



Virginia Commonwealth University

# **University Advancement Policies and Procedures**

**A Handbook Provided by  
the Office of University Advancement**

For Use By  
Administrators, Deans, Faculty  
and Advancement Staff

Approved May 2009

## **EXECUTIVE SUMMARY**

During the past year, the Office of University Advancement has engaged in an exhaustive process of preparing a comprehensive Policies and Procedures Manual. This document will serve as a reference manual for all Central Advancement and cross-campus development staff members. The manual codifies existing policies and procedures as well as introduces new statements. Once approved, these policies will supersede all existing documents. Major changes and additions follow.

### **Codification of existing policies and procedures:**

- The Board of Visitors of Virginia Commonwealth University, as appointed by the governor of the Commonwealth of Virginia, through authority granted to the President of the University and then to the Vice President for University Advancement, has the ultimate responsibility for overseeing the raising and management of gift funds received by Virginia Commonwealth University to meet its mission as established by the Commonwealth of Virginia. An endowment fund must be owned by the University or an affiliated Foundation for one year before it can generate income for the purposes outlined in the Gift Agreement.
- The Gift Agreement must state that the naming of the fund is dependent on the approval of the Board of Visitors. All Gift Agreements, except those for scholarships and professorships, must indicate that should the endowment income grow so large that the original purpose of the donor is far exceeded, the Board of Visitors reserves the right to direct the excess income to a purpose that most nearly matches the original intent of the donor.
- Professorships, chairs, deanships and distinguished chairs should be filled within one year of being fully funded.
- The Board of Visitors directs that the Office of University Advancement is the only University unit authorized to produce the official campaign reports and campaign totals. In addition, University Advancement is the only unit authorized to produce other types of reports from Millennium, including data analysis and accountability reports for unit development programs.
- All irrevocable planned or deferred gifts shall be counted in campaign totals at full face value regardless of the age of the donor. The amounts can be included in campaign totals provided there is documented evidence from the donor. Revocable planned or deferred gifts shall be counted in campaigns totals at face value for those donors 65 and older provided there is documented evidence from the donor. The amounts must be displayed separately from new gifts and pledges on campaign reports but can be included in the campaign total.
- All checks and cash received by Advancement Services must be deposited within 24 hours of receipt, regardless of any reporting or recording considerations. The development officer who receives a charitable contribution or pledge commitment must secure all documentation necessary for depositing and posting of the transaction and provide this information to Gifts and Records Management within 24 hours.

- Each transaction that involves goods and services must include a breakdown of the tax-deductible amount and the goods-and-services amount. The breakdown of deductible/nondeductible information must be on all invitations and communications to participants.
- Goods and services also must be considered with respect to corporate sponsorship of University events, projects and activities. The determining factor that affects the deductibility of the gift is whether the recognition the corporation receives constitutes advertising, as defined by the IRS.
- In accordance with CASE and IRS guidelines, there are two possible gifts associated with each auction transaction. First, the donor of the auctioned item should be recognized as the donor of a gift or real or personal property or gift-in-kind, only if that donation is sold at the auction. Second, assuming the fair market value of that item is publicly disclosed before the auction and the winning bid exceeds the stated value, the buyer can claim a contribution of the amount exceeding the publicized value.
- To maintain the confidentiality, accountability, security, and broad availability of personal information critical to our fundraising success, the Board of Visitors directs that the Central Advancement Office be the sole development research office at the University.
- All substantive contact with donors and prospects must be recorded in the appropriate constituent's Millennium record within 72 hours. The registered team members and colleagues must be alerted that there is a new action in the Millennium record.
- To ensure an organized, professional approach to corporate and corporate foundation prospects, contacts with these prospective organizational donors must be recorded and coordinated through the Central Advancement Office of Corporate and Foundation Relations.
- The University must have a coordinated approach to all private foundations. Phone calls, letters, visits, proposals or reports submitted to foundations must be coordinated through the Central Advancement Office of Corporate and Foundation Relations.

## **New policies**

- To avoid conflicts of interest, University faculty, staff and administrators serving as voting trustees of University-affiliated Foundations must be fully aware of their policies on conflicts of interest and recuse themselves from decisions that are in violation of those policies.
- No University school, center, unit, association or affiliated Foundation should contract an external consultant or firm to solicit funds for any part of the University or the health system without the written permission of the academic Vice President and the Vice President for University Advancement. Any firm or person employed to work with university alumni, prospects and/or donors must follow all Universities policies and procedures, especially with regard to the security of university-owned data.

- To maintain the confidentiality, accountability, and security of advancement and alumni data, the Advancement Information Technology office maintains the only database of record, at this time Millennium. Because Central Advancement has the responsibility for data validity, the distribution and sharing of data is strictly at the approval of the Assistant Vice President for Advancement Services. Data collected at the school or unit level is to be uploaded into the university's database of record within 30 days of collection.
- Donors recommending a contribution from a DAF to VCU must not receive tax receipts from Central Advancement or any VCU-affiliated foundations. Central Advancement and any VCU-affiliated foundation receiving a gift from a DAF through a sponsoring organization must acknowledge the sponsoring organization and the recommending donor.
- A contribution originating from a donor advised fund cannot be used to fulfill a personal pledge.
- Corporations, foundations or other entities establishing a scholarship cannot require employment as a stipulation for making the award.
- Elevations from professorship to distinguished professorship to chair are permitted if the funding needed to meet the next minimum level required for such a designation is provided through charitable, outright and/or planned gifts and the upgrade is approved by the Board of Visitors of the University. A donor or donors can choose to add to an existing endowment to achieve this elevation. Should such an elevation either change or add to the approved name of the fund, such changes must be re-approved by the Board of Visitors.
- New endowment minimums have been established and will take effect July 1, 2009 or later, pending economic conditions:

Scholarship	\$25,000
General endowment	\$25,000
Lectureship	\$100,000
Fellowship	\$250,000
Junior Faculty Endowment Fund	\$250,000 (New)
Departmental Professorship	\$500,000 (New)
University Professorship	\$750,000
Distinguished Professorship	\$1,000,000
Chair	\$1,500,000
Distinguished Chair	\$2,000,000 (New)

Deanship

\$2,500,000 (New)

- For purposes of campaign counting only, the Advancement Office will count in campaign totals non-contractual research support granted by private corporations and foundations.
- Given the history of leadership gifts at VCU, an appropriate benchmark is that the donor should give or pledge at least 25 percent of the total project cost to name a building or facility. Such gift commitments must be payable over a defined pledge term, and the donors must provide an executed Gift Agreement obligating his or her assets/estate to retire the entire commitment. The Gift Agreement must also state that the Board of Visitors reserves the right to remove the name should the pledge not be paid in full. In addition, if the gift is deferred, the donor must be at least 65 years old for the dean or director to submit the naming request to the Board of Visitors for approval. Naming Schools and Departments should remain negotiable at the highest levels of the University's administration.
- Certain prospects are designated Presidential Prospects. In these cases, the President serves as the Team Leader, and the Vice President for University Advancement will staff the President. Deans and development officers can be registered as team members and can participate in any cultivation activities. Development or alumni personnel must not work with a Presidential Prospect without involving the Vice President for Advancement.
- For the purposes of alumni classification for eligibility for membership, an alumna/us of VCU is defined as anyone who has completed 24 hours of credited course work for an undergraduate degree or 18 credit hours toward a master's degree. These hours are cumulative but not necessarily consecutive. Graduates from certificate programs can be approved for inclusion as eligible for membership, upon petition by their respective academic unit and with the approval of the VCUEAA and/or MCVAA in accordance with association and university policies.
- The VCU Alumni Association and the MCV Alumni Association of VCU are granted the exclusive authority to establish and maintain alumni membership dues programs.
- The formation of affiliated groups shall be by the authorization of the University Alumni Relations Office through the respective association.

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## **1.0 Purpose and Overview**

The purpose of the Office of University Advancement is to lead, guide, support and advise the development staff at Virginia Commonwealth University. All fundraising must be directly related to the various purposes of the university and must respond to the priorities set by the President and Board of Visitors of the University. All members of the Advancement team, as University employees, must follow the VCU Code of Ethics (See Appendix Q).

The staff of the Office of University Advancement includes development officers as well as personnel who specialize in the areas of donor relations, prospect research, corporate and foundation relations, gift accounting, Gifts and Records Management, data management, alumni relations and advancement communications. The Central Advancement unit strives to support the various schools, centers and institutes of the University and their development staffs in a decentralized model and in areas described in this document. All new development officers must complete an orientation session with the senior leadership of the Central Advancement Office.

### **CORE ADVANCEMENT DIVISION AND UNIVERSITY-RELATED FOUNDATION VALUES**

**We will:**

- **Always put the good of the University and the Division first;**
- **Comply with all University policies and procedures;**
- **Operate as a team;**
- **Treat one another and “customers” with respect, courtesy and kindness;**
- **Be optimistic, enthusiastic, positive and maintain a can-do attitude;**
- **Be open-minded and unselfish;**
- **Remain focused, calm and professional at all times;**
- **Try to solve all problems internally first and in person, if possible;**
- **Not discuss interpersonal issues through e-mail;**
- **Keep all prospect and donor information strictly confidential;**
- **Be self-reliant and operate with minimal supervision.**

## **1.1 University Advancement Management Structure and the Relationship between Virginia Commonwealth University and the various affiliated University Foundations**

The Board of Visitors of Virginia Commonwealth University, as appointed by the governor of the Commonwealth of Virginia, through authority granted to the President of the University and then to the Vice President for University Advancement, has the ultimate responsibility for overseeing the raising and management of gift funds received by Virginia Commonwealth University to

meet its mission as established by the Commonwealth of Virginia. Further, the Board of Visitors has designated the Office of University Advancement as being solely responsible for the maintenance, access, control and security of the University's official alumni and gift record system.

The Vice President for University Advancement will oversee and coordinate all fundraising activities of the University and will primarily lead, coordinate and inspire the unit-based advancement operations through two campus-based Chief Development Officers and the top staff officers of the School of Business Foundation and the School of Engineering Foundation.

No University school, center, unit, association or affiliated Foundation should contract an external consultant or firm to solicit funds for any part of the University or the health system without the written permission of the academic Vice President and the Vice President for University Advancement. Any firm or person employed to work with university alumni, prospects and/or donors must follow all Universities policies and procedures, especially with regard to the security of university-owned data.

The University has five University-affiliated nonprofit Foundations: the Medical College of Virginia Foundation (MCVF), the Virginia Commonwealth University Foundation (VCUF), the School of Engineering Foundation (SOEF), the School of Business Foundation (SOBF) and the VCU Real Estate Foundation. The Medical College of Virginia Foundation is the only affiliated Foundation whose staff members are not University employees. The relationships between the University and these affiliated Foundations are codified in a document titled, "The Management Principles for Relationships with University-Related Foundations and Other Affiliated Organizations" (Appendix A). The Foundation staffs are considered to be critical partners in the fundraising programs of Virginia Commonwealth University.

These University-affiliated Foundations are managed by their respective volunteer Boards of Trustees. They were established to advance the missions of their respective enterprises and to manage the investment and related expenditure of private resources to further the mission and priorities of Virginia Commonwealth University. To avoid conflicts of interest, University faculty, staff and administrators serving as voting trustees of University-affiliated Foundations must be fully aware of their policies on conflicts of interest and recuse themselves from decisions that are in violation of those policies.

## **1.2 General Policy Statement on Gift Acceptance**

Virginia Commonwealth University is committed to establishing a thriving fundraising program that encourages the solicitation and acceptance of gifts, which will enable the University to take advantage of opportunities and develop

and expand programs beyond what is possible with state support and tuition income alone. Gifts are essential to an institution dedicated to providing exceptional higher education, important institutional research and healthcare.

These policies and procedures are established to govern the acceptance of all gifts made to Virginia Commonwealth University and its affiliated Foundations, whether such gifts are inter vivos (lifetime) gifts or gifts made from estates, including: (a) cash, (b) publicly traded or closely held equities traded on national exchanges, (c) whole life insurance policies meeting the criteria established in this document, (d) library books/collections donated specifically to a University library or (e) works of art. Solicitation of all gifts outlined in these policies and procedures fall within the purview of the Office of University Advancement. Faculty, staff and volunteers are encouraged to assist in the University's development efforts but must ensure that all gifts meet the established guidelines and must understand that acceptance of all gifts is subject to the approval of the President of Virginia Commonwealth University and the Board of Visitors. In addition, faculty, staff and volunteers engaged in fundraising activities must abide by these policies and procedures.

The Office of University Advancement supports the mission of Virginia Commonwealth University and the related missions of its affiliated Foundations. Therefore, the affiliated Foundations are unable to accept gifts on behalf of the University that are too restrictive or inconsistent with the University's academic purpose and priorities or involve unlawful discrimination. Furthermore, proposed gifts that expose the University to adverse publicity require expenditures or commitments beyond the University's resources or involve the University in unexpected responsibilities because of the source, conditions or purposes will be referred by the Vice President of University Advancement to the External Relations Committee of the Board of Visitors for review.

These policies and procedures were developed based on standards recommended by the Council for Advancement and Support of Education (CASE) and guidelines set forth by the Internal Revenue Service (IRS) code on charitable gifts. This document provides guidance to the University community, volunteers and the public to facilitate the development process and to encourage philanthropic creativity.

The IRS defines a gift as:

“A charitable contribution is a donation or gift to, for the use of, a qualified organization. It is voluntary and is made without getting, or expecting to get, anything of equal value.” Publication 526, Page 2

## **2.0 Methods of Giving**

A variety of assets can be transferred as gifts to Virginia Commonwealth University or its affiliated Foundations, which are 501 c(3) nonprofit, private corporations organized and are operated exclusively for the benefit of Virginia Commonwealth University. They assist the University in generating private support and manage, invest and administer private gifts, including endowments and real property.

All legal documents (checks, wills and deferred-giving documents, etc.) should name Virginia Commonwealth University, the VCUF, the MCVF, the SOBF, the SOEF, any named endowment or school or department name or the VCU Real Estate Foundation as the recipient of all gifts for the benefit of Virginia Commonwealth University or the VCU Health System. These are the only authorized depositories for gifts to the University. The broad spectrum of giving methods allows donors to choose the one most appropriate to their circumstances and/or interests.

### **2.1 Outright Gifts**

Outright gifts are those gifts placed at the immediate disposal of the University or one of its Foundations and in which the donor retains no interest. They can be either restricted or unrestricted in purpose. Gifts donated to the University or one of its Foundations without any express limitation placed upon them will be credited to the University's or Foundation's unrestricted funds account.

#### **2.1.1 Cash Gifts**

Cash gifts include currency, credit-card commitments, checks, direct deposits made by any department and payroll deduction arrangements. All these gifts can be put to immediate use and/or invested by the University or its affiliated Foundations.

Cash gifts are credited at full value as of the date they are deposited by the University or Foundation. Gifts of foreign currency should be reported at the exchange rate value on the gift credit date. Gifts made by credit card, even though considered cash gifts, are credited at the time they are actually processed and are applied to the donor's credit card statement.

For gifts mailed to the University or the Foundations, the legal date of transfer is the postmark date. In accordance with gift-processing procedures, however, gifts will be credited on the date they are deposited, with the only exceptions being the end of the calendar year (December 31) and the end of the fiscal year (June 30).

### 2.1.2 Giving Through Donor-Advised Funds (DAF), Sponsored by The Community Foundation or Another Sponsoring Organization

Donor-advised funds are defined by IRS Code IRC 4966(d)(2) as a fund or account owned and controlled by a sponsoring organization, which is separately defined by reference to contributions of the donor or donors and where the donor or a person appointed or designated by the donor has or reasonably expects to have advisory privileges over the distribution or investment of the assets.

Although donors or their advisers might provide advice or recommendations with regard to fund distributions and investments, to be consistent with exemptions under section 501(c)(3), the charities sponsoring the funds, such as The Community Foundation, must have the ultimate authority over how the assets are invested and distributed.

Contributions to VCU or its affiliated foundations from a DAF are legally a donation from the sponsoring organization, such as The Community Foundation, not the originating donor. There are restrictions placed on gifts by a sponsoring organization on behalf of donors:

- Donors recommending a contribution from a DAF to VCU must not receive tax receipts from Central Advancement or any VCU-affiliated foundations. Donors have been receipted by the DAF to claim their tax benefit. Additionally, Central Advancement must not issue a receipt to sponsoring organizations, such as The Community Foundation, because they are, by definition, tax-exempt organizations and therefore do not need the receipt. Central Advancement and any VCU-affiliated foundation receiving a gift from a DAF through a sponsoring organization must acknowledge the sponsoring organization and the recommending donor.
- A contribution originating from a donor advised fund cannot be used to fulfill a personal pledge. Because DAFs are independent and outside of the donor's control, a DAF is free to reject the recommendation of its donor. When donors make a pledge, they are committing monies under their control, which excludes monies from DAFs.

There are serious consequences with improper recording and receipting of DAF gifts. The IRS offers the following regarding infractions to the guidelines governing DAFs:

“The IRS is aware of a number of organizations that appeared to have abused the basic concepts underlying donor-advised funds. These organizations, promoted as donor-advised funds, appear to be established for the purpose of generating questionable charitable deductions, and providing impermissible economic benefits to donors and their families (including tax-sheltered investment income for the donors) and management fees for promoters.

“Examinations of these arrangements may result in the following Service actions in appropriate cases: (a) disallow deductions for charitable contributions under Internal Revenue Code section 170 for payments to the fund; (b) impose section 4966 excise taxes on sponsoring organizations and managers of donor-advised funds; (c) impose section 4958 excise taxes on donors or managers of donor advised funds; and/or (d) deny or revoke the charity's 501(c)(3) exemption.”

### **2.1.3 Gifts of Securities**

The University and its Foundations will accept gifts of publicly traded securities, shares of stock in closely held companies, bonds and government issues. Gifts of publicly traded securities can be made by sending the certificate and an executed stock power for each separate issue of the stock or bond to the University or Foundation. The stock power, along with a letter of instruction and the stock certificate, should be sent in separate envelopes via registered mail, return receipt requested, or by some other reliable alternative postal service.

Virginia Commonwealth University, or one of its related Foundations, must be clearly identified as the recipient on the stock certificate(s), stock power or related instruments of transfer. Unendorsed stock certificates are non-negotiable.

