

THE UNIVERSITY OF THE DISTRICT OF COLUMBIA FOUNDATION, INC.
GIFT ACCEPTANCE POLICY

The University of the District of Columbia Foundation, Inc. (“UDCF” or “the Foundation”) solicits and accepts gifts that will help the Foundation further and fulfil its charitable purposes. UDCF urges all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts, including the resulting tax and estate-planning consequences. The following policies and guidelines govern acceptance of gifts made to UDCF for the benefit of any of its operations, programs or services.

1. **Legal Counsel.** UDCF will seek the advice of legal counsel in matters relating to proposed gifts when appropriate. Review by counsel is recommended for:
 - a. Gifts of securities that are subject to restrictions or buy-sell agreements.
 - b. Gifts of interests in closely-held businesses.
 - c. Documents naming UDCF as trustee or requiring UDCF to act in any fiduciary capacity.
 - d. Gifts requiring UDCF to assume financial or other obligations.
 - e. Bargain sales of property to UDCF.
 - f. Gifts of real property.
2. **Tax Advice.** UDCF will seek the advice of its tax advisor in matters relating to proposed gifts when appropriate. Review by a tax advisor is recommended for gifts of tangible personal property or non-cash gifts worth more than \$500 that may trigger additional tax filings.
3. **Criteria for Evaluating Gifts.** UDCF will evaluate proposed gifts to verify that the gift will assist UDCF in furthering its charitable purposes. UDCF will not accept gifts if (a) acceptance of the gift would cause UDCF to violate its corporate charter, (b) acceptance of the gift would jeopardize UDCF’s status as an Internal Revenue Code § 501(c)(3) tax-exempt organization, (c) the costs or burdens of accepting the gift are not justified in relation to the value of the gift, or (d) where acceptance of the gift could injure UDCF’s reputation or its ability to carry out its mission. In deciding whether to accept a gift, UDCF will consider both the form of the proposed gift (e.g., cash, stock, property), any conditions proposed by the donor and the identity and reputation of the Donor. Decisions on whether to accept a gift will be made by the Board of Directors of UDCF (the “**Board**”) or a Board committee or officer with the appropriate Board-delegated powers.
4. **Gifts Generally Accepted Without Review.** UDCF will accept gifts in the following form without review, other than whether acceptance of the gift could injure UDCF’s reputation or its ability to carry out its mission, if the gift is not subject to restrictions or the gift is restricted for a use that UDCF has previously approved.
 - a. **Cash.** Cash gifts are acceptable in any form, including by check, money order, credit card or electronic transfer. Donors wishing to make a gift by credit card must provide the card type (e.g., Visa, MasterCard, American Express), card number, expiration date and name of the card holder as it appears on the credit card, unless otherwise directed by the Board or a committee with the appropriate Board-delegated powers.

- b. Unrestricted Marketable Securities. Unrestricted marketable securities may be transferred electronically to an account maintained at one or more brokerage firms or delivered physically with the transferor's endorsement or signed stock power (with appropriate signature guarantees) attached.
 - c. Bequests and Beneficiary Designations under Revocable Trusts, Life Insurance Policies, Commercial Annuities and Retirement Plans. UDCF will accept bequests made by donors under their will and designations as a beneficiary under trusts, life insurance policies, commercial annuities and/or retirement plans.
 - d. Charitable Lead Trusts. UDCF will accept designation as an income beneficiary of charitable lead trusts.
 - e. Charitable Remainder Trusts. UDCF will accept designation as a remainder beneficiary of charitable remainder trusts.
5. **Gifts Accepted Subject to Prior Review.** Proposed gifts of property other than cash or marketable securities and proposed gifts subject to conditions that have not been established by UDCF or previously approved will be subject to review before acceptance. Examples of gifts subject to prior review by the Board, or a committee or officer with the appropriate Board-delegated powers include, but are not limited to:
- a. Tangible Personal Property. The Board or a committee or officer with the appropriate Board-delegated powers will review and determine whether to accept any gifts of tangible personal property in light of the following considerations:
 - i. Can the property be used to further the organization's mission)?
 - ii. Is the property readily marketable?
 - iii. Are there any restrictions imposed on use or disposition of the property that are unacceptable to UDCF?
 - iv. Are there any costs associated with the property, such as maintenance, licenses or service agreements, for which UDCF may become responsible?
 - v. Is the title and provenance of the property clear?
 - b. Real Estate. All gifts of real estate are subject to review by the Board or a committee with the appropriate Board-delegated powers. Before acceptance of any gift of real estate, UDCF must receive the written results of an initial environmental review by a qualified environmental firm. Should the initial review reveal a potential problem, UDCF must receive a written environmental audit from a qualified environmental firm before accepting a gift of the real estate. Once these conditions are met, the Board or a committee with the appropriate Board-delegated powers will consider the following:
 - i. Can the property be used for the organization's purposes?
 - ii. Is the property readily marketable?
 - iii. Are there covenants, conditions, restrictions, reservations, easements, encumbrances or other limitations associated with the property that affect marketability or might otherwise be objectionable to UDCF?

