

UAH GIFT POLICY AND PROCEDURE

POLICY:

The University of Alabama in Huntsville (the “University” or “UAH”) welcomes gifts from donors interested in benefitting the University and its programs. Gifts may include any of the following:

- Cash (such as currency or checks)
- All forms of property, real and personal (such as equipment, fine art, books, chemicals, software, etc.); and tangible and intangible (such as stock, bonds, patents, etc.)
- Anything else of value (such as, for example, personal services).

Such gifts must, however, be accepted and acknowledged in accordance with established institutional policy and procedures, particularly Rule 411 of The Board of Trustees of The University of Alabama (the “Board of Trustees” or the “Board”). Those policies and procedures require, in some instances, that a gift be accepted by action of the Board itself. Other gifts may be accepted by designated University officials, including the president or a vice president, dean, research center director, or department chair, but only if certain, stated conditions are met. As a general rule, no faculty or staff member or student is authorized, on behalf of the University, to accept a gift or to enter into an agreement with a prospective donor for the purpose of obtaining a gift.

The Office of University Development in the division of the Office of University Advancement has the responsibility for managing gifts to the University and its related foundations. The following statement of procedures has been adopted to insure that all gifts to the University are properly and efficiently accepted, received, acknowledged, and administered.

PROCEDURE:

I. General Principles.

A. Acceptance - General Rule. “Acceptance,” which is any act signifying a donee’s consent to the gift, is an essential element to a completed gift. An acceptance may be made on behalf of the University *only* by those officials authorized to do so in this policy or in other applicable institutional policy.

B. Acceptance - Board of Trustees. **Certain kinds of gifts *must* be accepted by The Board of Trustees itself.**

1. Under Board Rule 441, the Board of Trustees has reserved to itself the exclusive right to accept all endowed gifts, gifts restricted as to use or as to investments, gifts subject to a mortgage or other encumbrance, gifts of real estate, testamentary gifts (*i.e.*, those made by will), and gifts conditioned on the naming of a program, building, property, or part thereof made to the University. Gifts involving some difficult or unusual aspect may also need Board approval.

2. University officials and employees must be careful not to purport to accept gifts to the University which fall into any of the categories identified above.

3. Anyone who is aware of a prospective gift in any of these categories should contact the Office of University Development for assistance in insuring that the appropriate steps are taken to obtain Board acceptance.

C. Acceptance - Gifts to UAH Foundation. The Vice President for University Advancement and the Director of University Development are authorized to accept cash and noncash gifts made to the University of Alabama Huntsville Foundation (the “UAH Foundation”).

D. Compliance with Board Policy. All aspects of gift administration must be conducted in full compliance with Board Rule 411, a copy of which is attached to this statement of policy and procedure.

II. Noncash Gifts.

A. Acceptance - Authorized UAH Officials. Gifts to the University that do not require acceptance by the Board of Trustees may be accepted by the President under Board Rule 441. The President has delegated authority to give final acceptance for gifts to the respective UAH vice presidents and, in certain limited cases, to the deans and research center directors (see paragraphs II.C. and II.D. below). Other UAH officials, employees, alumni, and students are *not* authorized to accept noncash gifts on behalf of the University.

B. Proposed Gift - “Benefit” Assessment. The suitability of property proposed to be given to the University should be evaluated in terms of both the anticipated use of the property and the cost to the University associated with that use. Property to be acquired by gift should have the potential of being utilized to further both the general mission of the University and the more particular mission of the unit within the University that will be the primary user or beneficiary of the property. The commitment of University resources required to deliver, install, house, use, and maintain the property must also be reasonable in comparison with the benefit to be derived from the property.

C. Noncash Gift Acceptance Form - Submitted to Vice President. Before a noncash gift can be accepted, a Noncash Gift Acceptance Form must be completed by an appropriate individual within the unit that will be the primary user or beneficiary of the property or that has

otherwise been involved in developing the gift. The Acceptance Form should be submitted to the Vice President whose responsibility includes the user/beneficiary unit through the officials in the administrative chain, who will each indicate their approval or disapproval. The approval recommendations and acceptance decision should be made based primarily on the criteria set forth in paragraph II.B above. A copy of the Noncash Acceptance Form is attached.

D. Noncash Gift Acceptance Form - Submitted to Dean or Director. As a limited exception to the foregoing procedure, a dean or a director of a research center has the authority to accept a proposed gift of noncash property (not required to be accepted by the Board of Trustees) where the estimated fair market value of the property at the time of the gift is \$5,000 or less; where the costs, one-time or annual, of delivery, installation, housing, use, and maintenance of the property is estimated to be \$5,000 or less; *and* where there are no significant conditions or burdens associated with the use of the property by the University. In such an instance, the Noncash Gift Acceptance Form will be submitted to the appropriate dean or center director for acceptance.

E. Additional Documentation. If the donor submits documentation for the gift of noncash property, such as a deed of gift or a letter proposing the gift, the documentation should be reviewed by the University's Office of Counsel. The Office of Counsel will also prepare, upon request, documents necessary or appropriate to complete the transfer of the property. Gifts that involve significant conditions or burdens for the University in connection with the use of the property or any other possible legal issues (such as questions relating to the donor's title), as well as all gifts requiring Board of Trustee approval, should be reviewed by the Office of Counsel.

F. Acceptance Must Precede Delivery. A UAH employee must not arrange delivery or take possession of property proposed to be given to the University until the gift has been *approved and accepted* in accordance with these policies and procedures.