A donor can request that his or her broker electronically transfer the stock to the University or Foundation account. In this case, the date on which the gift is credited is the date when the securities are transferred from the donor to the University or Foundation account. To clarify, the gift credit date is when the donor loses control of the asset and NOT when the donor asks his or her agent or broker to make the transfer.

When development officers are aware of a gift of stock, they should notify University Advancement Gifts and Records Management of the transfer and of the donor's intended purpose or area of support.

In the matter of restricted stock, the University or its related Foundations are not in control of the stock until all restrictions are removed. Therefore, the gift credit date is determined after the removal of all restrictions.

Publicly traded securities will be credited at the average of the high and low quoted selling prices on the date the donor relinquishes control of the assets to the University or affiliated Foundation. If the security was not traded on that date, the date of the most recent sale will be used. Neither losses nor gains realized by the institution's sale of the securities after their receipt, nor brokerage fees or other expenses associated with this transaction, will affect the value of the gift. It is the policy of the University to sell the securities on the same day it receives the asset.

### **2.1.4 Closely Held Securities**

Closely held securities, or shares of stock in entities organized for profit-making purposes that are rarely traded on stock exchanges, can be transferred to the University or affiliated Foundations in the same manner as publicly traded securities. Because closely held stock is not publicly traded, these securities can create special concerns. To convert closely held securities into cash, the University or Foundation must own the securities. Therefore, no informal or formal redemption agreements will be entered into with the donor. Final acceptance of gifts of closely held stock lies with the leadership of the affiliated Foundation or the University.

Gifts of closely held stock exceeding \$10,000 in value should be reported at the fair market value placed on them by a qualified independent appraiser as required by the IRS for valuing gifts of stock that are not publicly traded. (The IRS can provide a specific definition of a “qualified independent appraiser.”)

Gifts of \$10,000 or less should be valued at the per-share cash purchase price of the most recent transaction. Normally, this transaction is the redemption of the stock by the corporation. If no redemption is made during an appropriate period (for example, during the fiscal year), a gift of closely held stock can be credited to fundraising totals at the value determined by an independent certified public accountant (CPA) who maintains the books for a closely held corporation.

### **2.1.5 Nontraditional Assets**

The Foundations are open to and encourage discussion of a donor’s use of nontraditional assets (partnerships, interests, stock options, patents, etc.) in making a gift. The acceptance of such gifts will be handled on a case-by-case basis, with the following factors given consideration:

- marketability;
- nature of any applicable restrictions;
- legal and other liabilities associated with the assets;
- carrying costs such as administrative and legal fees; and
- exposure to unrelated business income tax liability.

Because of the varied nature of gifts of nontraditional assets, the value of such gifts will be handled on an individual basis by the Vice President for University Advancement and/or the leadership of the affiliated Foundations in consultation with the appropriate technical experts.

### **2.1.6 Real Estate**

It is highly recommended that all gifts of real estate be given to the VCU Real Estate Foundation with the proceeds designated to either the University or the affiliated Foundation of the donor’s choice, for purposes directed by the donor. The VCU Real Estate Foundation has the necessary expertise to conduct the due

diligence outlined below. The University or affiliated Foundations can accept outright gifts of property, gifts of property with retained life use, fractional-interest real estate and bargain sales where appropriate.

Development officers must secure all the required information on the real estate, including a current independent appraisal at the donor's expense as required by IRS regulations, and forward it to the executive director of the Foundation or the Vice President for University Advancement. This information will then be presented to the Board of Visitors or the Foundation's Board of Trustees for their review and recommendation. The full Board must vote to accept the property. The following factors will be part of the review and recommendation:

- the usefulness of the property for the University's purposes;
- the marketability of the property;
- the existence of restrictions, reservations, easements and/or other limitations;
- the existence of encumbrances, such as mortgages and mechanics liens;
- carrying costs, such as property owner's association dues, taxes, insurance and other maintenance expenses; and
- fair market value in relation to the cost and limits listed above as determined by a qualified appraisal conducted in accordance with IRS standards.
- Before any parcel of real property is accepted, a Phase I environmental audit must be performed at University or Foundation expense. The assessment shall include:
  - an inquiry of the present owner regarding his or her knowledge of the history of the property;
  - a title search to ascertain with whom prior ownership might have rested;
  - a consultation with federal, state and local environmental agencies to find out whether the property has any history of hazardous-waste contamination; and
  - a visual inspection of the property for any evidence of environmental hazards.

Once all the issues outlined above have come to resolution and Virginia Commonwealth University or one of the related Foundations accepts a gift of real estate, the gift will be credited at the full fair market value as determined by the independent appraisal.

### **2.1.7 Tangible Personal Property/Gifts in Kind**

Gifts of tangible personal property include works of art (see also 2.1.7 and 2.2), equipment, furniture, jewelry, antiques, coin, stamp and other collections, manuscripts and books. The University development officer is responsible for

researching gifts of this nature and reporting to the Vice President for Advancement or to the President of the Foundation for review. Final acceptance of such gifts rests with the President of the Foundation or the Vice President for Advancement, in conjunction with the appropriate department of the University.

Prospective donors of a gift of tangible property must be advised in a formal way that the Foundation or University reserves the right to sell, exchange or otherwise dispose of the personal property in question, if such action is deemed financially advisable or necessary. If the Foundation or University decides to sell exchange, or otherwise dispose of the property (valued at \$5,000 or more) within two years of the date of receipt, the recipient organization must file Form 8282 with the IRS. It is advised, however, that gifts of tangible personal property not be accepted if it is the University's intention that they are to be sold within two years of receipt.

Gifts of tangible personal property will be credited at the full fair market value regardless of the donor's charitable deduction. Gifts with fair market values exceeding \$500 will be credited at the values placed on them by independent appraisers as required by the IRS for valuing noncash charitable contributions. The burden of obtaining the independent appraisal rests with the donor.

Gifts of \$500 or less will be credited at the value declared by the donor or placed on them by someone with knowledge in the field. Without such a valuation, the gift will be credited at \$1.

Gifts of equipment valued at \$500 or more require the recipient area to complete Form TFRS-23. Gifts of Real Estate require the donor's notarized signature for deed conveyance.

The following documents are required in order to process a gift-in-kind:

- Qualified appraisal of gift (dated within 60 days of proposed acceptance) – for objects valued at more than \$500. All potential donors are encouraged to obtain appraisals. The appraisal must be paid for by the donor.
- Two original donor-executed Deed of Gift forms.
- Any pertinent correspondence and Gift Agreement.
- Two donor-executed originals of IRS Form 8283 with Section B, Parts II, III and IV completed.

Upon receipt of the above, Advancement Services will:

- coordinate the acceptance signature on the Deed of Gift forms;
- coordinate the completion of the IRS form by the University or related Foundation;
- coordinate any Board approval if necessary (gifts valued at \$50,000 and above);
- record and acknowledge gift;

- forward one executed Deed of Gift form and the executed IRS form to the appropriate development officer for return to the donor; and
- scan all GIK documents to an electronic document and attach it to the transaction record as reference.

### **2.1.8 Policy on Gifts of Art to Existing Anderson Gallery and/or Future Art Gallery or Museum**

This policy provides for gifts to the existing Anderson Gallery and any future art gallery or museum within the VCU School of the Arts or its successor.

When gifts of tangible personal property include works of art specifically for the use in the Anderson Gallery or its successor, gifts follow policy 2.1.6 but must include the use of the Deed of Gift of Gallery Art form (Appendix D). Gifts to the Anderson Gallery will be acknowledged by gallery faculty in addition to policy 2.1.6.

Gifts of public art or commemorative elements will not be accessioned into the Anderson Gallery's permanent collection and will not be under the care of the gallery and its faculty.

## 2.2 Policy on Acceptance and Display of Gifts of Art

This policy provides a process for selection, acquisition, installation, management and educational promotion of public artwork and commemorative elements at Virginia Commonwealth University.

This policy includes both outdoor and indoor art. It pertains to the grounds of the University and any building occupied by the university, including leased property. Indoor art is defined as artwork in the public space of a building, such as the lobby.

Before art or sculpture can be displayed on state property, the display must be approved by the state's Art and Architecture Review Board. Development officers must work through the Facilities Management office to secure this approval.

Public art includes artwork, sculpture and site features that depart from the campus amenity standard (streetlamps, signage, trash receptacles, bicycle racks and benches) on the campus grounds and inside its buildings. It includes purchased, gifted or loaned works of art, murals, textiles and the like.

The University's Art on Campus Committee is responsible for direction and managing the Art on Campus Program. Committee members include: Chief of Staff, Office of the President and Vice President for Outreach; Vice President for Advancement; Dean of the School of the Arts; Senior Associate Dean of the School of the Arts; Associate Vice President for Facilities Management; and the University Architect.

The committee will use one of four artist-selection methods for each project – limited competition, invitation, direct purchase or open competition.

Once the artist and the site have been selected, the artist, at the direction of the committee, shall prepare images and/or scale models of the work. The committee then recommends approval through a presentation to the President and University Vice Presidents.

Gifts, loans or temporary exhibits intended to be displayed for extended periods of time in the University's public setting are subject to the same standards for review by the committee.

The program shall be funded through a variety of sources, including University funds, public grants and private contributions in the form of cash gifts, endowments, bequests and direct gifts of art from individuals, corporations and foundations.

Gifts of public art or commemorative elements will not be accessioned into the Anderson Gallery's permanent collection and will not be under the care of the gallery and its faculty.

## **2.3 Planned Gifts**

Planned gifts can be either deferred or outright, thus allowing the donor flexibility in the timing of the gift and in shaping its impact on both the University and the donor's financial situation. Donors who use planned-giving vehicles stand to enjoy income and other benefits while making a gift. In addition, federal tax code provides for various planned-gift instruments, which offer benefits that can substantially and favorably affect a donor's present and future income and estate taxes. Planned gifts not only allow favorable tax treatment for the transfer of assets and estates, but they also permit a donor to designate Virginia Commonwealth University or any of its affiliated Foundations for a future gift, when an outright gift might not be economically feasible.

VCU will comply with the "Model Standards of Practice for the Charitable Gift Planner," which are promulgated by the National Committee on Planned Giving as well as the "Code of Ethical Principles and Standards of Professional Practice," promulgated by the National Society of Fund Raising Professionals.

The available methods of creating deferred gifts to Virginia Commonwealth University or any of its affiliated Foundations for the benefit of Virginia Commonwealth University allow donors to choose the one most appropriate to their circumstances and/or interests. The minimum amounts stated in this document will take effect July 1, 2009 or later pending economic conditions.

### **2.3.1 Bequests**

Provision for an outright or deferred gift vehicle can be made by a donor in the form of a bequest or device through the donor's properly executed last will and testament. A donor's testamentary plans might involve specific assets, dictate a percentage of the testator's estate to a beneficiary or relegate the residue of the testator's estate after specific bequests. A donor can also make such plans contingent upon the occurrence of one or more specific events. (For sample bequest language, see Appendix F.)

Donors can also establish a testamentary trust, from which Virginia Commonwealth University or affiliated Foundation will receive the principal upon the death of the last income beneficiary. The bequest can be used to establish a charitable remainder annuity trust or charitable remainder unitrust.

Bequests can be given as unrestricted or restricted gifts. In the case of unrestricted gifts, the President of Virginia Commonwealth University will designate the use

and purpose of such a gift. With restricted gifts, the University or affiliated Foundation will accept them as long as no overly restrictive conditions exist.

For general accounting purposes, bequests are credited to the University or affiliated Foundation when the assets of the bequest are realized or received. These revocable or irrevocable gifts can be credited to cumulative or annual campaign totals as long as there is adequate documentation. The gift must be segregated from outright gifts, and counting them must comply with current campaign counting rules.

### **2.3.2 Charitable Gift Annuities**

A charitable gift annuity is a lifetime contract between the donor and the University or affiliated Foundation. The donor makes a gift of cash or appreciated assets to Virginia Commonwealth University or its designated Foundation to fund the annuity and then selects one or two income beneficiaries to receive a fixed income for life based on their ages. These rates of return are based on the tables of the National Committee on Gift Annuities.

The minimum amount the University or affiliated Foundation will accept in the establishment of a gift annuity contract is \$25,000, and the minimum age of the donor must be 50.

It should be noted that the donor cannot make additional contributions to the charitable gift annuity, but the donor can enter into additional contracts.

The present value of the assets transferred to establish the gift annuity, as discounted by IRS guidelines, will be credited in the fundraising totals.

### **2.3.3 Charitable Remainder Unitrusts**

The transfer of cash or property to a trust can establish a charitable remainder unitrust. The creation of the unitrust requires formal documentation by the donor under which assets, such as cash, appreciated securities or both, are irrevocably transferred to the trust, which then pays the donor(s), or a person(s) specified by the donor, an income for life.

The unitrust provides for periodic payment of income to the donor, and/or another person specified by the donor, for life or a term of years. Upon the completion of said term of years, or the death of the income recipient(s), the trust assets pass to VCU or its affiliated Foundation.

The University or its affiliated Foundation manages and invests the trust assets. The designated beneficiaries then receive payments based on a fixed percentage of the fair market value of the trust as valued annually by the American Council

on Gift Annuities. Donors can make additions to the unitrust during their lifetime or by bequest upon their death.

The minimum amount the University or affiliated Foundation will accept in the establishment of a unitrust must be \$50,000, and the minimum age of the income beneficiary must be 50.

Gifts made to establish a charitable remainder unitrust, where the remainder is not subject to change or revocation, will be credited at the discounted present value of the remainder interest allowable as a deduction by the IRS. The premise underlying the discounting to present value of gifts of a future interest is that the present value of a future interest is less than the face (fair market) value of the assets at the time the gift commitment is made.

#### **2.3.4 Charitable Remainder Annuity Trusts**

An annuity trust is similar to a unitrust, with the principal difference being the manner of calculating the payment to the income beneficiary. At the creation of an annuity trust, the income the designated beneficiaries receive is a fixed amount based on the fair market value of the assets on the date the trust is established. This allows for a reliable, stable income that is not subject to market fluctuations for the income beneficiary. It should be noted that additional contributions cannot be made to an annuity trust.

The creation of the annuity trust requires formal documentation by the donor under which assets such as cash, appreciated securities or both are irrevocably transferred to the trust. The trust then pays the donor(s), or a person specified by the donor, a fixed dollar amount at least annually, either for a term of years (but not more than 20 years) or for the life of the income beneficiaries.

At the death of the specified income beneficiary or the end of the specified term of years (or the 20-year period), the University or its affiliated Foundation receives the trust assets to be used for the purposes designated by the donor.

The minimum amount the University or its affiliated Foundations will accept in the establishment of an annuity trust must be \$50,000, and the minimum age of the income beneficiary must be 50.

Gifts made to establish a charitable remainder annuity trust, where the remainder is not subject to change or revocation, will be credited at the discounted present value of the remainder interest allowable as a deduction by the IRS. The premise underlying the discounting to present value of gifts of a future interest is that the present value of a future interest is less than the face (fair market) value of the assets at the time the gift commitment is made.

### 2.3.5 Charitable Lead Trusts

Another form of the charitable trust contributes an income interest to the University. A donor transfers property to the trust, which provides income payments for a period of years to Virginia Commonwealth University or its affiliated Foundations (and perhaps additional charitable organizations). At the completion of the stated period of years, the assets of the trust (principal) revert to the donor or distribute to one or more persons designated by the donor. Thus, the name of the trust indicates how it works, with the income interest paid to the affiliated Foundation “leading” or coming before the “remainder” interest paid to the noncharitable beneficiaries.

The donor can specify the amount of income to be paid to the University or designated Foundation each year by either a fixed dollar amount (annuity interest) or a fixed percentage of the trust assets valued at least annually (unitrust interest).

The “lead” trust can be advantageous to donors who have a larger income than they currently need and who are focused on protecting their property for heirs.

The minimum amount the University or its affiliated Foundation will accept in the establishment of a lead trust must be \$100,000.

Charitable lead trusts are not considered deferred gifts but outright gifts, as the University or affiliated Foundation receives the benefit of the donor’s generosity over a period of years. In the case of such gifts, the income received from the lead trust each year will be credited to that year’s fundraising totals.

### 2.3.6 Life Insurance

Life insurance can also provide an opportunity for a charitable donation to the University or its affiliated Foundation. If the donor has reached the age of 60, the affiliated Foundation will accept gifts of whole life, variable and universal life policies, if the following criteria are met:

- the policy is paid up; or
- the policy is not paid up as of the date of the gift but:
  - has a minimum face value of \$100,000;
  - has a payment schedule not to exceed 10 years and assumes an interest rate not to exceed 2 percent below prime interest rate as of the effective date of the policy; and
  - the charitable contribution from the donor in the amount of any premiums, including unscheduled premiums, is pledged in writing.

A policy on which the donor retains incidence of ownership and the University or its affiliated Foundation is named beneficiary only is NOT a completed gift. A completed gift of life insurance occurs only when VCU or one of its affiliated

Foundations is designated as both the owner and irrevocable beneficiary of the policy.

If the University or one of its affiliated Foundations is named as both the owner and beneficiary of the policy, the gift of life insurance can be separately credited to the fundraising totals. Gifts of paid-up policies will be counted at the cash surrender value as a current, outright gift. Any premium payments made by the donor should also be credited at the full value as an outright gift.

Any realized death benefits should not be included in amounts credited for gifts of life insurance.

### **2.3.7 Remainder Interest in a Personal Residence or Farm**

A donor can give a remainder interest in a personal residence, such as a home, condominium or farm, to the University or one of its affiliated Foundations. The donor or other occupants can continue to occupy the residence or operate the farm without disruption for the duration of the stated life. Thereafter, the residence or farm will either be sold or used by the University or its affiliated Foundation for purposes specified by the donor, if any. The procedures for evaluating proposed gifts of a remainder interest in property are the same as those used for gifts of real property as outlined in Section 2.1.5 (Real Estate).

If a life estate is retained in the property, expenses for maintenance, real estate taxes and any indebtedness relating to the property are to be borne by the donor or the primary beneficiary.

A gift of a remainder interest in a personal residence or farm will be credited at the remainder value recognized as an allowable deduction by the IRS.

### **3.0 General Policy on Restricting the Use of Gifts**

The only person who can restrict a gift (designate its use) is a donor, although the restriction(s) must be acceptable to the recipient University school or unit. The development officer is responsible for obtaining documentation concerning the restriction from the donor.

