GIFT ACCEPTANCE POLICIES AND PROCEDURES

Policy or Procedure Description:
Policy IA.001 describes the procedures governing fundraising campaigns and the acceptance of gifts to the College, including cash, stock, and real property donations. It also dictates protocols for unrestricted endowment fund creation, bequests, and gift acknowledgement.

Related Links, Documents and Forms:

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GIFT ACCEPTANCE POLICIES AND PROCEDURES:

General Policy:

The John Jay College Foundation, Inc. [Foundation] is organized to receive, manage and distribute philanthropic funds on behalf of John Jay College of Criminal Justice [College]. The Articles of Incorporation of the Foundation restrict its purview to the College.

In order to manage its obligation to the College, the Foundation has the authority to create policies that guide fundraising activities for the College. The Board of Trustees [Board] of the Foundation has the fiduciary responsibility for the funds to perform and thereby the obligation to develop financial and investment guidelines.

The Foundation shall review these policies at a minimum of once a year in order to ensure their timeliness and appropriateness.

Fundraising:

The Office of Institutional Advancement has the responsibility and authority to coordinate fund raising efforts for the College. The responsibility for the coordination of fund raising efforts is to avoid duplication of efforts, targeting of best source of support for a given project, identification of projects for which support is solicited and to avoid soliciting the same donor for multiple projects. The responsibilities and activities of the Office of Institutional Advancement include but not limited to the following:

A. Development of a Strategic Plan for Fund Raising outlining the following activities:
   1) Solicitation of Major Gifts;
   2) Solicitations from Alumni including, but not limited to an Annual Campaign;
   3) Solicitations from Foundations, Corporations or other organizations;
   4) Solicitations of Individuals for Planned Gifts;
   5) Conducting Fund Raising Events.

B. Development of a Capital Campaign Plan.

C. The Foundation will maintain accountability for its financial transactions through the Office of Institutional Advancement, coordinated with the Finance Office and audited by an independent auditing firm.
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The purpose of this accountability is to:
1) Provide assurance to donors that gifts will be used as designated;
2) Ensure that the Board of the Foundation can execute its fiduciary responsibility;
3) Identify and document all costs associated with fund raising activities;

Gift Policies:

A. Gifts of Cash and Checks
   1) Copies of Checks and Cash will be made;
   2) A Gift submission form will be completed and sent to both the Finance Office and the Development Office;
   3) Gift will be entered in Raiser's Edge;
   4) Letter(s) of acknowledgement will be sent.

B. Gifts of Stocks and Bonds
   1) All readily marketable securities will be sold upon receipt;
   2) Gifts of closely held corporate stock will be carried on the Foundation's books at $1.00, in the absence of financial information that would enable determination of "book value";
   3) Gifts of Bonds, which require a "holding" period, will be accepted and cashed when the holding period has expired;
   4) Gifts of securities that will not be accepted include:
      a. Securities that could create a liability for the Foundation;
      b. Securities that may not be assigned (e.g. series "E" savings bonds);
      c. Securities which, on investigation, have no apparent value.

C. Real Property (Refer for Board Discussion)
   1) Before acceptance, all gifts of real property will be appraised by a qualified appraisal firm, independent of the College and the Foundation for the purpose of:
      a. Establishing the donor's tax deduction;
      b. Provide the Foundation auditors a reasonable value to carry the asset on the Foundation's books;
      c. Establish a reasonable asking price for the property.
   2) Donor will be required to pay the cost of appraisal;
   3) Gifts will be evaluated by the Audit Committee of the Board and a recommendation made to the Executive Committee of the Board on the disposition of the gift;
   4) If the Audit Committee recommends the sale of property, the foundation must set guidelines for a reasonable amount of time for the disposition of the property, during which time the donor will be asked to carry the costs associated with the property;
   5) When the property is sold within two years, the Foundation is required by law to inform the IRS of the resale price of the property;
6) Foundation Board will review specific gifts of real property that carry mortgages and liens;
7) Gifts of commercial properties and businesses will be evaluated on the basis of property tax and mortgage liabilities but also on the possibility of liability on income tax on unrelated business income as well as tax benefit from depreciation.

D. Gifts in Kind (For Board Discussion)
   1) Charitable Value of Gifts in Kind

E. Gifts of Personal Property such as jewelry, antiques, works of art, etc. (For Board Discussion)

**Gift Acknowledgement Procedures:**

A. When a gift is received, the gift shall be processed in the following manner:
   1) Gift form will be completed, including copy of check, and will be sent to finance office and development office;
   2) Development office will log entry on Raiser's Edge, marking fund for which gift has been given;
   3) For gifts of $100 or more, the official letter of acknowledgement will be generated by the Development Office and notification of said gift will be made to the President's Office, with a second letter of appreciation generated on the President's letterhead and sent two weeks later;
   4) For gifts of $100 or more, a copy of *Educating for Justice* will be sent (recording donor has received that gift in Raiser's Edge); when the donor contributes a second gift of $100 or more, the donor will receive a package of (10) John Jay note cards and envelopes, bound with the College ribbon in addition to acknowledgement letters;
   5) Gifts of $250 or more will receive a call from the Alumni/Development Director in addition to acknowledgement letters; in addition, these gifts will receive a letter of appreciation from the President.

