gift substantiation note that the donor has the responsibility for valuing property for tax deduction purposes.

The University does not place a value on gifts of property under \$5,000. Instead, the written substantiation should give a description of the donated item. According to IRS rulings, donors are responsible for having their in-kind gifts in excess of \$5,000 appraised for income tax purposes by a professional appraiser. The cost of an appraisal is borne by the donor. The acceptance of a gift, which has been appraised by a disinterested third party, does not in any way imply endorsement of the appraisal by Lamar University.

Any IRS forms that require a signature from Lamar University as a charitable recipient of gift-in-kind property must be forwarded to the Vice President for Finance and Operations through the Associate Vice President for University Advancement. In particular, this includes Internal Revenue Service Form #8283.

The Director of Advancement Services is responsible for reporting all physical in-kind gifts to the Assistant Vice President of Procurement Services in Facilities Management so that the items may be added to the official Lamar University inventory.

F. Accepting Library Materials

Appropriate library personnel will accept gifts of library materials. The Mary and John Gray Library accepts gifts with the understanding that the library has the right to determine retention, location and other considerations relating to the use or disposition of said gifts. Gifts may be examined either on or off the library premises. The final decision on acceptance of such gifts lies with the Library Dean. A Donor Release form must be signed before library materials are transferred.

The library may add any volumes that support the collection. In general,

the library will not add duplicates, textbooks, or materials that are dated and will not add material that does not support the Lamar academic program. The Acquisitions Librarians and Reference Librarians, in consultation with other librarians and/or faculty as appropriate, will make the final decision with approval of the Library Dean. Any books added will bear a naming plate if the donor desires. If requested, the Library will provide an inventory of titles donated, but appraisal of gift collections is the responsibility of the donor.

Books not suitable for addition to the collection will be placed on sale for minimum prices, and funds raised will be used for Library purposes. If possible, name plates will be removed prior to sale. All donors to the Mary and John Gray Library should be advised prior to gift acceptance that some books may not be retained by the library.

IV. SPECIAL FUNDRAISING ACTIVITIES

A. Special Events/ Quid Pro Quo Contributions

A quid pro quo contribution is defined as a payment made partly as a contribution and partly as payment for goods or services provided to the contributor. Common examples of this are contributions made in order to participate in a golf tournament or special fundraising dinner or event. In these examples, the “goods and services” being provided to the donor might be the paid green fees for the golf tournament, a t-shirt and/or the price of a meal at an event. The value of an item purchased as a part of an auction is also considered goods and services provided and should be disclosed at the time of the auction and in reporting the gift.

Lamar University provides goods or services in consideration for a donor’s payment if, at the time the donor makes the payment, he or she receives, or expects to receive, goods or services in exchange for that payment. Goods or services also include those provided in a year other than the year in which a contributor makes the payment.

The IRS requires that tickets for fundraising events state what portion of the ticket cost is tax deductible. According to IRS Publication 1771, the required written disclosure statement for quid pro quo gifts of \$75 or more must accomplish the following:

- Inform the donor that the part of the payment that is deductible for tax purposes is limited to the excess of any money contributed over the value of the goods provided.

- Provide the donor with a good faith estimate of the value of the goods or services received by the donor. Note: *There is no single correct way to determine fair market value. The University establishes the fair market value of the goods or services using any reasonable methodology, as long as it is used in good faith. The fair market value of property is what a willing buyer will pay a willing seller. The fair market value is not what it costs the University to purchase a particular item.*

Lamar University gift policy requires that the value of any goods and services provided as a part of a fundraising event be disclosed on the invitation or other promotional materials used to promote the event. The value(s) must also be provided to Advancement Services as a part of the gift documentation so that it can be properly disclosed to the donor as a part of the official tax receipt.

B. Raffles

In the State of Texas, only certain qualified organizations may lawfully conduct a raffle. Lamar University does not qualify to do this under the law. Participating in an unauthorized raffle is a Class C misdemeanor.

The Charitable Raffle Enabling Act, effective January 1, 1990, permits certain qualified organizations to hold up to two raffles per calendar year, with certain other restrictions. There may be some student organizations or other entities (such as some 501 (c) 3 organizations) that have a relationship to the University which may fall under the definition of a qualified organization and be able to participate in these fundraisers. The appropriate law to refer to regarding raffles is Chapter 2002, Occupations Code, Texas Codes, Annotated. More information on this law can be found on the Attorney General of Texas' website, www.oag.state.tx.us

C. Auctions

Only the amount, if any, in excess of the fair market value of an item purchased at an auction can be considered a charitable contribution. Lamar University must provide donors with written disclosure of the fair market value of an item to be auctioned before the item is sold. Records of all donations of auction items and purchases of auction items must be sent to Advancement Services to record in the donor database.