### **4.0 Endowment Funds/Named Endowment Funds**

An endowment fund can be designated for a specific purpose, program or campus unit depending on the wishes of the donor and pending approval of the Board of Visitors. Generally, only the income produced by investing the principal (corpus) of the endowment can be spent for the intended purpose. The income available for the agreed to purpose must not exceed 5 percent. Additionally, an endowment fund must be owned by the University or an affiliated Foundation for one year before it can generate income for the purposes outlined in the Gift Agreement (for

sample Gift Agreements, see Appendix E). The minimum gift to establish an endowed fund is \$25,000.

Standards and guidelines for creating named endowments have been created with approval of the University's Board of Visitors and the deans or unit directors. The purpose of the standards and guidelines is to ensure equity among campuses and to ensure the amount used to create an endowment will generate sufficient income to accomplish the intended purpose.

All gifts of \$50,000 or more given for the purpose of establishing a named endowment fund must be formally accepted by the University's Board of Visitors. All other named funds established between the approved minimum and the \$50,000 shall be approved by the President. The President will share with the Board the list of funds he or she approves. Also, gifts should be made within a five-year period or no longer than the campaign period. A named endowment fund can be submitted by the dean or unit director for approval to the Board of Visitors through the Vice President for Advancement only when the minimum balance for its intended purpose is agreed to in a formally executed Gift Agreement. The Gift Agreement must state that the naming of the fund is dependent on the approval of the Board of Visitors. All Gift Agreements, except those for scholarships and professorships, must indicate that should the endowment income grow so large that the original purpose of the donor is far exceeded, the Board of Visitors reserves the right to direct the excess income to a purpose that most nearly matches the original intent of the donor.

It is the donor's expectation that the income from the endowed fund is spent annually for the purposes outlined in the Gift Agreement. With the assistance of their directors of development and fiscal administrators, the dean or unit director must ensure this is honored. The Board of Visitors has charged the Vice President for University Advancement with reporting on any endowment income that is not awarded or spent in a given fiscal year.

#### **4.1 Scholarships for Undergraduate Students and Fellowships for Graduate Students**

A common example of a restricted gift is a scholarship, for which standard policies, procedures and forms follow. Criteria for awarding the scholarship must not be so restrictive that a reasonable candidate pool cannot result. The donor must not, in any way, be related to the scholarship or fellowship recipients. The donor can serve on the selection committee, but the donor and their family must be in a minority position on the committee. Corporations, foundations or other entities establishing a scholarship cannot require employment as a stipulation for making the award.

Scholarship gifts are usually placed in an endowed account, and the interest generated from the corpus is used for tuition relief as outlined in the Gift

Agreement. There could be instances, however, when a donor makes a gift to fund a scholarship that is intended to be spent in a current year or as an outright gift. In these cases, special attention should be given to the possibly temporary nature of such a scholarship and its impact on the recipient from year to year.

From time to time, donors might want to activate a scholarship or fellowship right away so they can experience the student receiving that support. In such cases, a donor can allocate part of their annual gift to a current fund and allocate the rest to a permanent endowed fund for this purpose. The later allocation then can grow over a period of time with all the income earned being returned to the corpus until such time as that corpus reaches the minimum amount required for such a named endowment fund and the 5 percent income earned is then allocated to the student's account.

**Endowment Construction Plan for the XYZ Foundation**

as of 1/4/2007

Date of Gift	XYZ Annual Gift to MCVF	MCVF Transfer to Allied Health	MCVF Deposit to XYZ Professorship Endowment Fund	MCVF Earnings on Endowment Fund- 5% Total Return Assumed	Endowment Fund Balance as of 12/31
	<b>Column A</b>	<b>Column B</b>	<b>Column C</b>	<b>Column D</b>	<b>Column E</b>
1/15/2007	\$50,000.00	\$12,500.00	\$37,500.00	\$0.00	\$37,500.00
12/31/2007	\$50,000.00	\$12,500.00	\$37,500.00	\$1,875.00	\$76,875.00
12/31/2008	\$50,000.00	\$12,500.00	\$37,500.00	\$3,843.75	\$118,218.75
12/31/2009	\$50,000.00	\$12,500.00	\$37,500.00	\$5,910.94	\$161,629.69
12/31/2010	\$50,000.00	\$12,500.00	\$37,500.00	\$8,081.48	\$207,211.17
12/31/2011	\$44,928.27	\$12,500.00	\$32,428.27	\$10,360.56	\$250,000.00

<b>Total</b>	\$294,928.27	-\$75,000.00	=	\$219,928.27	+	\$30,071.73	=	\$250,000.00
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Column A = the total charitable donation for the year

Column B = the total amount transferred to the School of Allied Health

Column C = the total amount invested with the MCV Foundation for the calendar year

Column D = the total amount earned on the fund balance at the end of the calendar year assuming a 5% return

Column E = the total of that year's investment plus the interest earned plus the ending balance

### 4.3 Professorships, Distinguished Professorships and Chairs

Donors can designate their gifts to establish named endowed funds to support faculty excellence. As with all other endowed funds, only the income generated

from the corpus can be used for the intended purposes of the donor. In almost every instance, this income is for supplemental salary support for the faculty member or chair holder and might include funding for research, travel, symposia, lectures, programs and other activities as agreed to by the donor and the dean or appropriate official of the school, center or affiliated Foundation. Professorships, chairs, deanships and distinguished chairs should be filled within one year of being fully funded.

#### 4.2.1 Professorship, Distinguished Professorship and Chair Elevations

Elevations from professorship to distinguished professorship to chair are permitted if the funding needed to meet the next minimum level required for such a designation is provided through charitable, outright and/or planned gifts and the upgrade is approved by the Board of Visitors of the University. A donor or donors can choose to add to an existing endowment to achieve this elevation. Should such an elevation either change or add to the approved name of the fund, such changes must be re-approved by the Board of Visitors.

Designation elevations are highly discouraged if the new minimum balance required is achieved exclusively through the market appreciation of the endowment fund. Exceptions can be made with the approval of the Board of Visitors of the University if the President, dean or unit director deems that such an elevation will help retain or attract a distinguished faculty member.

When a designation elevation is submitted to the Board of Visitors of the University for approval, the original name on the fund must remain as initially approved by the Board of Visitors.

#### 4.4 Endowed Fund Minimum Requirements

*To take effect on July 1, 2009 or later, pending economic conditions*

Scholarship	\$25,000
General endowment	\$25,000
Lectureship	\$100,000
Fellowship	\$250,000
<u>Junior Faculty Endowment Fund</u>	<u>\$250,000 (New)</u>
<u>Departmental Professorship</u>	<u>\$500,000 (New)</u>
University Professorship	\$750,000
Distinguished Professorship	\$1,000,000

Chair	\$1,500,000
<u>Distinguished Chair</u>	<u>\$2,000,000 (New)</u>
<u>Deanship</u>	<u>\$2,500,000 (New)</u>

#### 4.4 Unrestricted Quasi Endowment

Unlike a strict endowment whose principal cannot be spent, an unrestricted quasi-endowment can, with proper permissions and approvals, spend its own corpus from time to time. The funds of an unrestricted quasi-endowment are invested by the University or one of its affiliated Foundations, and the investment returns, less the annual expenditures of the fund, are added to the corpus. The annual expenditure can exceed the usual 5 percent for a typical endowed fund, if authorized by the governing body overseeing the unrestricted quasi-endowment. Conversely, an unrestricted quasi endowment is not required to make any expenditure in any given year.

The Rector and Visitors Presidential Legacy Fund is a Board of Visitors-controlled fund designed primarily to provide the University’s Board of Visitors and the University President with flexible private funding to accomplish specific initiatives identified as priorities for the University. Named permanent and quasi-endowed funds for specific purposes set by the donors can be established as a part of this fund, but generally, unrestricted donations are encouraged to accomplish the primary purpose of the fund.

#### 5.0 Campaigns

During its history, Virginia Commonwealth has conducted three comprehensive capital campaigns. The Making a Difference Campaign ran from 1984 until 1989 (\$62 million raised); the Partners for Progress Campaign ran from 1992 until 1999 (\$167 million raised); and the Campaign for VCU ran from 1999 until 2007 (\$410 million raised).

Affiliated foundations, schools, centers and other University entities are encouraged to continuously advance their missions with ongoing creative and robust fundraising programs. Individual units, however, are discouraged from embarking on concerted capital campaigns independent of a larger, more comprehensive University-wide effort. These types of coordinated campaigns have a much greater track record of success. Careful planning, University-wide leadership, momentum and “big-picture ideas” are the elements that contribute to this success.

## 5.1 Campaign Counting

Generally, all irrevocable gifts and pledges received by the University during the duration of a campaign are counted in the campaign totals. These include gifts to the annual funds, restricted current funds, endowments, unrestricted quasi-endowments, grants and gifts in kind. Planned or deferred gifts of a revocable nature (bequests, certain trusts, etc.) will be counted in a separate “column” and can be applied toward campaign totals should the Board of Visitors so determine.

All irrevocable planned or deferred gifts shall be counted in campaign totals at full face value regardless of the age of the donor. The amounts can be included in campaign totals provided there is documented evidence from the donor.

Revocable planned or deferred gifts shall be counted in campaigns totals at face value for those donors 65 and older provided there is documented evidence from the donor. The amounts must be displayed separately from new gifts and pledges on campaign reports but can be included in the campaign total.

Historically, VCU has **not** counted grants for sponsored research in its campaign goals or totals, nor has the University counted certain gifts in kind to the VCU Health System (primarily gifts in kind or deeply discounted pharmaceuticals and medical instrumentation). For purposes of campaign counting only, the Advancement Office will count in campaign totals non-contractual research support granted by private corporations and foundations. All other university campaigns count these funds routinely in their campaign totals. VCU will continue, of course, to adhere to accepted accounting guidelines as outlined by CASE and the Financial Accounting Standards Board (FASB). Planned or deferred gifts will be recorded separately on campaign reports. The University will not count in campaign totals any transfers from VCU School of Medicine departments of excess funds earned by physicians practicing medicine.

The Board of Visitors directs that the Office of University Advancement is the only University unit authorized to produce the official campaign reports and campaign totals. In addition, University Advancement is the only unit authorized to produce other types of reports from Millennium, including data analysis and accountability reports for unit development programs.

## 5.2 Project Readiness

Foundations, schools, centers and other units of the University are strongly encouraged to consult with the Office of University Advancement when considering campaign-related priorities and goals. To help ensure the success of these efforts, the Vice President for University Advancement urges these divisions to use a Project Readiness Test (See Appendix N) to gauge the initial viability of certain projects and goals in planning major fundraising initiatives. Central Advancement serves as a resource for all University units in planning

these initiatives and fostering their increased viability moving toward an eventual campaign.

## 6.0 Naming of Physical Facilities

The naming of a building, school, college or degree-granting institute of a University is a significant public event. Therefore, the Board of Visitors of Virginia Commonwealth University has adopted the following guidelines and procedures for naming at the University and the use of funds donated for such purposes.

### 6.1 Policies and Guidelines

Buildings, schools, colleges, centers, research institutes and departments can be named in recognition of any honoree, donor or donor-designate who, in the judgment of the Board of Visitors of the University, has made a historically notable contribution to the University. A key consideration in the naming shall be philanthropic support at a level deemed appropriate by the President of the University in consultation with the Vice President for Advancement, the unit leader and the Board of Visitors. At all times, care shall be taken to consider the character and reputation of the honoree, donor or donor-designate in the community to ensure that the identification of that name with the University will enhance the overall institution and its reputation.

To merit recognition in the naming of a building or portion of a building, an individual's relation to the University should be truly exceptional in both quality and impact and should be of significant duration. When financial contributions are a factor, the level of contribution needed to name a building or portion of a building (as could be the case in a major renovation project) will vary depending on the financing considerations, purpose, size, prominence on campus and the level of *private* support needed for construction.

The University seeks to maintain some flexibility on the matter of naming buildings to recognize a leadership donor. Given the history of leadership gifts at VCU, a suggested guideline is that the donor should give or pledge about 25 percent of the total project construction cost to name a building or facility. Such gift commitments must be payable over a defined pledge term, and the donors must provide an executed Gift Agreement obligating his or her assets/estate to retire the entire commitment. The Gift Agreement must also state that the Board of Visitors reserves the right to remove the name should the pledge not be paid in full. In addition, if the gift is deferred, the donor must be at least 65 years old for the dean or director to submit the naming request to the Board of Visitors for approval. Naming Schools and Departments should remain negotiable at the highest levels of the University's administration.

Occasionally, a school, center or division might have an opportunity to name a space for a significant gift made to that unit that is for an unrestricted use or for an

endowed fund. Such gifts must only carry the naming rights to one opportunity. For example, if donor X makes a \$100,000 gift for scholarships and asks if he or she could have a classroom named in his or her honor, the donor can have only the named scholarship or the named classroom, not both. Naming rights can go in one direction and the funds in another. For instance, if Donor X gives you a large unrestricted gift to the campaign but wants her or his gift recognized by naming a space in a new or existing building the dean must make that determination.

Building names should reflect honor on the University as well as on the person or persons being recognized and are considered to be permanent or for the lifespan of the building. In addition, when a named building, school, college or degree-granting institute is razed or ceases to exist, an appropriate marker will be displayed in the replacement facility or at some appropriate campus location in commemoration of all the donors of named spaces in or on that building.

## **6.2 Procedures**

Any and all naming commitments by any part of the University require the endorsement of the President of the University and approval by the Board of Visitors. Action on such namings should be taken by the Board of Visitors only after the proposal has been presented through the External Relations Committee at a regular board meeting.

When a building, school, college, institute, center, portion of a building or portion of the grounds or feature thereof has been named, an appropriate and consistent commemorative marker indicating the recognition should be affixed or erected in a prominent place and arrangements made for a dedicatory event, if appropriate.

Term naming rights require the endorsement of the President of the University and approval by the Board of Visitors. Action on a term naming should be taken by the Board of Visitors only after the proposed agreement has been presented.

## **7.0 Annual Fund**

The Annual Fund of Virginia Commonwealth University and its units consists of gifts from alumni, parents, friends (including corporations and foundations), faculty and staff that are likely to be repeated on an annual basis. It also includes corporate matching gifts from these individuals. Annual Fund gifts are solicited through direct mail, phone-a-thons and personal solicitations conducted by the school/center/departmental fundraising efforts. Annual Fund gifts can be unrestricted or restricted current funds.

If a solicitation is “bundled” to include an annual gift and an alumni membership, Gifts and Records Management must treat it as two separate transactions, splitting the gift into a membership deposit and a gift deposit and record the two deposits accordingly.

## 8.0 Donor Recognition Societies

Below is a list of the current donor recognition society names in use at VCU. To avoid donor confusion and duplication and to retain the unique name recognition clubs for our donors and units, any new donor recognition society must be reviewed by the Vice President for University Advancement before it is established.

- The **President's Club** recognizes the University's most loyal, annual supporters on both the MCV Campus and the Monroe Park Campus. Individuals whose gifts total \$5,000 or more or organizations whose gifts total \$10,000 or more during one fiscal year are offered membership in the President's Club.
- The **Founders' Society** honors individuals, corporations and foundations that have made cumulative commitments of \$100,000 or more to the University or affiliated Foundations spanning both the MCV Campus and the Monroe Park Campus.
- **Heritage Society** membership is reserved for alumni and friends who make provisions for schools located on the Monroe Park Campus in their estate plans. Gifts include charitable remainder trusts, charitable gift annuities, charitable lead trusts, life insurance and bequests.
- The **MCV Society** recognizes those donors who have included one of the MCV schools, the VCU Medical Center or the Massey Cancer Center in their estate plans.

## 8.1 Other Giving Clubs

On both the MCV Campus and the Monroe Park Campus, various schools, the VCU Medical Center and the Massey Cancer Center have established giving clubs and donor recognition societies. These change often as deemed appropriate by the development staffs and governing boards of the schools, hospital and Massey Cancer Center.

As of October 2008, the following is a list of giving societies/levels at individual schools/centers/divisions:

### Department of Intercollegiate Athletics

- Ram Athletic Fund
  - Gold Society: \$50-\$99
  - Rams' Society: \$100-\$249
  - Black & Gold Society: \$250-\$499
  - Captain's Society: \$500-\$999
  - Varsity Society: \$1,000-\$2,499
  - Director's Society: \$2,500-\$4,999
  - Founder's Society: \$5,000-\$7,499
  - Battering Rams: \$7,500 or more

### **School of Medicine**

- Society of Aesculapius  
Dean's Club: \$10,000 or more  
Distinguished Fellow: \$5,000-\$9,999  
Senior Fellow: \$2,500-\$4,999  
Fellow: \$1,000-\$2,499
- Warner Club: \$500-\$999 (alumni who have graduated within the past 10 years)

### **School of Pharmacy**

- Galen Society: \$500 or more

### **School of Nursing**

- Sadie Heath Cabaniss Society  
Distinguished Member: \$1,000 or more  
Senior Member: \$500-\$999  
Member: \$250-\$499

### **Massey Cancer Center**

- Research Roundtable: \$1,000,000 or more
- Lawrence Society: Donors who have included MCC in their estate plans
- Massey Club  
Circle Level: \$10,000 or more  
Benefactor Level: \$5,000-\$9,999  
Fellow Level: \$2,500-\$4,999  
Member Level: \$1,000-\$2,499  
Friend: \$999 or less

### **School of the Arts**

- Pollak Society: \$1,000 or more

### **College of Sciences and Humanities**

- Dean's Society  
Benefactor: \$5,000  
Patron: \$2,500  
Sponsor: \$1,000  
Associate: \$500  
Fellow: \$250  
Member: \$100  
Special GOLD member: \$50 (graduates from last decade)

### **School of Business**

- Director: \$5,000 or more
- Investor's Circle: \$500 or more
- Executive: \$2,500-\$4,999

- Partner: \$1,000-\$2,499

### **School of Engineering**

- Benefactor: \$5,000 or more
- Sustaining Member: \$2,000-\$4,999
- Dean's Circle: \$1,000-\$2,499
- Cornerstone Club: \$500-\$999
- Pavilion Club: \$250-\$499
- Ziggurat Club: \$100-\$249

### **School of Education**

- Benefactor Society: \$10,000 or more
- John S. Oehler Society: \$5,000-\$9,999
- Oliver Hall Society: \$2,500-\$4,999
- Dean's Circle: \$1,000-\$2,499
- Partner: \$500-\$999
- Bridge Builder: \$250-\$499
- Educator: \$100-\$249
- Supporter: \$99 or less

### **VCU Libraries**

- Friends of the Library
  - Lifetime Donor: \$1,000 one-time gift
  - Fellow Donor: \$500 annual contribution
  - Sponsoring Donor: \$250 annual contribution
  - Benefactor Donor: \$150 annual contribution
  - Family Donor: \$100 annual contribution
  - Donor: \$50 annual contribution

## **9.0 Advancement Services**

The Office of Advancement Services is managed by the Assistant Vice President for Advancement Services and oversees the following service functions for the division and the University:

- Advancement Information Technology
- Gifts and Records Management and Gift Processing
- Prospect Research and Campaign Data Analysis

## **9.1 Advancement Information Technology**

This division is responsible for:

- managing application development and data integrity in Millennium and Kintera;

- providing application training to Millennium and Kintera users;
- ensuring security for information in the Advancement databases, in accordance with university IT policy;
- managing the development and production of reports, including fundraising analysis, data files for solicitations or project and alumni statistics; and
- managing imports and conversion of data to and from other sources, such as graduate imports, phone-a-thons, alumni directories and Kintera.