G. Follow-up Actions - Responsibility. After acceptance of a noncash gift, the Noncash Gift Acceptance Form is to be sent to the Office of University Development. The Office of University Development will be responsible for follow-up actions, such as preparation of a receipt for the property, if requested by the donor; coordinating the written acknowledgements of the gift to be sent to the donor; and arranging publicity, as appropriate, for the gift. The Office of University Development will also provide information and documentation regarding the donated property to the Material Control Office and, if the property is valued at \$2,000 or greater, the Property Inventory Office, so that the property may be properly inventoried and managed pursuant to the institution's property control system.

H. Noncash Gifts to UAH Foundation. An employee who is aware of a proposed noncash gift by a donor to the UAH Foundation should contact the Vice President for University Advancement or the Office of University Development.

III. Cash Gifts.

A. Gift Acceptance. Cash gifts, as well as noncash gifts, must be properly accepted pursuant to Board and University policy.

1. A UAH employee who is aware of a potential cash gift that may, because of special restrictions, require Board approval under Board Rule 411 or that may involve significant conditions or burdens for the University imposed in connection with the gift should contact the Office of University Development, to ensure that proper procedures are followed regarding acceptance.

2. Cash gifts to the University not requiring acceptance by the Board of Trustees may be accepted by the President or any vice president, dean, or director of a research center.

B. Gift Delivery and Cash Gift Report. All gifts of cash made to UAH or to the UAH Foundation should be immediately delivered to the Office of University Development, with a completed UAH Cash Gift Report. A copy of the Cash Gift Report is attached.

C. Gift Recording and Deposit. The Office of University Development will record the gift, credit the proper account for the University or the UAH Foundation, deposit the check or currency for the University through the Bursar's Office or for the UAH Foundation, and issue a receipt. Only the Office of University Development may make deposits of cash gifts.

D. Gift Acknowledgments. The Office of University Development has the primary responsibility for cash gift acknowledgments. It will prepare letters of acknowledgment and appreciation and send them to the appropriate University representative for signature and mailing, as outlined below.

1. The Office of University Development will prepare a gift report for the appropriate vice president, dean, and/or director when cash gifts are received and designated for their respective areas. Such officials may then provide acknowledgments for such gift(s) in addition to the acknowledgments made pursuant to III.D.2. and III.D.3 below.

2. All cash gifts are acknowledged by a representative of the program, such as a department chair, director, or dean, designated to be supported by the donor, with copies to other interested University officials. In instances where a gift is not designated for a program, the gift is to be acknowledged by the Director of University Development.

3. Cash gifts of \$1,000 or more are also acknowledged by the Vice President for University Advancement, and gifts of \$5,000 or more are also acknowledged by the President.

4. Memorial gifts and gifts in honor of an individual are acknowledged both to the donor and to the family of the individual being remembered or to the individual being honored. Acknowledgments to the family or honoree will include the name(s) and address(es) of the donor(s) but not the amount(s). These acknowledgment letters will be signed by the Vice President for University Advancement.

5. Cash gifts or pledges of \$50,000 or more and all permanent endowment gifts may be acknowledged by formal resolution of the Board of Trustees or the UAH Foundation Board of Directors, as appropriate.

IV. Income Tax Considerations.

A. Donee Documentation for Tax Purposes. Qualifying gifts made to the University or the UAH Foundation constitute a charitable contribution for which a federal income tax deduction may be available to the donor. The Internal Revenue Code establishes certain requirements, however, that must be met by a donor if the deduction is to be allowable. In some instances, action by the University will also be necessary. The Office of University Development handles gift recording and recordkeeping tasks at UAH and accordingly will be responsible for providing donee documentation required by the Internal Revenue Code.

1. If a donor makes a gift of more than \$75 *and receives any goods or services from the University in return* (called a "*quid pro quo* contribution"), the University is obligated to provide the donor a written disclosure statement. The statement must estimate the value of the goods and services and indicate that the charitable deduction is limited to the excess of the contribution over the value of goods and services received. The Office of Development will be responsible for providing *quid pro quo* disclosure statements.

2. If a donor makes a gift of \$250 or more to the University, a charitable contribution may be claimed by the donor *only* if a written statement or receipt is obtained from the University describing the gift. The University must also provide the information indicated above (IV.A.1.) if any goods or services were given to the donor in connection with the gift; if none were given, that fact must be stated. The Office of University Development will provide the written receipt.

3. If a donor contributes property for which a charitable deduction of \$5,000 or more will be claimed, a completed IRS Form 8283 ("Noncash Charitable Contributions") must be filed with the donor's federal income tax return. The donor is obligated to complete all but one part of this form and to obtain an independent appraisal of the property. One part of Form 8283 requires the donee to complete a brief acknowledgement. Form 8283, along with a copy of the donor's appraisal, should be forwarded to the Office of University Development for completion of the donee's acknowledgement. A receipt will be provided to the donor for gifts valued above \$5,000 *only* after Form 8283, with the accompanying appraisal, has been received by the Office of University Development.

B. Valuation of Gift - Donor's Responsibility. Establishment of the value of a gift made to the University for income tax deduction purposes is the responsibility of the donor, and UAH employees *must not attempt to place a value on any such gift*. It is not necessary that the University concur with the value of donated property claimed by the donor.

C. University Sale of Gift Property. No sale of donated property may be made within two years of the date the gift was received without prior written approval by the Office of University Development. Such a sale may require filing of IRS Form 8282 ("Donee Information Return") by the University with the Internal Revenue Service. For an approved sale, the Office of University Development will be responsible for preparing and filing this form.

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