D. Athletic Donations

If a donor makes a contribution to the Athletic Department and receives the right to purchase tickets or special seats at a Lamar athletic event, the gift is not tax

deductible by law.

V. PROCESSING GIFTS AND DONATIONS

It is the policy of Lamar University that all gifts and donations should be hand delivered to Advancement Services personnel to be reviewed and then deposited into the appropriate university accounts. If deposits are made by a department, a copy of the payment (check) and deposit slip should be hand delivered to Advancement Services, John Gray Center, Rudy C. Williams Building, Ste 112. It is Lamar University policy that all funds should be deposited within 2 business days of receipt and should be kept under double lock and key (a lock box in a locked filing cabinet for example).

When a solicitation results in a gift (check, cash, credit card payment) to any unit of the University or when an unsolicited gift is received, the recipient of the gift should carry the gift on the same business day as it is received to the Advancement Services Office, John Gray Center, Rudy C. Williams Building, Suite 112.

Note: *Do not put checks/cash/credit card information in the campus mail.*

Each gift should be accompanied by gift documentation including:

- Gift and Donation form
- a copy of any correspondence from the donor
- the donor check or University receipt for cash gifts
- the donor's transmittal envelope
- the Matching Gift form, if applicable.

During the last two weeks of December and the month of January, the donor transmittal envelope is critical because the donor envelope will verify the postmark for documentation required for end-of-year reporting. The envelope will be scanned by Advancement Services, along with all other gift documentation, for auditing purposes.

The Development Office maintains electronic copies of all gift documentation including copies of checks. **University departments should not retain copies of checks – copies of checks can be provided by the Development Office if they are ever needed.**

VI. Grants and Contracts

Only grant income from private, non-governmental sources should be reported to the Development Office in order to keep accurate records of all gifts to the University. Grants received from private foundations are a good example of gifts that should be reported. Call the Development Office for more information about reporting these gifts.

VII. REPORTING AND STEWARDSHIP

A. Reporting Gifts to Campus Account Managers

The Director of Advancement Services will send regular reports to all account managers who have received a gift so that they can verify that the cashier has deposited the funds into their account. This step is important to ensure that the cashier's office has successfully completed the deposit into the correct account. **This report should also be used by the account manager for stewardship purposes by writing thank you notes or letters and sharing with the donor how their gift will impact their department.**

B. Stewardship/Acknowledging Gifts

Stewardship of gifts is a very important step in the cultivation of future gifts from current donors. Much effort and attention must be given to the proper acknowledgment of all gifts to the University. All areas of the University receiving gifts should implement consistent acknowledgment processes.

University Advancement participates in the stewardship process by providing all donors with an official gift receipt from the University, ensuring compliance with all applicable laws and regulations. Donors making gifts in excess of \$500 also receive a letter from the Vice President for University Advancement. In addition, the President of Lamar University acknowledges all gifts of \$1,000+.

Each department should implement their own stewardship process by determining the most appropriate stewardship level and activities for their area. For example, a faculty member or department head might write letters or make phone calls for gifts at one level, and the dean may acknowledge gifts of a higher amount or special area of giving. Letters should not mention a dollar amount as the donor should receive only one official tax receipt from University Advancement.

In the case of memorial or honorary gifts, a letter mentioning the name of the donor is sent to the family of the deceased or to the person in whose honor the gift was made by the Development Office. The donor is thanked and informed that a letter has been sent to the family of the deceased. A similar procedure is followed for gifts honoring a living person. The amounts of these gifts are not disclosed to the family members, only the names of those making contributions.

All donor names are listed annually online at the Development website unless the donor chooses anonymity.

C. Millennium Database

The Millennium database is the vehicle used by University Advancement to house all data regarding donors and their gifts to the University and the Lamar University Foundation. Although direct access to this information is restricted to authorized personnel in the Division of University Advancement, this information is available for use by departmental personnel when needed. Please contact the Development Office for questions regarding past or current gifts to departments.

VIII. Conclusion

The guidelines in this manual will not address every case and contingency that may arise. Further information on the suitability of a planned approach to a donor should be sought from the Development Office. Questions, comments and suggestions concerning this manual or material not covered should be addressed to the Associate Vice President for University Advancement, Lamar University, P.O. Box 10011, Beaumont, Texas 77710 or call (409) 880-8422. This policy and procedures manual is reviewed annually by the Associate Vice President for University Advancement.