### **9.1.1 Advancement Information Technology Data Privacy**

To maintain the confidentiality, accountability, and security of advancement and alumni data, the Advancement Information Technology office maintains the database of record, at this time Millennium. Because Central Advancement has the responsibility for data validity, the distribution and sharing of data is strictly at the approval of the Assistant Vice President for Advancement Services. Data collected at the school or unit level is to be uploaded into the university's database of record within 30 days of collection.

### **9.1.2 Advancement Information Data Policy Statement**

The Office of Advancement regulates and manages the creation, use and preservation of donor and alumni records. Records are all written papers, letters, documents, photographs, tapes, microfiche, microfilm, photocopies, sound recordings, maps and other documentary materials or information in any recording medium regardless of physical form or characteristics, including data processing devices and computers, made or received by the Advancement Office, schools or divisions and University-affiliated Foundations.

#### **9.1.2.1 Archival Storage**

Records can be destroyed as a normal administrative practice if it is obvious that no valuable information will be lost by doing so. When deciding whether destruction is permitted, the question should be asked, "Will unique or valuable information be lost?"

This provision must not be used to:

- destroy records that document the significant operations of the University or its affiliated Foundations;
- allow the destruction of records that document the rights and obligations of the University or its affiliated Foundations or donors;
- destroy business-related e-mail before it becomes part of the formal record. An e-mail document becomes a formal record when the message

sets policy, establishes guidelines or procedures, certifies a business transaction or becomes a receipt.

Records that should not be destroyed are maintained in off-site storage for five years, in accordance with University and Commonwealth of Virginia policy.

### **9.1.3 Use of University Data and Outside Applications**

Data requests for advancement activities, such as solicitations, biographical updates and reunions, should be submitted with as much notice as possible to the Advancement Services department through the online request form. Vendors, consultants and other external entities must understand and agree to comply with the university's confidentiality policies before gaining access to institutional data. Data will not be exchanged with an outside vendor without approval of the Assistant Vice President of Advancement Services. Additionally, the Assistant Vice President and the Director of Advancement Information Technology will not be required to support third-party fundraising and alumni applications where there has been no prior coordination, planning and allocation of appropriate resources.

### **9.1.4 Advancement-related E-mail Policy**

E-mail is part of the official business communications of the Office of Advancement, University-affiliated Foundations, schools/divisions and Alumni Relations offices. E-mail sent or received contains information about business activities and therefore can function as evidence of transactions.

All e-mail messages created using University systems are University property. The value and retention requirements for e-mail messages differ. E-mails are considered official business communications when they provide evidence of Advancement, University-affiliated Foundations or alumni-related activities, such as development of policy issues, guidelines or procedures and receipts. These e-mails should be printed and attached to appropriate records in Millennium or filed in accordance with University retention guidelines.

#### **9.1.4.1 Outgoing E-mail to Donors, Alumni and Friends**

Electronic mail is used with increasing frequency to communicate with alumni, donors and friends. In addition, e-mail is used to initiate and generate responses from our stakeholders and the general community. The ease and affordability of using e-communications increase the danger of overburdening our alumni and friends with frequent, seemingly disconnected messages, making the university appear disorganized and unprofessional in its communications approach.

Recommended steps for Advancement e-communications:

- Electronic communications should be appropriately thought-out and executed. When handled appropriately, such e-mails can significantly advance the relationship of stakeholders with the University. Poorly conceived electronic communications can have a significant negative impact on the reputation and image of the University.
- Electronic communication should be part of a broader communications strategy.
- Central Advancement does not wish to restrict or control Advancement-related e-communications, but will establish quality controls and procedures to ensure that our alumni and friends are not inundated with e-mail from the University.
- Central Advancement, using the Kintera system, can provide e-mail deployment that satisfies the requirements of these protocols.
- If the Kintera system is not used for broadcast e-mails, steps must be taken so that responses sent to “reply all” will not be copied to the group.
- All broadcast e-mails must include the option to “opt-out.”

## 9.2 Gifts and Records Management

This division is responsible for:

- recording all gifts and pledges to the University and the Health System in the Millennium database;
- daily depositing of charitable contributions to the appropriated University-affiliated Foundation;
- producing receipts for charitable contributions to the University that are in compliance with IRS requirements;
- confirming and updating constituent biographical information as needed to process a charitable contribution and produce a tax receipt and acknowledgement letter;
- recording of pledge commitments to the University, including the correct entry of the agreed upon payment schedule, providing signed pledge documentation electronically by scanning and attaching to the pledge within Millennium.
- producing monthly pledge reminders on a monthly basis;
- recoding all matching gift pledges, confirming the contributions with donor employers and managing the collection process; and
- maintaining the Millennium Chart of Accounts, including the appropriate coding for campaigns, CAE, FASB and divisions/departments.

### 9.2.1 Gift Processing Policies and Procedures

All checks and cash received by Advancement Services must be deposited within 24 hours of receipt, regardless of any reporting or recording considerations.

Charitable contributions are posted to the Millennium database by members of the Gifts and Records Management unit. Constituent biographical information is confirmed and updated as needed to produce accurate tax receipts and acknowledgement letters. All original materials relating to the transactions within a batch of gifts are scanned and available electronically.

Where charitable contributions are received from a graduate who is married to another graduate, the legal credit for the transaction will be equally split between the graduates' records.

Tax receipts for charitable contributions must be produced, proofed and mailed within five business days of the posting.

### **9.2.2 Gift Documentation**

The development officer who receives a charitable contribution or pledge commitment must secure all documentation necessary for depositing and posting of the transaction and provide this information to Gifts and Records Management within 24 hours.

Except where contributions are received directly by Advancement Services (annual fund, phone program, direct mail, Kintera online giving), the development officer must submit a completed Gift Transmittal Form (see Appendix B) for each transaction delivered for deposit.

Except where pledges are directly transmitted to Advancement Services (direct mail, phone program, Kintera), pledge commitment information should be submitted using the Pledge Entry Information Form (see Appendix C).

All gift-processing forms are available on the Advancement Web site.

### **9.2.3 Pledge Information**

A *pledge* is a commitment that is written, signed and dated by donor to fulfill a financial promise payable within a specified time, according to terms set by the donor and agreed upon by the Virginia Commonwealth University or one of its affiliated Foundations. (For a sample Pledge Entry Information Form, see Appendix C.)

Pledges can be payable over a period of years – preferably not more than five years and not to exceed the number of years in a given campaign cycle. While it is preferable to have the initial payment in hand, this is not necessary to establish and post a pledge.

Signed documentation must be provided to Advancement Services for the pledge to be added to the Millennium database. No undocumented pledges will be added to the Millennium database.

#### **9.2.4 Letter in Lieu of a Pledge Form**

If donors furnish their own signed letter to document a pledge commitment and their letter clearly sets out all necessary details covered in a pledge form (including the payment schedule), then the letter can serve as documentation in lieu of the pledge form, except where the pledge commitment would establish an endowment account. Endowment commitments must have a signed Gift Agreement form.

#### **9.2.5 Verbal Pledges**

The term *verbal pledge* usually references an oral promise to make a donation, valid only as an expression of intent until supported by a written pledge that has been signed and dated. A verbal commitment can be recorded in the Millennium database as a “potential pledge” if the development officer provides Advancement Services with appropriate written instructions and dean approval. Development officers should report all activity and plans for solicitation strategy associated with verbal commitments on the action screen in Millennium

#### **9.2.6 Pledge Reminders**

Once a month, Gifts and Records Management produces pledge reminders for all expected payments based on the payment schedules established for those pledges within the Millennium database. When expected payments on a pledge become six months or more overdue, Advancement Services will discontinue pledge reminders for that pledge.

Advancement Services will provide the Chief Development Officers with monthly reports on pledges with scheduled payments that are six months or more overdue. The CDOs will consult with the appropriate development officer to create a strategy for contacting the donor.

At the request of the donor, pledge payments can be rescheduled. Documentation to support the rescheduling of pledge payments must be submitted to Advancement Services prior to any changes being made and will be scanned and attached to the pledge record within the Millennium database. For pledges falling under FASB guidelines, the Director of Gifts and Records will notify the fiscal agent within the appropriate University-affiliated Foundation of the payment schedule changes.

#### **9.2.7 Writing-Off Pledges**

At the conclusion of each fiscal year, the Associate Vice President, in consultation with the appropriate CDO, will review outstanding pledge payments that are **at least six months** or more overdue.

If the payment(s) is deemed uncollectible, the AVP will approve the write off of the overdue payment(s). Documentation for write-offs should be electronically attached to the pledge in the Millennium database.

For pledges falling under FASB guidelines, the Director of Gifts and Records will notify the fiscal agent within the appropriate University-affiliated Foundation of the pledge write off.

### **9.2.8 IRS Tax Receipts for Charitable Contributions**

Advancement Services issues tax receipts for charitable contributions to the University. All tax receipts must be in compliance with the requirements established by the Internal Revenue Service. Tax receipts will state the date and amount of the funds deposited to the appropriate affiliated Foundation and the Foundation account credited for the contribution. Tax receipts for charitable contributions must be produced, proofed and mailed within five business days of posting the transaction.

If a donor's contribution to the University is not entirely tax deductible, the receipt will state the total amount received from the donor and the portion of that amount that is considered "goods and services" and therefore not a charitable deduction.

Receipts for gifts of tangible property will provide an accurate description of the property. It is the donor's responsibility to determine the tax-deductible value of the property except when the donor has had the value determined by an independent appraisal.

Receipts for the gift of securities will state the number of shares, the name of the security and the date ownership of the security was transferred to the appropriate University-affiliated Foundation. As a courtesy to the donor, the highest, lowest and average sale price for the security on the date ownership was transferred also will be provided on the receipt.

For monies received where no portion of the transaction is determined to be tax deductible based on IRS regulations, no tax receipt will be issued.

### **9.2.9 Gift and Pledge Acknowledgements**

The schools and divisions should appropriately thank and acknowledge charitable contributions and pledge commitments to the university for amounts up to \$5,000.

For contributions and commitments of \$5,000 or more, the donor will receive recognition and acknowledgement from the president of the University in addition to thanks received from the division.

The University President signs acknowledgements for:

- gifts, new pledges or pledge payoffs of \$5,000 or more from individuals;
- gifts, new pledges or pledge payoffs of \$10,000 or more from corporations, foundations or organizations;
- pledge payments of \$50,000 or more as deemed appropriate by the development officer; and
- any special gift for which the development officer deems a presidential acknowledgement is warranted.

The Director of Advancement Communications prepares acknowledgement letters for review and signature by the University President and sees the process through to signature and final posting to the donor record in Millennium. The school/center/department development officer is responsible for preparing appropriate acknowledgement letters within their own divisions. If an acknowledgement letter is returned, the person who prepared the acknowledgment should ensure that the correct address is updated in Millennium.

### **9.2.10 Acknowledging and Receipting of Gifts Given Through Donor-Advised Funds**

If a development officer receives a gift from a **sponsoring organization's** DAF, he or she should forward the gift to Gifts and Records Management. Unless otherwise requested, the **sponsoring organization** of the DAF, **such as The Community Foundation**, should receive an acknowledgement. In addition, the recommending donor should be thanked for recommending the gift from their DAF.

In acknowledgments and conversations, development staff should never refer to a gift from a DAF as a gift (or pledge payment) from an individual.

RIGHT:

- “Thanks for your recommendation that the XYZ Donor Advised Fund **at The Community Foundation** make a gift to Virginia Commonwealth University for the Jones Family Endowment.”
- “I was delighted to learn of your plan to recommend that the XYZ Charitable Gift Fund **at The Community Foundation** make gifts totaling \$100,000 to the Jones Family Scholarship Fund at Virginia Commonwealth University.”
- “Virginia Commonwealth University just received a gift to the Jones Family Endowment from the XYZ Donor Advised Fund **at The Community Foundation**. Thanks so much for helping make this happen.”

WRONG:

- “Thanks for your gift through the XYZ Donor Advised Fund.”
- “Thanks for your gift. We just received a payment from the XYZ Donor Advised Fund.”
- “Thanks for the contribution you made through the XYZ Donor Advised Fund.”
- “We were delighted to receive the XYZ Donor Advised Fund’s payment on your pledge.”

### 9.2.11 Soft Credits

While IRS tax receipting and reporting must be based on the legal donor, the university is free to bestow recognition on donors as it sees fit. The University recognizes that from time to time Donor A may wish to make a contribution “**on behalf of**” Constituent B. Donor A must retain legal ownership of the transaction but wants to transfer the value of the gift to Constituent B for donor recognition purposes. This transfer of gift value for recognition purposes is called a “soft credit.”

The University has determined that soft credits can be applied to gifts and pledges, taking the following into consideration:

**Corporate principals** are those individuals who own or share ownership of a corporation. Corporate principals will often play an instrumental role in securing a gift from that corporation, and in such cases the University approves giving the corporate principal soft credit for the gift. Corporate principals do not automatically receive soft credit for all gifts from their corporation.

**Personal and family foundations** are those that were established, and continue to operate, as the conduits for the charitable donations of an individual or immediate members of a family. Any or all of the related family members can receive soft credit for gifts made by the foundation. Whether soft credits should be applied depends on whether the foundation is a donor-advised fund or a donor-directed fund.

With a **donor-advised fund (DAF)** a donor sends an asset to a tax-exempt organization (often affiliated with a financial institution or community foundation) as a gift to that entity. The asset is then in the name and under the control of that entity. Next, the donor contacts the fund and *advises* it to make a gift to a qualified organization. The fund is the legal donor of the gift. The advising individual can receive soft credit for the gift. **The tax status of the legal**

donor must not be jeopardized in the crediting process. DAF funds cannot be used to reduce pledge commitments from advising individuals.

Payments from donor-advised funds cannot be applied to individual donor pledges, in accordance with IRS policy.

With a **donor-directed fund (DDF)**, the donor sends an asset to a financial institution for investment and safekeeping. The assets remain in the name and under the control of the donor. The donor contacts the financial institution and directs it to issue a check in the name of the qualified nonprofit. In this case, the donor making the direction is the legal donor.

**Fundraising Consortia**, such as the United Way, are nonprofit entities, and the donors receive their IRS tax receipt from them. These organizations often provide a list of how much of their contribution can be attributed to specific individuals. Those individuals can receive soft credit for the amounts indicated in the provided list, but because the organization typically retains a portion of the gift, the soft credit amount will be equal to the net amount of the gift the University received.

On a case-by-case basis, gifts received from groups or organizations that are not a nonprofit entity and where no tax receipts have been issued can be considered pass-through funds so that the individual donors can receive legal credit and no soft credits would be needed.

To have a gift or pledge soft-credited to another constituent, the appropriate development officer must make the request in writing or designate such on the gift or pledge transmittal form. When a pledge commitment is soft-credited, the payments follow the soft credit. With the exception of soft-credited pledge payments, Advancement Services will not automatically add a soft credit to any transaction.

### **9.2.12 Matching Gifts**

Matching gifts are those gifts made by businesses in response to the voluntary contributions of employees or other eligible participants. When an eligible participant makes a gift to a qualifying organization, the transaction must be verified by a staff member from the qualifying organization. Advancement Services verifies matching gifts for the University and assures that the contribution is in compliance with the guidelines published by the matching entity. For donor recognition purposes, the value of the matching gift goes to the donor whose gift initiated the match.

### **9.2.13 Gifts in Kind and Services**

For tangible gifts, including gifts of real estate and real property:

Gifts in kind posting procedures are followed for any valued gift of \$500 or more. If the gift in kind is valued at less than \$500, a Gift Transmittal Form, which includes specific soft-credit amount and verbiage about the gift's use to the University, and copies of all supporting documentation should be completed and forwarded to Gifts and Records Management. NO gift will be posted, but a soft-credit transaction will be posted to the donor indicated on the form.

For intangible gifts, including pro bono work/services:

Gifts of service (intangible gifts) are posted as credit transactions ONLY. The amount of the credit is determined by the Advancement office or individual school. A Gift Transmittal Form should be completed and sent to Gifts and Records Management and should include the specific soft-credit amount and copies of any supporting documentation.

#### **9.2.14 Goods and Services (Quid Pro Quo)**

The IRS defines a quid pro quo donation as a “payment made partly as a contribution and partly in consideration for goods or services provided to the payor by the donee organization.”

The value of benefits the donor received is critical in determining the amount of the actual gift. The goods and services amount is the fair market value of the goods/services received, which might not equal the actual cost. The goods and services portion is always computed even if the goods and services have been donated by a third party. The donative amount is the amount exceeding the value of benefits the donor receives from the institution in return for the gift (see IRS publications 526 and 1771 for additional guidance and details on IRS thresholds for substantial and insubstantial benefits).

Each transaction that involves goods and services must include a breakdown of the tax-deductible amount and the goods-and-services amount. The request for a solicitation code should include this breakdown at each level, and it should be noted on the Gift Transmittal Form. The breakdown of deductible/nondeductible information must be on all invitations and communications to participants.

Goods and services also must be considered with respect to corporate sponsorship of University events, projects and activities. The determining factor that affects the deductibility of the gift is whether the recognition the corporation receives constitutes advertising, as defined by the IRS. The IRS defines advertising as competitive pricing or product information displayed because of the donation. If the recognition fits this definition of advertising, the sponsorship is an exchange transaction, not a gift. Simple name or logo placement, including corporate names placed on bricks, chairs, rooms, plaques and other items that are part of the beneficiary institution, is not considered advertising.