B. Letters of Acknowledgement will be generated within five business days of receipt and documentation of gift;

C. The College will develop a recognition program to acknowledge groups of donors. The publication of those lists may be done as an annual alumni newsletter that includes listing of all gifts. This is still in discussion.

D. Copies of letters will be kept on file and recorded in Raiser's Edge fundraising system;
Procedures for Entering Data into Raiser's Edge:

Specific procedures for entering the following gifts are being developed as part of the work that Jennifer Smedes is conducting with Lindsay Maurer of CUNY. When completed, these will be collated into a procedural manual.

1) Gift of Cash/Checks
2) Gift of Stock, Securities and/or Bonds Annual Campaign
3) Special Events
4) Planned Gifts

Endowment Funds:

Foundation may approve the establishment of special purpose and unrestricted endowment funds upon receipt of gifts or commitments that meet the approved financial and other criteria for such funds. An endowment fund may be established even though the principal amount may not meet the minimum amount but is expected to do so at a future gift if:

At least one-half of the corpus minimum has been irrevocably gifted; or a letter of intent is signed by the donor with an approved plan to complete the minimum corpus in a specified time period.

Effective January 1, 2000, the minimum principal for establishing an endowment fund is ten thousand dollars ($10,000). Commonly acceptable types of endowment funds with recommended establishment levels are:

a. Scholarships, awards or fellowships for students may be established with a fund of not less than ten thousand dollars ($10,000);
b. Lectureship, exhibit and performance funds may be established with a minimum corpus of thirty thousand dollars ($30,000);
c. Enrichment and maintenance funds require a minimum corpus of fifty thousand dollars ($50,000);
d. Named Professorships require a minimum of five hundred thousand dollars ($500,000);
e. Named Chairs may be established with a minimum corpus of one million dollars ($1,000,000);

There is no minimum amount for a gift that is to be added to the general, unrestricted endowment or to any established special purpose endowment fund.

The spending policy for endowment funds is set by the Foundation Board.
Bequests and Deferred Gifts:

I. Bequests:
People who indicate that they have included John Jay in their Last Will and Testament will receive a letter of acknowledgement for their generosity. In addition, they will be placed on a stewardship list for continued cultivation. When the College has a significant number of such noted bequests, we will establish a "heritage type of society" and conduct cultivation activities for them and print a list of such heritage members yearly in our magazine.

II. Irrevocable Bequests
III. Charitable Remainder Trusts
IV. Gifts of Retirement Funds (IRAs) etc.

* See Procedure Sample memorandum on stock gift notification below.

Stock Procedures:

I. STOCK GIFT FORM AND SPREADSHEET PROCEDURES

GOAL: The John Jay Office of Institutional Advancement will complete these forms and begin placing information on excel spreadsheets in 1 business day from time of notification.

A. Stock Gift Form
B. Stock Spreadsheet
C. Receipt of stock check

II. ACKNOWLEDGEMENTS FOR GIFTS OF STOCK

The Finance Office will determine the timeline and the procedures for the acknowledgement of stock. However, the Office of Institutional Advancement is willing to process these acknowledgements if it is so requested by the Finance Department.

Here are some items that need to be included in any letter of acknowledgement: Make sure that each letter has a first paragraph that states the name of the stock, fair market value, date gifted, along with the Internal Revenue Service "no goods or services" sentence.

III. ENTERING OF STOCK GIFTS ON RAISER'S EDGE

A. The following directions are the additional steps that must be taken for a stock gift when entering in Raiser's Edge:
1. When selecting appeal, enter SL stocks.
2. When selecting Gift type, select ST (Stock).
3. Give each account the proper code in the attribute section.

B. Click onto Additional Gift Information
   1. At solicitor code, enter the code for the staff member responsible for bringing in this gift.

C. Click onto Securities
   1. Enter name of stock, along with its symbol in parenthesis.
   2. In Type, enter common or preferred.
   3. For Evaluation Source, enter Dow Jones Industrial.
   4. For Value, enter the high, low, and fair market value of the stock.
   5. For How Received, enter transfer or mail.
   6. Number of Shares: enter the number of shares donated.

In the notes section, enter any other pertinent information that needs to be known for future reference.
Sample Memorandum on Stock Gift Notification:

INTEROFFICE MEMORANDUM

TO: [JOHN JAY FINANCE CONTACT]
c: Robert S. Pignatello
FROM: Tova Friedler
Vice President, Institutional Advancement
DATE:
SUBJECT: Stock Gift from [name of donor]

This is to inform you that [name of donor] will be transmitting stock to [broker contact] as a contribution to [name of fund] or to meet a pledge payment [specific pledge reference, including program and/or project]. The stock is expected to be transferred on [date].

Please request that the stock be sold within 24 hours of receipt and that the finance department [contact name] be notified of the amount rendered from the stock by fax or email at the close of the sale. Cost of the transaction is to be listed separately from the sale amount. A copy of that transmission is to be immediately forwarded to the Vice President for Institutional Advancement.