- iv. Are there carrying costs (including insurance, property taxes, mortgages, notes or the like) or maintenance expenses associated with the property?
 - v. Does the environmental review or audit reflect that the property is damaged or otherwise requires remediation?
 - vi. Are there any tenants occupying the property? If so, will they remain after the transfer and under what terms?
- c. Life Insurance. UDCF will accept gifts of life insurance where UDCF is named as both beneficiary and irrevocable owner of the insurance policy only if the donor agrees to pay, before due, any future premium payments owing on the policy. Before accepting any gift of life insurance, the Board or a committee with the appropriate Board-delegated powers will verify that the conditions in this Section 5(c) are met or will be met before UDCF takes title to the offered life insurance policy.
- d. Restricted Marketable Securities. In some cases, a prospective donor will propose a gift of marketable securities that are restricted (for example, by applicable securities laws, the terms of the securities themselves, a third-party contract or the terms of the proposed gift). In such instances, the Board or a committee with the appropriate Board-delegated powers will decide whether or not to accept the restricted securities and will provide appropriate direction regarding the possession and subsequent sale of such securities.
- e. Gifts Subject to Restrictions on Use. UDCF will accept gifts subject to conditions on their use provided that UDCF concludes that it may comply with those conditions while operating exclusively in furtherance of charitable purposes and exercising sound stewardship over its resources. UDCF will accept gifts permanently restricted for use as endowment.

6. **Procedure.**

- a. All gifts of cash, checks or securities received by UDCF must be delivered immediately to the Executive Secretary of UDCF's Board of Directors for proper processing and acknowledgment to the donor. The Executive Secretary will promptly acknowledge and issue receipts for all gifts on behalf of the Foundation and provide appropriate recognition and stewardship of such gifts, as provided in the Memorandum of Understanding between UDCF and the University of the District of Columbia.
 - i. All cash and checks will be deposited into UDCF's bank account on a weekly basis, unless otherwise determined by the Treasurer of UDCF's Board of Directors. If such funds are not deposited, funds will be locked in a UDCF safe until a deposit is made the next business day.
 - ii. Marketable securities will be valued at the average of the high and low quoted trading prices on the date of gift to UDCF, per IRS regulations. The date of gift is the date that the donor relinquished dominion and control of the assets in favor of UDCF.
 - iii. Gifts of non-marketable securities exceeding \$10,000 in value will be reported at the fair market value placed on the stock by a qualified independent appraiser as required by the IRS for valuing stock not publicly traded. Gifts of such securities

worth \$10,000 or less may be valued at the per-share cash purchase price of the most recent transaction.

All securities will be sold within two (2) business days of receipt, unless the sale is restricted by the donor, in which case the sale will occur within two (2) business days after the restriction expires. In-kind gifts of goods or services must be recorded by UDCF with a brief description of the property or services and, if possible, the approximate market value of the property or services.

7. **Acknowledgment.** UDCF, in coordination with the University of the District of Columbia, shall acknowledge in writing all gifts received. The written acknowledgment for gifts of cash or property will include all information necessary to provide the donor with a written acknowledgment appropriate to an organization to which contributions may be deductible pursuant to Sec. 509(a) of the Internal Revenue Code. The information will include the amount contributed or a description of the property contributed, the date the gift was made, a statement as to whether any goods or services were provided in return for the gift, and if so a good faith estimate of the value of the goods and/or services.
8. **Confidentiality.** UDCF will respect a donor's wish for their gift to keep the donor's identity confidential. Although donor information will usually be shared with the University of the District of Columbia consistent with UDCF's mission to benefit the University, if a donor requests that the donor's information not be shared with any party including the University, UDCF will respect the donor's request and will not disclose the donor's identity to any other party except as required by law. If the donor has requested that the donor's identity be kept confidential but permits UDCF to share the donor's identity with the University, the donor will be advised that the University is a separate organization and a public body, and while it will be advised of the donor's wishes, the University may only maintain the confidentiality of all information, records, and personal documents pertaining to the donor's identity to the extent permitted by law.