**Example:** VCU hosts a golf tournament with all proceeds dedicated to the VCU Foundation. A corporate sponsor pays \$2,500 to provide refreshments at one of the holes in exchange for displaying a placard with the logo of the company sponsoring that hole. This simple display does not constitute advertising, and thus, the entire \$2,500 is considered a gift.

**Example:** If a \$2,500 sponsor receives “free” admission to the golf tournament for four participants, with a fair market value of \$125 per person, then the fair market value must be deducted from the amount paid to calculate the true gift amount. In this scenario, the sponsor would receive a tax receipt for \$2,000 donation.

**Example:** VCU hosts a donor-recognition event and a corporation underwrites the cost of the event in exchange for display space at the event where they can showcase and sell their products. This constitutes free advertising for the company as this opportunity to show and display products would not otherwise have existed had they not underwritten the cost of the event. Therefore, none of the funds paid by the company can be counted as charitable.

For clarification on quid pro quo and corporate sponsorships, consult IRS Federal register Vol. 67, No. 80, published in April 2005 (“Taxation of Tax-Exempt Organizations’ Income From Corporate Sponsorships”).

### **9.2.15 Auctions and Event Activities**

In accordance with CASE and IRS guidelines, there are two possible gifts associated with each auction transaction. First, the donor of the auctioned item should be recognized as the donor of a gift of real or personal property or gift-in-kind, only if that donation is sold at the auction. Second, assuming the fair market value of that item is publicly disclosed before the auction and the winning bid exceeds the stated value, the buyer can claim a contribution of the amount exceeding the publicized value. The university will issue a quid pro quo receipt stating the tax-deductible donation that exceeds the value of the item. Should the winning bid be less than the value, no official tax receipt can be issued to the purchaser.

### **9.3 Office of Prospect Research and Campaign Data Analysis**

The Office of Prospect Research and Campaign **Data Analysis** supports the fundraising efforts of the University by gathering, analyzing, recording, maintaining and disseminating information on current and prospective donors and alumni. This information is highly confidential and is only provided to faculty, staff and administrators who are engaged in raising private support for the University.

To maintain the confidentiality, accountability, security, and broad availability of personal information critical to our fundraising success, the Board of Visitors directs that the Central Advancement Office be the sole development research office at the University.

The Office of Prospect Research and Campaign **Data Analysis specifically:**

- gathers and analyzes biographical, financial, corporate, foundation and other philanthropic information to identify new major-gift prospects or further qualify existing major-gift donors;
- provides significant and detailed research on individuals and draws conclusions about their potential as major-gift donors and their ability to help development officers connect with other sources of major funding through their contacts and affiliations;
- provides lists of individuals and companies with demonstrated interest in the University and the Health System; and
- manages the prospect registration and tracking process.

### **9.3.1 National Code of Ethics for Prospect Research**

The Office of Prospect Research and Campaign Data Analysis adheres to the Association of Professional Researchers for Advancement (APRA) Code of Ethics (See Appendix I).

### **9.3.2 Use and Distribution of Information**

All constituent information and the alumni database are the property of Virginia Commonwealth University and the VCU Health System. Information must not be given to persons other than those who are involved with cultivation and solicitation efforts or those who need that information in the performance of their duties for the University or any of its affiliated Foundations. Constituent information gathered for Virginia Commonwealth University must not be taken to another institution.

### **9.3.3 Identification of Confidential Information**

All documents, both internal and external, containing confidential information must be stamped “CONFIDENTIAL” or Presidential Working Papers.

### **9.3.4 Confidentiality and Compliance Statement**

All development and alumni staff must sign the VCU Confidentiality and Compliance Statement (See Appendix J) before having access to any personal data in the Advancement databases or to reports produced by the Research Office.

All research reports distributed to individuals who are not unit development officers or members of the President's Office, Central Advancement or affiliated Foundation staffs must sign the same confidentiality statement.

### **9.3.5 Distribution of Confidential Information**

#### **To internal parties:**

Research reports, giving histories and other documents containing confidential information on donors are available through Millennium and are distributed to others as applicable. Anyone who requests or obtains such information must have a compelling business reason for doing so, must use it solely for development efforts at Virginia Commonwealth University and must maintain the information in a secure and confidential manner.

#### **To external parties:**

Only publicly available information is to be made available to people external to the University. Confidential information must not be given, sold, leased, loaned or traded to unauthorized individuals or institutions.

#### **To volunteers:**

Edited research reports can be released to volunteers acting on behalf of the Advancement Division or the University. Items that must be excluded from these reports include (but are not limited to) sensitive personal information, specific financial data and detailed giving information. Volunteers should be clearly informed that the material they are receiving is confidential and must be returned or shredded when no longer in use.

#### **Anonymous donors**

**Documents containing information on anonymous donors or donations must not be released to anyone — internal or external — without the prior approval of the Vice President for University Advancement.**

### **9.3.6 Prospect Registration**

The purpose of the Prospect Registration System is to coordinate the fundraising activities of the central development office and other units of Virginia Commonwealth University. Everyone involved in the solicitation of private funds for the University must abide by the Prospect Registration System to avoid duplication of efforts as well as the awkward and self-defeating situations that can result from different units soliciting the same prospect for different purposes when other units are not aware.

The Prospect Registration System is based on the premise that each prospect will

have one primary development manager known as the Team Leader, and may work with and have contact with additional development officers, known as Team Members. Before a development officer or any other individual involved in fundraising for the University begins to work with a prospective donor who might have multiple giving interests at VCU, he or she must request registration as a team member for that prospect.

A prospect team must reach consensus on a strategy for the prospect before involving any non-Development individuals (faculty, volunteers, etc.) in the process.

Prospects with multiple registrants will be assigned a Team Leader, and all members of the team registered for that prospect must work with one another and keep the Team Leaders informed of all moves and contacts. Any conflicts involving particular prospects will be handled by the Team Leader, working with all parties involved. Conflicts that cannot be resolved at this level will be referred to the Vice President for University Advancement, the Provost and Vice President for Academic Affairs and the Vice President of the VCU Health System.

The Vice President and the CDOs reserve the right to reassign prospects when successful moves are not documented in Millennium within six months and no satisfactory explanation can be provided. Successful moves can be defined as actions that enhance the prospect's relationship with VCU and move the prospects forward in the solicitation process.

### **9.3.7 Presidential Prospects**

Certain prospects are designated Presidential Prospects. In these cases, the President serves as the Team Leader, and the Vice President for University Advancement will staff the President. Deans and development officers can be registered as team members and can participate in any cultivation activities. Development or alumni personnel must not work with a Presidential Prospect without involving the Vice President for Advancement.

### **9.3.8 Moves Management**

The purpose of the moves management system is to ensure that all major gift prospects of the University are being cultivated, solicited and stewarded consistently. The prospect management team must document those efforts using the action screen within the Millennium database.

A successful move is defined as an action that enhances the prospect's relationship with VCU and moves the prospect forward in the solicitation process. An action that has occurred is defined as "Completed" and must have the completed date filled in on the Millennium action screen. Actions that are planned

for the future are defined as “Open” and should have a due date filled in on the action screen. Cultivation and solicitation strategies can be incorporated into the prospect’s record using open actions.

For definitions, see Appendix K.

### **9.3.9 Contact Report Guidelines**

All substantive contact with donors and prospects must be recorded in the appropriate constituent’s Millennium record within 72 hours. The registered team members and colleagues must be alerted that there is a new action in the Millennium record.

When a team member identifies an appropriate ask they should add a proposal record to the prospect’s record indicating their planned ask amount, date and purpose. Open/planned actions that support the team member’s proposed ask also must be entered.

### **9.3.10 Rating and Readiness Categories for Prospects**

Development Officers and personnel are responsible for maintaining accurate rating and readiness information on their prospects at all times during a campaign for the institution.

- A. \$30 million or more
- B. \$25 million-\$29.9 million
- C. \$15 million-\$24.9 million
- D. \$5 million-\$14.9 million
- E. \$1 million-\$4.9 million
- F. \$500,000-\$999,999
- G. \$250,000-\$499,999
- H. \$100,000-\$249,999
- I. \$50,000-\$99,999
- J. \$25,000-\$49,999
- K. \$10,000-\$24,999
- L. \$5,000-\$9,999
- M. \$1,000-\$4,999

- 0: Ask in
- 1: Ask within 6 months
- 2: Ask within 6 to 12 months
- 3: Ask within 12 to 18 months
- 4: Ask within 18 to 24 months
- 5: Cultivate
- 6: Potential prospect
- 7: Gift in/upgrade

## 8: Stewardship

### 9.3.11 Leadership Gift Coordination and Solicitation

All employees of the University, when engaged in private fundraising, must work with their unit development director and comply with the existing Prospect Registration System approved by the Board of Visitors. All development officers must inform the University Advancement office when a verbal or written proposal is submitted or must enter this information into the prospect's record with a copy of any written proposal.

When several registered team members from different units at the University wish to approach a prospective leadership gift prospect, the Team Leader must include the appropriate Central Advancement staff to play a neutral strategic role. The Team Leader or Central Advancement staff member can inquire if the prospect would prefer to have these conversations individually or collectively. All information related to the prospect should be appropriately shared with team members and put into Millennium.

## 10.0 Donor Relations and Stewardship

The mission of the Office of Donor Relations is to inform donors about how their gifts are being used, to involve them in the life of the university and to thank them for their contributions in distinctive, visible and memorable ways. The purpose of this work is to enhance relationships with alumni and friends, to encourage new and continued support for VCU and to reinforce the university's reputation for effective management, integrity and caring.

### 10.1 Responsibilities

The Office of Donor Relations:

- Manages broad-based stewardship of donors to the university, including planning major donor events such as:
  - Annual Monroe Park Campus Endowed Scholarship and Professorship Dinner
  - Annual Heritage Society event
  - Founders' Society dinner (every two to three years)
  - President's Reception (every two to three years)
  - Campaign leadership meetings and celebrations
  - Annual MCV Foundation Endowed Scholarship Brunch
  - MCV Foundation Endowed Professorship and Chair Dinner (every one to two years)
- Manages University-wide donor recognition groups, such as President's Club, Founders' Society and Heritage Society, as well as manages the correspondence and benefits associated with the groups.
- Stewards and advocates for donor-created scholarships not associated with a school or program.

- Prepares endowment agreements and endowment reports for donors.

## **10.2 Memorial Reports to Family Representatives**

Memorial reports providing the names and addresses of those contributing gifts in memory of a deceased individual are sent to the designated family representative (or other contact) by the school or unit where the gift is made. When a memorial gift is not designated for a particular unit or school, the Office of Donor Relations is responsible for keeping the family representative informed. Family representatives can then send personal acknowledgements to the contributors, if they so choose. Memorial reports released to family representatives do not show the amount of each contribution, only the total amount contributed during a particular time period. If there is only one contributor, no amount is listed.

Memorial reports are sent monthly at least, if not weekly, unless no gifts are received during a reporting period.

### **10.2.1 Background Information**

Memorial donations are deposited into the account designated by the donor. If the donor does not make an account designation, the memorial donation is deposited into a general memorial fund unless a development officer takes action, in coordination with the affiliated Foundation and family representative, to open a new account that is expected to reach endowment level. In establishing a new endowment, the development officer will ensure that the name and address of the family representative is entered into Millennium and linked to the record of the deceased.

## **10.3 Endowed Fund Reports**

The Assistant Director of Donor Relations sends formal endowment reports to donors of all levels. In many cases, the Assistant Director will provide these reports to the various development officers who will then share them directly with their donors. These reports provide an informative review of stewardship of the funds invested in endowments for the fiscal year ending June 30. They are prepared in conjunction with the affiliated Foundations and mailed after the Trustees of the affiliated Foundations accept their annual auditor's report.

Copies of the endowment reports can be found as attachments in Millennium. Informal reports can be compiled if requested by a donor during the year.

These endowment reports are not sent to a donor until the endowed fund has been fully endowed for one year.

Endowment reports are produced for the primary donor(s) of the fund, as determined by the director of development. Abbreviated reports for endowed

funds with no primary contact can be produced for a dean or department head at the discretion of the Office of Donor Relations and the director of development.

For examples, see Appendix L and Appendix M.

#### **10.4 Stewardship of Nonindividual donors**

Stewardship of nonindividual donors (i.e. corporate, foundation and organization donors) is managed by the Office of Corporate and Foundation Relations. Please see section 15.0 for more information.

#### **11.0 Advancement Communications**

Advancement Communications is designed to serve the communications needs of the campus-wide advancement effort. The director of Advancement Communications coordinates and implements the cohesive communications strategy for the Office of University Advancement and serves as a liaison between the campus development offices and Office of Communications and Public Relations.

##### **11.1 Responsibilities**

The Advancement Communications office:

- develops and manages cohesive communications strategies, messages and policies for Office of University Advancement and the Office of University Alumni Relations working in a coordinated fashion with University-affiliated Foundations, alumni associations and university marketing, creative services and communications offices;
- prepares donor acknowledgement letters and other advancement-related correspondence from the University president
- coordinates publication of “The Power of Personal Philanthropy” quarterly newsletter;
- coordinates inclusion of Advancement news in alumni magazines;
- manages online presence, on internal and external channels, for University Advancement and University Alumni Relations;
- works with schools/units and the Office of Communications and Public Relations on announcements of major gifts and other advancement-related news to the press;
- serves as a communications consultant to schools/units;
- prepares University-level nominations; and
- writes and edits communications pieces as requested.

#### **12.0 Corporate and Foundation Relations**

The Office of Corporate and Foundation Relations works to secure private support for University priorities by fostering relationships with corporations, foundations and other philanthropic organizations. Housed in Central Advancement, the CFR staff works alongside schools, centers and research units on both VCU campuses to identify and coordinate activities to secure support for University programs and projects.

## **12.1 Responsibilities**

The Office of Corporate and Foundation Relations:

- encourages and manages the identification, cultivation and solicitation of corporate and foundation partners for the University;
- coordinates relationships between members of the University community and our corporate and foundation partners;
- provides research assistance, resources and guidance on prospect identification, solicitation and the development of proposals and reports;
- ensures that funding requests and related reports are submitted in a timely and professional manner;
- coordinates the stewardship of corporate and foundation gifts; and
- serves as chief steward of the University's relationships with corporate investors.

To ensure an organized, professional approach to corporate and corporate foundation prospects, contacts with these prospective organizational donors must be recorded and coordinated through the Central Advancement CFR office. All University representatives working to develop corporate support for Virginia Commonwealth University programs must follow the clearance and contact tracking policies and procedures contained in this manual for all corporate and/or corporate foundation contacts.

## **12.2 The Private Fundseeking Process at VCU – Corporations and Foundations**

To ensure an organized, professional approach all contacts with any prospective corporate and foundation prospect must be recorded and coordinated through the Office of Corporate and Foundation Relations (CFR). Before contacting CFR staff or potential funders, faculty must discuss potential projects and sources of support with their department chair and dean. Faculty must also solicit the support of their director of development, where applicable, to ensure an internally coordinated approach. The CFR staff will work with the director of development and the individual faculty members to design a successful fundraising initiative.

Subsequent phone calls, letters, visits, proposals or reports submitted to corporations, foundations and other organizations must be coordinated through the Office of Corporate and Foundation Relations. In many instances, a funding

partnership will require coordination with the Office of Research. Please consult the Corporate and Foundation Relations portions of the Advancement Intranet for additional information.

### 12.3 Gifts vs. Grants

The distinction between gifts and sponsored projects can be subtle. The term “grant” is defined very differently by various corporate and foundation funders and, therefore, can cause confusion. For that reason, CFP replaces the term “sponsored project.” Please note that the use of the term “grant” by a funding organization does not automatically mean that the award is a sponsored project; instead, the terms of the award should be used to determine its status.

A **sponsored project** is any externally funded research or scholarly activity that has a defined scope of work and set of objectives that provide a basis for accountability and sponsor expectations. If any one of the following characteristics applies to a project, including commitments made in the proposal or required in the award agreement, it **must** be processed through VCU's Office of Sponsored Programs, which is housed in the Office of Research:

- Sponsor is the federal, state, or local government OR an agency that has been established simply as a flow-through of federal, state, or local government funds for accounting purposes.
- Proposal or award requires a signature from an authorized official binding the University to the terms and conditions of the proposed project.
- Sponsor has written policies requiring indirect cost recoveries. Note: the absence of a policy does not preclude the award from being a sponsored program.
- Award contains provisions regarding ownership of intellectual properties (i.e., patents and copyrights).
- Sponsor requires the delivery of specific goods or services by the University (e.g., technical assistance or training).
- Award requires a detailed technical report (this is generally more than a simple status report that details a project's progress).
- Award payments are contingent upon programmatic or fiscal reporting (e.g., milestones, invoices).
- Award includes budget restrictions (e.g., prior approval for re-budgeting and restrictions on certain budget categories, equipment or fringe benefits).
- Award includes a provision for audit.
- Award restricts or monitors publications or use of results.
- Award requires protection of sponsor and/or confidential information.
- Project involves the use of human subjects, vertebrate animals, radioisotopes on humans, radioactive materials, recombinant DNA, human body substances, etiologic agents or proprietary materials.

- Project must be submitted for review by the University's Institutional Review Board (IRB).

Activities supported by a donor that are **generally not** considered sponsored projects and can be processed as *gifts* might include the following characteristics:

- Award provides support for broadly defined activities, such as professorships, endowments, building projects, instructional programs or unrestricted research. The donor can restrict the use of funds to a specific program area or purpose.
- Award contains only minimal requirements, generally relating to required donor pledge payments and the University's commitment to effectuate the donor's intent.
- Award requires only minimal reporting to the sponsor donor in the form of a general statement or report of how funds were used and the outcomes of the project. The unit or faculty member involved can provide the donor with a brief summary of the results of supported activities and/or a statement that expenditures were made in accord with the intent of the gift.
- Award is irrevocable.

All projects determined to be a sponsored project must be processed through the Office of Sponsored Programs. Activities supported by a donor that are generally not considered sponsored projects can be processed as gifts to the University. Questions regarding whether a proposal or an award is a gift or a sponsored project should be directed to your school's dean or to the CFR Office in University Advancement. In some cases, projects that do not need to go through the Office of Sponsored Programs at the proposal stage become sponsored projects at the award stage because of conditions set forth in the award agreement. The Office of Sponsored Programs and University Advancement will work together to determine a project's classification when there is a question about how it should be processed.

For priority projects, the Corporate and Foundation Relations staff:

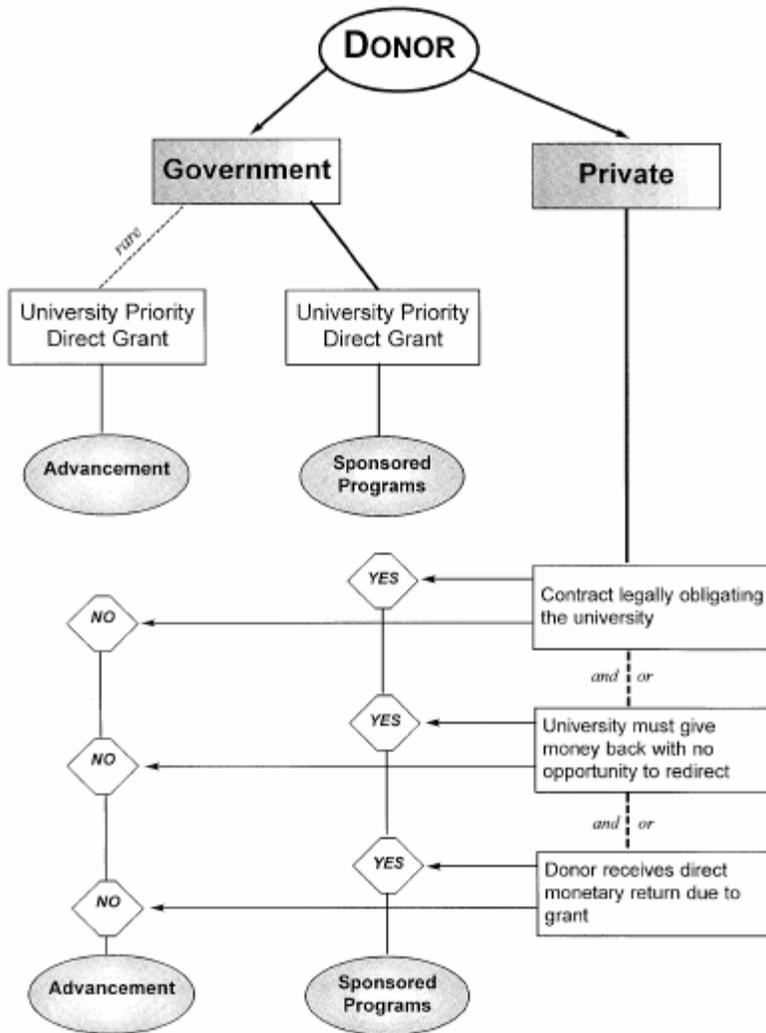
- Assist in determining whether a project is appropriate for foundation funding;
- Brainstorm to identify possible funders for University or school/college/program priorities;
- Share information about foundations researched or visited;
- Alert interested parties to RFPs and other funding opportunities;
- Review and edit letters of inquiry and proposals;
- Facilitate proposal submissions, including gathering supporting documentation and preparing and shepherding cover letters from the President or Provost;

- Meet with foundation officials, usually with an academic or administrative head, to discuss possible proposals; and
- Link the development operation with the Office of Sponsored Programs.

The University must have a coordinated approach to all private foundations. Phone calls, letters, visits, proposals or reports submitted to foundations must be coordinated through the Central Advancement Office of Corporate and Foundation Relations. In many instances, a funding partnership will require coordination with the Office of Research. All University representatives working to secure foundation support for Virginia Commonwealth University programs must follow the Board of Visitors approval clearance and tracking policies contained in this manual for all foundation contacts.

### 12.3.1 Gifts vs. Grants Chart

## Sponsored Programs or Advancement



## 12.4 Stewardship of Corporate, Foundation and Organization Donors

The CFR officer oversees the stewardship of corporate, foundation and organization donors. In many cases, stewardship activities for nonindividual donors are best handled primarily by the development officers in the schools/area. For fundraising initiatives that are cross-campus or interdisciplinary in nature, however, the CFR staff in Central Advancement must play a lead role in stewardship activities. Where necessary and appropriate, CFR staff will coordinate with area development officers and project faculty to ensure the timely submission of grant reports to foundations. All stewardship activities undertaken by Central Advancement or by area/school development officers must be documented in Millennium.

## 12.5 Corporate Sponsorship

Qualified corporate sponsorships are classified as charitable donations when there is no expectation of a substantial return benefit other than the use or acknowledgement of the name, logo or product lines of the sponsor's business. Exclusive *sponsorship* arrangements can be qualified as contributions, while any service provided would be considered a return benefit under the definition of quid pro quo (for clarification on corporate sponsorships and quid pro quo guidelines see section 10.7.10). The University must establish that a portion of the payment exceeds the fair market value of the benefit received by the business. Exclusive *provider* arrangements that limit the sale, distribution, availability or use of competing products result in a return benefit and are not a qualified sponsorship. Similarly, advertising revenue is subject to tax, although IRS regulations provide an exemption for advertising in student publications provided that all advertising sales are conducted by students.

University departments or organizations must receive approval to seek sponsorships from school-based development officers or Central Advancement staff members before solicitation. Units must report all corporate sponsorships received to University Advancement Gifts and Records Management to ensure accurate accounting and acknowledgment in accordance with IRS regulations. For clarification, consult IRS Federal register Vol. 67, No. 80, published in April, 2005 ("Taxation of Tax-Exempt Organizations' Income From Corporate Sponsorships").

## 12.6 Seeking External Support for Student Activities

While VCU student groups are not formally part of the University, they are identified with the institution. Particular student organizations are programs administered by the Office of the Vice Provost. As such, this office will determine the definition and characteristics of those organizations allowed to raise funds as part of VCU. These student organizations must comply with all University policies regarding external fundraising. Before seeking cash gifts, sponsorships or

in-kind donations, these groups must have permission from the Vice Provost for Student Affairs. All sponsorships must be awarded to a University-affiliated Foundation so that these donors are appropriately recognized and receipted for their charitable support. Student organizations cannot set up individual accounts at University-affiliated Foundations for activities without permission from the Vice Provost and the director of the respective affiliated Foundation.

### **12.7 Seeking External Support for University-affiliated Nonprofits**

VCU houses numerous nonprofits that hold 501c3 (or similar) tax-exempt status from the Internal Revenue Service. In addition, faculty and staff might serve as directors or board members of nonprofit organizations that are not part of the University or the health system. VCU does not support the external fundraising efforts of these nonprofits. A faculty member should seek advice from University counsel and administration before applying for external funding for a nonprofit, especially when confusion could arise as to responsibilities of the institution. Units must not deposit funds at a University-affiliated Foundation to support these nonprofits or nonprofit activities without permission from the Vice President for Advancement and the director of the respective affiliated Foundation. External funding that is intended for contracted nonprofits or agencies must be administered through the Office of Sponsored Programs to ensure compliance with university policies.

### **13.0 University Alumni Relations**

The Office of University Alumni Relations leads and supports University-wide programming, communication and services to alumni, students, schools, departments and faculty to create and foster opportunities for growing intellectual, cultural, recreational and leadership experiences. University Alumni Relations staff members seek to contact, connect and involve alumni in support of the University's priorities and provide a strong and robust foundation for a successful development program.

This is accomplished by:

- building pride and ownership among alumni in the University;
- recognizing and strengthening the relationship alumni have with their schools, departments and programs;
- offering quality programs through which alumni can offer volunteer service, meet other alumni and students and strengthen their ties to VCU;
- educating students about their opportunities and responsibilities as alumni;
- offering high-quality and attractive communication in alumni magazines and the alumni Web site;

- building alumni pride and presence in the University community through association membership, the alumni houses and alumni scholarship and fellowship programs;
- improving and maintaining the alumni database; and
- working with the alumni associations and affiliated alumni groups to establish and maintain the four essential elements of a successful alumni program:
  - effective and interactive information systems with alumni and university;
  - defined volunteer structure and roles;
  - alumni association with a clear identity, mission, governance structure and relationships with affiliated organizations (alumni and university); and
  - effective internal organization including staff, programs, fundraising, records and publications.

The Office of University Alumni Relations adheres to the Council for the Advancement and Support of Education (CASE) “Principles of Practice for Alumni Relations Professionals at Educational Institutions,” adopted by the CASE Board of Trustees in March 2005 (See Appendix O).

### **13.1 Definition of Alumni**

For the purposes of alumni classification for eligibility for membership, an alumna/us of VCU is defined as anyone who has completed 24 hours of credited course work for an undergraduate degree or 18 credit hours toward a master’s degree. These hours are cumulative but not necessarily consecutive. Graduates from certificate programs can be approved for inclusion as eligible for membership, upon petition by their respective academic unit and with the approval of the VCUEAA and/or MCVAA in accordance with association and university policies.

### **13.2 Alumni Association Membership Programs**

The VCU Alumni Association and the MCV Alumni Association of VCU are granted the exclusive authority to establish and maintain alumni membership dues programs. The VCUEAA can grant authority to officially chartered affiliated organizations to charge dues or can choose to share revenue with affiliated groups, to foster the mission and goals of those groups in support of the university. Currently, the VCU Alumni Association, the MCV Alumni Association of VCU and the African-American Alumni Council have comprehensive annual and life membership programs that support alumni programming and communications. Membership dues provide essential revenue for supporting programming. Membership also builds pride and ownership among alumni and provides an important first step in educating alumni about their financial responsibility to VCU.



### 13.3 Alumni Association Dues

Both the MCV Alumni Association and the VCU Alumni Association charge dues for membership.

The dues are as follows and can change by vote of the respective alumni boards:

#### **VCU Alumni Association & MCV Alumni Association of VCU:**

Single membership	\$ 40
New & Recent grad*	\$ 25
Life	\$495
Senior life**	\$225
Installment life (\$110 annually for 5 years)	\$550

#### Joint membership (with spouse or domestic partner):

Annual	\$ 55
New & Recent grad	\$ 35
Life	\$595
Senior life	\$275
Installment life (\$130 annually for 5 years)	\$650

\*Recent grad is for alumni within 5 years of the their first VCU degree

\*\*Senior Life age requirement – VCUIAA 55+; MCVAA graduated 40+ years ago

### 13.4 Alumni Affiliated Groups

Alumni-affiliated groups exist to promote the university and foster positive relationships with and among alumni. Affiliated groups provide a mechanism for involving alumni and friends of VCU in the life of the university through volunteer activities in support of students, the university community, communications and networking activities.

Alumni-affiliated groups are defined as a collection of VCU graduates, former students and friends of the University who gather together through a common interest or geographic location to engage in activities that support the mission of the association and the university.

The recognition of all alumni affiliated groups by University Alumni Relations and the associations shall be based upon affiliation with Virginia Commonwealth University, its colleges, departments, athletic organizations, social and fraternal organizations and other special interest groups.

Alumni-affiliated groups are recognized under the umbrella of the alumni association. Marketing, publicity and correspondence should be clearly

discernible as being from the alumni-affiliated group. Alumni-affiliated groups are subject to the same guidelines and tax laws that apply to the VCU Alumni Association in accordance with association and university policies.

The formation of affiliated groups shall be by the authorization of the University Alumni Relations Office through the respective association. Such affiliated groups shall submit their bylaws for review and approval. Virginia Commonwealth University encourages the formation of alumni-affiliated organizations and identifies and defines three types of alumni affiliated groups: academic, geographic and special interest.

For the purpose of these policies, Virginia Commonwealth University has defined alumni affiliated groups as follows:

- An academic alumni-affiliated group is comprised of a group of graduates, former students and friends of Virginia Commonwealth University organized by an academic unit to assist in fundraising and/or appeals to alumni career and professional interests of that group and to support the goals of the alumni associations.
- A geographic alumni-affiliated group is comprised of a group of graduates, former students and friends of Virginia Commonwealth University who are located in a geographic area.
- A special-interest alumni-affiliated group is comprised of a group of current students, graduates, former students and friends of Virginia Commonwealth University who wish to foster their special mutual interests and desires to support the goals of the alumni associations.

### **13.5 Alumni Association Scholarship Programs**

To further the mission of creating and fostering opportunities for growing intellectual, cultural, recreational and leadership experiences, as well as contacting, connecting and involving alumni in support of the University's priorities, the Office of University Alumni Relations encourages alumni investment in scholarship programs.

Both alumni associations and the council have established a variety of scholarship endowments. The VCUEAA developed the Alumni Merit Scholarship Endowment with \$500,000 in pledges and a \$500,000 gift. It also supports the Alumni Association Honors Scholarship Endowment and contributes dues income to several school-based current scholarship programs.

The MCVAA sponsors several school-based scholarships and has contributed more than \$500,000 to a variety of scholarship and fellowship programs in support of all the schools on the MCV Campus.

The AAAC has established a scholarship endowment for VCU upperclassmen and another for an incoming freshman.

### **13.6 Alumni Houses**

University Alumni Relations staff offices are located in the alumni houses, which serve as focal points for alumni and student activity. The alumni houses are the “front doors” to the University and manifest the role of alumni as important members of the University community.

The VCU Alumni Association purchased and renovated the home at 924 West Franklin Street as the Richard T. Robertson Alumni House on the Monroe Park Campus and gifted it to the University. The association also designed and furnished the Alumni Board Room in the University Student Commons.

The MCV Alumni Association designed and built the MCV Alumni House and the Paul A. Gross Conference Center on the MCV Campus and gifted them to the University. The Paul Gross Conference Center is used extensively by MCV Campus departments and MCV Hospitals for seminars, presentations and meetings.

### **13.7 Alumni Magazines**

The VCU Alumni Association publishes Shafer Court Connections twice a year and mails it to association members, donors to the Monroe Park Campus, new MPC graduates and faculty.

The MCV Alumni Association publishes Scarab twice a year and mails it to all graduates of the MCV Campus, as well as MCV Campus faculty and friends.

### **13.8 Alumni Web Site and E-communications**

The alumni Web site is evolving into the central site for University-wide alumni access and is becoming the primary communication portal for involving alumni in the life of the University. The content and community programs on the site provide an array of services and methods for alumni to link with the associations, affiliated alumni groups and the University. A centrally organized, collaborative electronic newsletter is available for communicating school-based and University-wide news and showcases opportunities for alumni to volunteer and for interactive alumni participation. The alumni database contains more than 45,000 e-mail addresses. Several schools have also established e-newsletters for their alumni.

### **13.9 Involvement Programs**

The alumni associations sponsor programs and collaborate with Admissions, Career Planning and Placement and other Student Affairs departments to solicit alumni volunteer service on behalf of VCU. They also bring together alumni with students to strengthen alumni support and begin the process of educating students about their role as future alumni. The programs include:

- receptions for admitted students and their parents; and
- alumni participation in college fairs and college nights.

### **13.10 Outreach Programs**

The alumni associations sponsor programs and support affiliated groups' efforts to recognize alumni achievement, encourage social and programmatic interaction and encourage alumni to return to campus. Outreach is a broad term that covers special events that bring alumni together for special occasions and the support of constituent groups reflecting alumni identification with specific programs and schools or a special experience while students. The programs include:

- Reunion Weekends on both campuses;
- Golden Circle and Grand Alumni events for 50-year graduates;
- Nursing Conference and Annual Nursing Alumni Lectureship;
- regional alumni events and organizations;
- basketball game promotions;
- school alumni boards operating under the two alumni associations;
- African American Alumni Council;
- departmental groups such as Honors Alumni and Association of Real Estate Alumni;
- special School of Medicine alumni events; and
- supporting receptions in conjunction with professional meetings and conferences.

### **13.11 Student Programs**

The alumni associations support a variety of programs to create interaction among students and alumni and educate students about their role as future alumni. The programs include:

- *Students Today, Alumni Tomorrow (STAT)* organization;
- participation in Welcome Week, Fall Fest, Homecoming and Commencement Week to reinforce student enthusiasm for and understanding of their lifelong relationship with their university and fellow alumni;
- Rams Spirit Walk; and
- Your Passport to the World graduates' commencement gala.

### **13.12 Affinity and Service Partnerships**

The university grants the alumni associations the authority to access the alumni database to increase alumni pride and ties to the university and one another and as a service to alumni to increase the sense of benefiting from an active connection with VCU. These affinity partnerships also provide essential nondues royalty income to support association initiatives, programs and activities. Current programs include:

- affinity credit card and financial services;
- alumni travel; and
- alumni group insurance plans.

The Office of University Alumni Relations adheres to the Council for the Advancement and Support of Education (CASE) “Guidelines for Alumni Relations Professionals on Establishing Vendor Relationships,” adopted by the CASE Board of Trustees in April 2008 (See Appendix P).

### **13.13 Alumni Merchandise**

The alumni associations provide a variety of merchandise for purchase and via complimentary distribution to enhance the University’s visibility and increase alumni pride and commitment. Items include:

- MCVAA chair;
- variety of MCV pewter and golf items;
- prints;
- University coverlet; and
- decals, mugs, buttons, stickers, key chains, clothing and similar items.

## **Appendix A**

**Virginia Commonwealth University**  
**MANAGEMENT PRINCIPLES FOR RELATIONSHIPS WITH**  
**University-Related Foundations and**  
**Other Affiliated Organizations**

University-related Foundations (Foundation) and other affiliated organizations (affiliate) exist to benefit Virginia Commonwealth University (the “University”), including the VCU Health System, or one or more of the University’s schools or departments. The Board of Visitors should be advised of the purpose of the foundation or affiliate and the scope of its activities, including grants and fundraising, even though the Board’s policy is not to control the activities and functions of the related Foundation or affiliate. Audit and Management Services will review related Foundation or affiliate activities annually to ensure the Foundation or affiliate met the organizational and reporting requirements as stated in the Guidelines for University Related Foundations and Affiliates.

Any related Foundation or affiliate offering courses, seminars, workshops or other related similar instruction must clearly disclose its independence from the University. Any use of the University’s name in conjunction with the course or program must identify only the Foundation or affiliate as the official provider of the program.

Transactions between the University and a related Foundation or affiliate should meet the normal tests for ordinary business transactions, including proper documentation and approvals. The University will not borrow funds from a related Foundation or affiliate without first obtaining the approval of the respective Boards and complying with the requirements of state law.

Any transfer of endowments or other assets between the related Foundation or affiliate and the University for investment management or other purposes should comply with the fiduciary requirements of the respective Boards and ensure that any restrictions governing the future distribution of funds are observed.

A related Foundation or affiliate should provide assurance that its financial activities are carried out and reported in accordance with generally accepted business and accounting practices. Special attention should be given to avoiding direct or indirect conflicts of interest between the University and the related Foundation or affiliate and those with whom the Foundation or affiliate does business.

**GUIDELINES FOR UNIVERSITY-RELATED FOUNDATIONS AND AFFILIATES**

**A. STRUCTURAL GUIDELINES**

1. A University-related Foundation<sup>1</sup> (Foundation) or affiliated organization (affiliate) is a corporation that is organized and operated exclusively for

scientific, educational and charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 as amended. More specifically, these corporations are created and operated exclusively to benefit the University or one or more of the University's schools or departments or one of the University-related foundations or affiliates, and have as their purpose one or more of the following:

- a. to facilitate fund-raising programs and contributions from private sources for the benefit of the University or one or more of its schools or departments;
  - b. to acquire, lease and sell property or to manage and invest private gifts and/or property for the benefit of the University or one or more of its schools or departments; or
  - c. to promote, sponsor, and complement educational, scientific, research, charitable, or cultural activities for the benefit of the University or one or more of its schools or departments.
2. University-related Foundations or affiliated organizations can be created only with the approval of the Board of Visitors after a review of the purpose of the Foundation or affiliated organization, its proposed organizational format and the scope of its activities.
  3. Each foundation or affiliate should select a representative of the Board of Visitors or a senior administrator of the University designated by the Board of Visitors from the areas supported by the foundation or affiliate to serve on the Foundation's or affiliate's governing board.
  4. Each foundation or affiliate should establish an Audit Committee to report to the board of the Foundation or affiliate.
  5. Each Foundation's or affiliate's charter and bylaws should provide that, in the event of dissolution of the Foundation or affiliate, the Foundation's or affiliate's assets will be distributed in the best interest of the University.

<sup>1</sup> All references in the Management Principles and these Guidelines for University-Related Foundations and affiliates shall include subsidiaries of University-related foundations and affiliates, as well as the foundations and affiliates themselves.

## B. GUIDELINES FOR CONTRACTUAL RELATIONSHIPS WITH THE UNIVERSITY

1. Each Foundation or affiliate should execute a formal agreement specifying the responsibilities of the Foundation or affiliate, acknowledging the scope of its fundraising activities and including other provisions of general application as might be specified by the Board of Visitors and the Foundation's or affiliate's governing board.
2. This formal agreement will contain the following provisions:
  - a. The Foundation or affiliate and the University will coordinate their respective fundraising activities.
  - b. The Foundation or affiliate will provide the University with a copy of any amendments, additions or deletions to its articles of incorporation or bylaws.
  - c. The University and the Foundation or affiliate acknowledge the independent status of the Foundation or affiliate and agree that the University and the state are not liable and will not be held out by the Foundation or affiliate as liable, for any of the Foundation's or affiliate's contracts, torts or other acts or omissions, or those of the Foundation's or affiliate's trustees, directors, officers, members, staff or activity participants.
  - d. All correspondence, solicitations, activities and advertisements concerning the Foundation or affiliate will be clearly discernible as being from the Foundation or affiliate and not the University.
  - e. Any publicity concerning the offering of a post-secondary course, seminar, workshop or similar instruction sponsored by the Foundation or affiliate must make clear that these programs are not being offered by the University or any of its academic departments.
  - f. Funds or gifts payable to the University shall not be deposited with a Foundation or affiliate. Funds or gifts payable to a Foundation or affiliate shall not be deposited with the University. Funds or gifts payable to a University component or a fund held by the Foundation or affiliate can be deposited with the Foundation or affiliate related to that component or fund.
  - g. Any transfer of endowments or other assets by the University to the Foundation or affiliate, or by the Foundation or affiliate to the University, for management or investment will be formalized in a memorandum of agreement to assure, among other things, that any restrictions governing the future disposition of funds are observed.
  - h. The University will obtain approval from the Board of the Foundation or affiliate, the University's Board of Visitors and the Commonwealth of Virginia to borrow funds from the Foundation or affiliate.
  - i. The University is entitled to recover its direct costs incurred in furnishing to the Foundation or affiliate at its request (i) University personnel working on specific Foundation or affiliate projects, (ii) University

facilities used by the Foundation or affiliate and (iii) other University services. In turn, the Foundation or affiliate is entitled to recover its direct costs incurred in furnishing to the University at its request (i) Foundation or affiliate personnel working on specific University projects, (ii) Foundation or affiliate facilities used by the University and (iii) other Foundation or affiliate services.

- j. The University is obligated to comply with the Virginia Public Procurement Act. Even though not required to comply with that act, the Foundation or affiliate might deem it advisable and appropriate to employ competitive practices in purchasing goods and services. If the University has agreed in writing to reimburse the Foundation or affiliate for goods and services acquired on behalf of the University, the Foundation or affiliate must comply with state procurement requirements.
- k. The University is obligated to comply with the Federal Trade Commission Safeguards Rule. If the University has furnished students' nonpublic information to the Foundation or affiliate, the Foundation or affiliate is also obligated to comply with the Safeguards Rule. Nonpublic information is defined as social security number, financial transactions, bank account, credit or tax information.

#### C. FINANCIAL REPORTING GUIDELINES AND AUDIT REQUIREMENTS

- 1. The Foundation or affiliate will forward to the President of the University and the Director of Financial Reporting, on an annual basis no later than three months after the end of their fiscal year, a financial report audited by an independent certified public accountant together with any management letter. Specific reports shall be provided by the Foundation or affiliate upon the request of the President.
  - a. Foundations or affiliates recording annual revenues less than \$50,000 will not be required to present an audited financial report, but only a financial report compiled by a qualified accounting firm, including the items previously mentioned.
- 2. The following items shall supplement the annual financial report to the President of the University:
  - a. Notice of any litigation or threat of litigation brought against the Foundation or affiliate, its officers or directors.
- 3. Notice of any planned major capital expenditure.
- 4. A copy of each IRS form 990, and 990T if applicable, as filed.
- 5. A detailed list of any compensation, prize or award paid to any University employee or member of the employee's immediate family, whether in the form of money or property or the use of money or property.

6. A detailed list of all private firms responsible for managing or investing the Foundation's or affiliate's assets and the fee, if any.
7. Notice of any audit or review by any tax authorities or action taken, or threatened action, that would adversely affect the tax-exempt status of the Foundation or affiliate.
8. On an annual basis, the Foundation or affiliate will provide to a designated committee of the Board of Visitors an annual audited financial report and other information as requested.
9. The Foundation or affiliate will furnish the Director of Financial Reporting the necessary data for the completion of the University financial statements.

# Appendix B

## Virginia Commonwealth University

### Gift Transmittal Form

Donor Information									
Name on check:				Donor Millennium ID					
Constituent type: <input type="checkbox"/> Alumni <input type="checkbox"/> Foundation <input type="checkbox"/> Organization <input type="checkbox"/> House staff <input type="checkbox"/> Individual <input type="checkbox"/> Corporation <input type="checkbox"/> Parent <input type="checkbox"/> Religious organization									
Mailing address:									
Street Address								Apartment/Unit	
City								State	ZIP Code
Phone:		( )		Should another person/entity be given associated (soft) credit for this gift?				<input type="checkbox"/> Yes (see below) <input type="checkbox"/> No	
Constituent to soft receive credit:				Millennium ID:					
Mailing address:				Phone:			( )		
Contact person:				Contact's title:					
Gift Information & Designation									
Deposit donation to:		<input type="checkbox"/> MCV Foundation (deliver to 1228 E. Broad St.) <input type="checkbox"/> VCU Foundation (deliver to 828 W. Franklin St.) <input type="checkbox"/> School of Business Foundation (deliver to 828 W. Franklin St.) <input type="checkbox"/> University (deliver to 828 W. Franklin St.)				Tender:		<input type="checkbox"/> Cash <input type="checkbox"/> Check <input type="checkbox"/> Credit Card <input type="checkbox"/> Gift-In-Kind	
Transaction type:		<input type="checkbox"/> Gift <input type="checkbox"/> Pledge payment				# of gifts included:			
Total amount of gift:		Tax deductible portion of gift:							
Were goods or services provided?		<input type="checkbox"/> Yes <input type="checkbox"/> No		Value of the benefit received:		Describe the benefit received:			
Deposit to fund name:		Fund account number:							
Solicitation code:		Campaign year:				Campaign Code:			
Will this gift be matched?		<input type="checkbox"/> Yes <input type="checkbox"/> No		If yes, by whom? (attach claim form)					
Is gift in honor or in memory?		<input type="checkbox"/> In honor of <input type="checkbox"/> In memory		Honoree's name:		Honoree's Millennium ID (if available):			
Gift restrictions per donor:		Is this gift anonymous?				<input type="checkbox"/> Yes <input type="checkbox"/> No			
If this is an in-kind gift, describe:		Appraised value (if known) and attach appraisal (if available)							

**Form Prepared & Submitted By**

<b>Form Preparer:</b>			
	<i>Print name</i>	<i>Department Name</i>	<i>Phone</i>
	<i>Signature</i>		<i>Date</i>

This Gift Transmittal Form (GTF) is used to supply the Gift Processing Offices with all the information necessary to post a gift/pledge payment, to receipt the donor and to apply proper donor recognition credit. This form is only used for processing of gifts or payments. For recording/processing of new pledges (where no payments are being made), please complete the Pledge Entry Information Form.

Please attach a GTF and any donor documentation to each gift or pledge payment. All current outright gifts, pledge payments and gifts-in-kind should be accompanied by a GTF. Exceptions are that if the gift is submitted with a reply card or similar document that contains allocation, solicitation and gift purpose information. If transmitting more than one gift or multiple credits per transmittal form, please supply a typed list of donors with acknowledgement address, associated dollar amounts, soft credits to be applied (including recipient’s name and Millennium ID or mailing address if the recipient does not have a Millennium ID), solicitation code, & purpose, if the solicitation code and purpose is different for the attached gifts.

Please forward this form and all documentation (such as correspondence from the donor, the envelope the donation was received in, etc.) which verifies date of gift, biographical information pertaining to the donor, or information pertaining to the purpose of the gift to the appropriate Gift Processing Office. All gifts should be delivered to the Advancement Gifts and Records Management Office or the MCV Foundation Office as indicated on page 1 of the GTF. Please call 8-2043 (Advancement Gifts and Records Management) or 8-9734 (MCV Foundation) if you need additional information. The original of this completed form should accompany the gift; however please retain copy for your files.

**Donor Information**

- Name on check and constituent type- Provide donor’s legal name (as appears on the check) even if it is printed on gift documentation; if the donor has a Millennium record, provide the donor’s Millennium ID number and constituent type. If the donor does not have a Millennium ID, please provide all requested information and note the constituent type so that a Millennium record can be created.
- Mailing address and phone- if this information is provided on the check or gift documentation, it is not necessary to include it on the transmittal form; otherwise, provide complete information.
- Constituent to receive credit- If associated (soft) credit should be applied to another record for the purposes of donor recognition, please note the constituent’s name and Millennium ID (if a record exists). If no Millennium record exists for this constituent, please provide a mailing address and phone number so that a record can be created and the soft credit applied. Soft-credit is given for the full amount of the gift/payment transaction. When a soft-credit is to be posted to both members of a couple, the total amount of the soft-credit will be split between the two individuals. In the case where a corporate constituent receives a soft-credit, only the “Main” Millennium ID will be soft-credited. Receipts will not be produced for soft-credit transactions. Development offices may choose to write thank you letters for the purposes of donor stewardship.
- Contact person, title and phone- If the donor is a company or organization, provide the name of the company’s representative and his/her professional title and phone number.

**Gift Information & Designation**

- Deposit donation to and tender- Indicate the location to which the donation should be deposited and the tender.
- Transaction type and number of gifts included- Note if the check represents a gift or a pledge payment. If multiple gifts are being included on the same gift transmittal form, please indicate the total number of gifts represented by this form.
- Total amount of gift and tax deductible portion of gift - The total gift amount should be equal to the total amount of the check regardless of goods and services received. The tax deductible amount is the total amount of the gift minus the value of any good and/or services provided.
- Goods and services provided and the value and description of the benefit received- If any goods and services were exchanged or if the donor received a benefit for the donation, that must be indicated (i.e. if a donor bought a ticket to a dinner or function or if the donor received any tangible benefit for the gift, please check “yes”). If goods and services were received, note the value of the benefit received and briefly describe the benefit (i.e. if the donor bought a ticket to a dinner for \$100 and the cost of the dinner was \$40, the value of the benefit the donor received in this case would be \$40). Per IRS regulations, the value of the benefit the donor received is not tax-deductible.

*Goods and Services data is now being recorded in Millennium, but donor receipts will not reflect goods and services transactions until further notice.*

- Deposit to fund name and fund account number- Specify the name and account number to ensure proper processing.
- Solicitation code, campaign year, and campaign code- on Code- Note the solicitation code and campaign code used to generate the gift (if applicable). Note the campaign year in which the gift should be recorded.
- Matching gift- If the donor's employer's matching gift validation form was included with the gift, please check "yes" and attach the match form to the gift transmittal form. If you expect the gift to be matched but the donor did NOT include a completed form with their gift, leave the entire line (including check boxes) blank. Donors who work for matching employers (per Millennium) will receive a reminder letter to encourage them to initiate their employer's match.
- Gift in honor or in memory, honoree's name and Millennium ID- If the gift is in honor or in memory, please complete this line entirely to ensure proper processing of the gift and resulting acknowledgments.
- Gift restrictions and anonymous gifts- If there are any donor restrictions on the gift (beyond the allocation), please note them here. Anonymous gifts should be clearly noted on this line using the checkbox provided.
- In-kind Gift Description and Value- Gifts valued at \$500 or more generally must be valued by a qualified, independent appraiser at the donor's expense. For gifts less than \$500 or when there is no appraisal provided by the donor, list the value of the gift as stated by the donor, development officer, or faculty/staff member. If an appraisal is conducted, attach a copy of the appraiser's report or other supporting documentation to the GTF.

## Appendix C

### **PLEDGE ENTRY INFORMATION**

(Please mail or deliver original to Gifts and Records Management, P.O. Box 842026 or MCV Foundation, P.O. Box 980234 and keep the copy for your records to verify with the Weekly Pledge Register)

#### **BIOGRAPHICAL INFORMATION:**

Donor name \_\_\_\_\_  
(Corp/Fndt/Org/Indiv/Alum)

Contact (Indiv. at a Corp/Fndt/Org)

Address \_\_\_\_\_ P.O. Box or street address

\_\_\_\_\_  
City/State/ZIP

Phone number ( ) \_\_\_\_\_

#### **PLEDGE INFORMATION**

Amount of pledge \$ \_\_\_\_\_ Should this pledge be listed as "Anonymous":  
Purpose of pledge - \_\_\_\_\_ Circle one: Yes No

Account number (if known) \_\_\_\_\_

Full name of account \_\_\_\_\_

Further restriction (comment - 38 characters) \_\_\_\_\_

Type of account:

Check one:

Endowed \_\_\_ Current

Payment schedule:

Check one:

Annual \_\_\_ Semiannual \_\_\_ Quarterly

Total number of payments \_\_\_\_\_

Month/year of initial reminder \_\_\_\_\_

Solicitation code \_\_\_\_\_ (If not filled in, pledge will be entered with UNKNOWN solicitation.)

Director of development or dean signature \_\_\_\_\_

Responsible area or school \_\_\_\_\_

**(PLEASE ATTACH ANY CORRESPONDENCE PERTAINING TO ABOVE PLEDGE.)**

## Appendix D

### Deed of Gift

Virginia Commonwealth University  
School of the Arts  
Anderson Gallery

Date: \_\_\_\_\_

We, \_\_\_\_\_, the undersigned, hereby give, transfer, and deliver all our rights, titles, and interests (including all copyright, trademark and related interests\*) in and to the property described below to Virginia Commonwealth University's Anderson Gallery, a public corporation, located in Richmond, Virginia. We understand and acknowledge that Virginia Commonwealth University's Anderson Gallery may keep or dispose of the property covered by this Deed of Gift as it, in its sole judgment, sees fit, without liability or fault, unless specifically provided in this instrument. We give property to Virginia Commonwealth University's Anderson Gallery in agreement with the conditions printed below.

---

**Artist:** *Please see attached list of works*

**Title:**

**Date:**

**Medium:**

**Dimensions:**

**Valuation Total (please see #5 below):**

**Credit Line: Gift of**

**Birth date and nationality of the artist:**

**Acceptances of gifts by VCUarts Anderson Gallery are subject to the following conditions:**

1. Because of limited gallery space and the policy of changing exhibitions, the Gallery cannot promise permanent exhibition of any object.
2. Gifts cannot be accepted with any reservations or conditions.
3. If the gift consists of several objects, the Gallery cannot agree to keep the objects together as a unit.
4. The placement and manner in which objects are stored or exhibited will be at the sole discretion of the Gallery.
5. The Gallery cannot undertake to provide a valuation of any gift. Gifts must be accompanied by an itemized appraisal by a bona fide appraiser.
6. That any information and documentation concerning the provenance of the object(s) herein shall be provided by the Donor to the Gallery

GIFTS ACCOMPANIED BY A BONA FIDE APPRAISAL TO VCUarts ANDERSON GALLERY ARE DEDUCTIBLE FROM TAXABLE INCOME IN ACCORDANCE WITH THE PROVISIONS OF THE FEDERAL INCOME TAX LAW.

**The Museum hereby acknowledges receipt of the Deed of Gift.**

*For VCUarts Anderson Gallery:*

---

<b>Signature</b>	<b>Date</b>
------------------	-------------

Amy G. Moorefield/ Assistant Professor, Assistant Director & Curator of Collections

*For the Donor:*

---

<b>Signature</b>	<b>Date</b>
------------------	-------------

\_\_\_\_\_, Donor

---

<b>Signature</b>	<b>Date</b>
------------------	-------------

\_\_\_\_\_, Donor

10/10/07

## DEED OF GIFT FORM

THIS DEED OF GIFT, made this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_,  
by \_\_\_\_\_, (and \_\_\_\_\_), (the "Donor[s]") and Virginia  
Commonwealth University (the "Donee").

That for and in consideration of the Donor[s] desire to benefit the Donee, the Donor[s]  
give[s] and transfer[s] to the Donee all of [his/her/their] interest in the following described  
property (the "Property"):

[. . . which property is more accurately described in the appraisal attached hereto.]

Donor[s] warrant[s] that the said property is owned by [him/her/them] and is free and  
clear of all liens or encumbrances of any kind.

Donor agrees to execute such additional documents as may be required to evidence  
Donee's ownership of the Property.

WITNESS the following signature as of the day and year first hereinafter written:

[Donor's name]

[Donor's name]

VIRGINIA COMMONWEALTH UNIVERSITY

By

ATTEST:

## Appendix E

### SAMPLE

#### **JANE DOE CHAIR ENDOWMENT FUND At VIRGINIA COMMONWEALTH UNIVERSITY ENDOWMENT AGREEMENT**

The Jane Doe Chair Endowment Fund at Virginia Commonwealth University is established as an endowment fund through a \$1,000,000 gift from Jane Doe'78 to be paid in \_\_\_\_ equal annual payments beginning in \_\_\_\_\_ 20\_\_\_\_. This named endowment is established, when approved by the Board of Visitors of Virginia Commonwealth University, as a permanent endowment fund with the VCU Foundation, with expended income being designated for a Chair in the Department of Biology in the College of Humanities and Sciences at Virginia Commonwealth University.

The Jane Doe Chair Endowment Fund will provide salary supplement and/or program support for one professor of Biology. This Chair is established with the expressed intention of the original donor that it qualifies for any and all matching funds from the Commonwealth of Virginia which may be available under the Eminent Scholars Matching Program.

The Jane Doe Chair Endowment Fund is to be held and managed by the VCU Foundation and is to be invested in a manner consistent with its endowment investment policies. Funds will be invested for a full year before income is generated. Furthermore, in the event the purposes for which this endowment is created no longer exist, the Foundation Board of Trustees can redirect the annual payout for this Chair in the same spirit and intent as stated in the agreement, provided that any redirection is strictly for charitable purposes. Should the endowment income grow so large that the original purpose stated by the donor is far exceeded, then the Board of Visitors reserves the right to direct the excess income to a purpose that most nearly matches the original intent of the donor. In any event, the fund shall always be recorded at the Foundation as The Jane Doe Chair Endowment Fund.

This endowment agreement supersedes all previous agreements concerning the administration of The Jane Doe Chair Endowment Fund. Additional gifts are encouraged and can be made to this endowment from time to time. Such additional gifts can be used to increase the amount of the Chair. This Fund will be permanently named as described above but the University Board of Visitors retains the right to change the name of the Fund should this gift commitment not be fully met.

---

Jane Doe'78  
1 Main Street  
Richmond, Virginia 22222  
(804) 555-5555

---

XX  
Executive Director, VCU Foundation

**SAMPLE**  
**JOHN AND JANE DOE SCHOLARSHIP**  
**At**  
**VIRGINIA COMMONWEALTH UNIVERSITY**  
**SCHOOL OF BUSINESS FOUNDATION**  
**ENDOWMENT AGREEMENT**

The John and Jane Doe Scholarship Endowment Fund at Virginia Commonwealth University is established as a named endowment fund when approved by the Board of Visitors of Virginia Commonwealth University through a \$50,000 gift from John Doe'77 and Jane Doe'78 [in memory of or in honor of...] to be paid in \_\_\_\_ equal annual payments beginning in \_\_\_\_\_ 20\_\_\_\_. This scholarship endowment is established as a permanent endowment fund with the VCU School of Business Foundation, with expended income being designated for a scholarship in the School of Business at Virginia Commonwealth University.

The School of Business will award this scholarship according to the following criteria:

- The scholarship will be awarded to an incoming, full-time freshman [athlete, studying Finance, other major] on the Monroe Park Campus.
- The scholarship will be awarded based on [merit, need, other criteria].
- The scholarship can be renewed for an additional three years providing the student remains in good academic standing as determined by [the University Scholarship Committee, the School of Business, the Dean of ...].

Should the School of Business Foundation determine that this endowment has reached sufficient size to award more than one scholarship, additional awards can be made according to the original conditions set forth in this agreement.

The John and Jane Doe Scholarship Endowment Fund is to be held and managed by the School of Business Foundation and is to be invested in a manner consistent with its endowment investment policies. Funds will be invested for a full year before income is generated. Furthermore, in the event the purposes for which this endowment is created no longer exist, the Foundation Board of Trustees can redirect the annual payout for this scholarship in the same spirit and intent as stated in the agreement, provided that any redirection is strictly for charitable purposes. In any event, the fund shall always be recorded at the Foundation as the John and Jane Doe Scholarship Endowment Fund. This Fund will be permanently named as described above but the University Board of Visitors retains the right to change the name of the Fund should this gift commitment not be fully met.

This endowment agreement supersedes all previous agreements concerning the administration of the John and Jane Doe Scholarship Endowment Fund.

Additional gifts are encouraged and can be made to this endowment from time to time. Such additional gifts can be used to increase the amount of the award or to provide additional awards.

---

John Doe'77  
1 Main Street  
Richmond, Virginia 22222  
(804) 555-5555

---

Executive Director  
VCU School of Business Foundation

---

Date

---

Date

---

Jane Doe'78

Prepared by XX  
Date

**SAMPLE**  
**JOHN AND JANE DOE ENDOWMENT**  
**At**  
**VIRGINIA COMMONWEALTH UNIVERSITY**  
**ENDOWMENT AGREEMENT**

The John and Jane Doe Endowment Fund at Virginia Commonwealth University is established as a named endowment fund when approved by the Board of Visitors of Virginia Commonwealth University through a \$50,000 gift from John'77 and Jane Doe'78 to be paid in \_\_\_\_ equal annual payments beginning in \_\_\_\_\_ 20\_\_\_. This endowment is established as a permanent endowment fund with the MCV Foundation, with expended income being designated for unrestricted use by the VCU School of Medicine.

The Dean of the School of Medicine is responsible for the use of this fund.

The John and Jane Doe Endowment Fund is to be held and managed by the MCV Foundation and is to be invested in a manner consistent with its endowment investment policies. Funds will be invested for a full year before income is generated. Furthermore, in the event the purposes for which this endowment is created no longer exist, the MCV Foundation Board of Trustees can redirect the annual payout for this fund in the same spirit and intent as stated in the agreement, provided that any redirection is strictly for charitable purposes. Should the endowment income grow so large that the original purpose stated by the donor is far exceeded, then the Board of Visitors reserves the right to direct the excess income to a purpose that most nearly matches the original intent of the donor. In any event, the fund shall always be recorded at the Foundation as the John and Jane Doe Endowment Fund.

This endowment agreement supersedes all previous agreements concerning the administration of the John and Jane Doe Endowment Fund. Additional gifts are encouraged and can be made to this endowment from time to time. This Fund will be permanently named as described above but the University Board of Visitors retains the right to change the name of the Fund should this gift commitment not be fully met.

\_\_\_\_\_  
John Doe'77  
1 Main Street  
Richmond, Virginia 22222  
(804) 555-5555

\_\_\_\_\_  
Date

\_\_\_\_\_  
Jane Doe'78

\_\_\_\_\_  
Date

\_\_\_\_\_  
(Dean's signature if he or she is  
responsible for fund)

\_\_\_\_\_  
Date

\_\_\_\_\_  
President  
MCV Foundation

\_\_\_\_\_  
Date

Prepared by XX, Date

## Appendix F

### Sample bequest language

#### THE JOHN DOE ENDOWED SCHOLARSHIP FUND

I hereby give, devise and bequeath to the Virginia Commonwealth University Foundation the sum of (gift amount) from my residuary estate for the purpose of establishing the John Doe Endowed Scholarship Fund, when approved by the Board of Visitors of Virginia Commonwealth University in the (school name) of Virginia Commonwealth University located in Richmond, Virginia. This permanent endowed fund is to be administered by the Dean of the (school name) of Virginia Commonwealth University to support an undergraduate student who has a demonstrated financial need and has demonstrated meritorious academic performance. This scholarship award is renewable each year for as long as the student remains in good academic standing and is progressing adequately towards graduation.

#### BEQUEST LANGUAGE

I give and bequeath (the sum of \$ \_\_\_\_\_ or \_\_\_\_\_% of my estate) and/or \_\_\_\_\_% of the rest, residual and remainder of my estate to the Medical College of Virginia Foundation, Inc., a not-for-profit corporation located in Richmond, Virginia. This bequest is designated for the \_\_\_\_\_, OR This  
*(Name of MCV Campus Entity)*

bequest is designated for the establishment of the \_\_\_\_\_  
*(Person's Name)*  
Fund, pending approval of the Board of Visitors. The purpose of this Fund shall be to \_\_\_\_\_.

CODICIL LANGUAGE

I, \_\_\_\_\_, of \_\_\_\_\_, \_\_\_\_\_, declare  
*(Testator's Name) (City) (State)*

this to be my Codicil to my Last Will and Testament. My Last Will and Testament is to be amended to add the following provision:

I give and bequeath (the sum of \$\_\_\_\_\_ or \_\_\_\_\_% of my estate) and/or \_\_\_\_\_% of the rest, residual and remainder of my estate to the Virginia

Commonwealth University Foundation, Inc., a not-for-profit corporation located in Richmond, Virginia. This bequest is designated for the

\_\_\_\_\_, OR This bequest is designated for  
*(Name of University Entity)*

the establishment of the \_\_\_\_\_ Fund, pending  
*(Person's Name)*

approval of the Board of Visitors. The purpose of this Fund shall be to

\_\_\_\_\_.

Except as modified by this Codicil, I republish my Last Will and Testament.

I have signed this Codicil this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_\_\_.

\_\_\_\_\_  
*(Testator's Signature)*

In our presence, \_\_\_\_\_, Testator, declared this instrument to be the Codicil to his/her Last Will and Testament. At his/her request, and in his/her presence and in the presence of each other, subscribe our names as witnesses this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_\_\_\_.

\_\_\_\_\_ of \_\_\_\_\_,  
*(Witness Signature) (City) (State)*

\_\_\_\_\_ of \_\_\_\_\_,  
*(Witness Signature) (City) (State)*

## **Appendix G**

### **The Donor Bill of Rights**

Philanthropy is based on voluntary action for the common good. It is a gradation of giving and sharing that is primary to the quality of life. To ensure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the nonprofit organizations and causes they are asked to support, we declare that all donors have these rights:

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

## **Appendix H**

### **Principles of the E-Donor Bill of Rights**

Online donors should demand the following of their online solicitors:

- To be clearly and immediately informed of the organization's name, identity, nonprofit or for-profit status, its mission and purpose when first accessing the organization's Web site.
- To have easy and clear access to alternative contact information other than through the Web site or e-mail.
- To be assured that all third-party logos, trademarks, trust marks and other identifying, sponsoring and/or endorsing symbols displayed on the Web site are accurate, justified, up-to-date and clearly explained.
- To be informed of whether a contribution entitles the donor to a tax deduction and of all limits on such deduction based on applicable laws.
- To be assured that all online transactions and contributions occur through a safe, private and secure system that protects the donor's personal information.
- To be clearly informed if a contribution goes directly to the intended charity or is held by or transferred through a third party.
- To have easy and clear access to an organization's privacy policy posted on its Web site and be clearly and unambiguously informed about what information an organization is gathering about the donor and how that information will be used.
- To be clearly informed of opportunities to opt out of data lists that are sold, shared, rented or transferred to other organizations.
- To not receive unsolicited communications or solicitations unless the donor has "opted in" to receive such materials.

## Appendix I

### **Association of Professional Researchers for Advancement (APRA) Code of Ethics**

Association of Professional Researchers for Advancement (APRA) members shall support and further the individual's fundamental right to privacy and protect the confidential information of their institutions. APRA members are committed to the ethical collection and use of information. Members shall follow all applicable national, state, and local laws, as well as institutional policies, governing the collection, use, maintenance, and dissemination of information in the pursuit of the missions of their institutions.

Members of the prospect research staff are committed to the ethical collection and use of information. They will follow all applicable federal, state, and local laws, as well as institutional policies, governing the collection, use, maintenance, and dissemination of information in the pursuit of the university's mission.

Researchers must balance the university's need to collect, analyze, record, maintain, use, and disseminate information with an individual's right to privacy. Researchers will adhere to the ethical principles outlined below at all times.

- Confidential information about constituents (donors and non-donors) will be protected so that the relationship of trust between the constituent and the institution is upheld.
- Development researchers will record all data accurately. Such information will include attribution. Analysis and products of data analysis will be presented without personal prejudices or biases.
- Development researchers will seek and record only information that is relevant and appropriate to the fund raising efforts of the University.
- Development researchers will accept responsibility for their actions and will be accountable to the profession of development, to the University, and to the constituents who place their trust in the University.

Development researchers will be truthful with regard to their identity and purpose and the identity of the University during the course of their work.

## Appendix J

### Confidentiality and Compliance Statement

I acknowledge and understand that I may have access to confidential information regarding employees, students, patients, or the public, or to proprietary or other confidential business information belonging to Virginia Commonwealth University (VCU). In addition, I acknowledge and understand that I am required to reasonably comply with all applicable federal, state, and University policies, procedures and regulations, including those related to recording leave and use of University funds or resources.

Therefore, except as required by law and excluding information that can be released under federal, state, or University regulations, I agree that I will not:

- Access data that is unrelated to my job duties at VCU;
- Disclose to any other person who does not have a business “need to know,” or allow any other person access to, any information related to VCU that is proprietary or confidential. Disclosure of information includes, but is not limited to, verbal discussions, FAX transmissions, electronic mail messages, voice mail communication, written documentation, “loaning” computer access codes, and/or any other transmission or sharing of data.

Furthermore, I agree to:

- Comply with or seek official exceptions to applicable policies and procedures.

I understand that VCU and its employees, students, patients, or others may suffer irreparable harm by disclosure of confidential or proprietary information and that VCU may seek legal remedies available to it should such disclosure occur. I understand that failure to comply with applicable policies, procedures, and regulations may result in a loss of resources and that VCU may seek legal remedies available to it should such losses occur. Further, I understand that violations of this agreement may result in disciplinary action, up to and including, termination of my employment.

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
VP's Signature

\_\_\_\_\_  
Date

## Appendix K

### Moves Management Definitions

- **Contact/trip report:** A written report or action that summarizes a discussion with a prospect. The report should include the date and objective of the meeting/call, additional personal information gathered from the prospect during the meeting/call, follow-up steps with deadlines and staff responsible for each step.
- **Clearance:** The process through which assigned manager/managers give permission for moves to be made by others on a prospect. All significant moves should be communicated to the prospect's team leader and to all other team members.
- **Team leader:** The team leader is the development officer charged with coordinating and communicating essential items related to the cultivation and solicitation of a prospect with team members. The team leader will keep the Chief Development Officers of the MCV and Monroe Park Campuses informed of team communications, moves planned and executed. If the team leader is head of either the School of Engineering Foundation or School of Business Foundation, he/she will keep the Vice President for University Advancement informed of his/her moves planned and executed. Cross campus-registered prospect team leaders must keep the Vice President for University Advancement informed of team communications, moves planned and executed.
- **Team member:** A team member is an individual with a contributing responsibility for the cultivation and solicitation of a leadership prospect. The team member must communicate prospect contact and activity to the team leader and other team members. Only one development officer from the same school or program will be assigned to a prospect. Team members must record their prospect moves in Millennium.
- **University leadership prospect:** An individual, corporation or foundation with the willingness and the capacity to give or direct donations of \$100,000 or more to Virginia Commonwealth University.
- **Proposal:** Any solicitation that is either written or verbal to an individual, corporation or foundation. Proposals must be entered onto the proposal screen in Millennium.
- **Prospect:** Any individual, corporation or foundation with the willingness and the capacity to give or direct donations to Virginia Commonwealth University.
- **Prospect moves:** Activities that move a prospect through the fundraising process – identification, cultivation, solicitation, recognition and stewardship – in keeping with the specific strategy developed for the prospect. Examples include a solicitation call on a prospect, an invitation to an event, a stewardship letter.
- **Prospect strategy:** An overall plan for the prospect that includes long-term and short-term solicitation strategies for the prospect. This plan should include

appropriate cultivation vehicles, identification of volunteers/development officers/senior level development staff with key roles and linkage to the moves necessary to accomplish various steps of the long-term objectives.

- **Volunteer team member:** A person who is not a member of the advancement staff who is willing and has permission from a development officer to cultivate/solicit individuals, corporations or foundations on behalf of the Virginia Commonwealth University.
- **Rating:** Each prospect will have an overall rating and an ask rating, which indicates suspected giving capacity.
- **Readiness:** Readiness indicates the prospect's stage in the solicitation process.

## Appendix L

# SAMPLE VCU Foundation Endowment Report

January 1, 2008

Mr. and Mrs. John Q. Donor  
909 West Franklin Street  
Richmond, Virginia 23284

Dear Mr. and Mrs. Donor:

Endowed scholarships are the most direct way to invest in students today and for generations to come. These funds reward academic performance, encourage academic achievement and provide much-needed scholarship aid for worthy and talented students who otherwise could not afford to attend VCU. We are most grateful for your support of the Elizabeth A. Fries Memorial Scholarship, which is a wonderful tribute to your daughter.

Information on your endowed scholarship is included in this report. I am pleased to report that funds held by the Foundation have increased in market value by 10.3% during the past fiscal year. This means that in addition to the annual 5% payout for your scholarship, your fund's corpus has grown by an additional 5.3%.

This year the Elizabeth A. Fries Memorial Scholarship has been awarded to Jane Doe. If you would like additional information about the Elizabeth A. Fries Memorial Scholarship or other Foundation activities, please feel free to contact me and I will be happy to assist you.

Thank you again for making a positive difference with your philanthropy. Please know that we are deeply grateful for your friendship and kindness.

Sincerely,

Thomas C. Burke  
Executive Director  
VCU Foundation

# VCU FOUNDATION ENDOWMENT REPORT

## **FUND SUMMARY:**

The Elizabeth A. Fries Scholarship in Psychology was established in her memory by family, friends, colleagues and students. Fries, an associate professor with Virginia Commonwealth University's department of psychology and co-director of cancer control research for the VCU Massey Cancer Center, was an active researcher who focused her work on reducing cancer-causing behaviors. The Elizabeth A. Fries Scholarship in Psychology supports graduate students in psychology who are pursuing cancer control research.

## **SCHOLARSHIP RECIPIENTS:**

The Elizabeth A. Fries Memorial Scholarship has been awarded to Jane Doe for the 2006-2007 academic year.

## **FINANCIAL SUMMARY:**

Total Market Value as of 1/31/07:	\$20,436.16
Scheduled distribution for 2006-2007:	\$ 1,000.00

## **Appendix M**

# **SAMPLE MCV Foundation Endowment Report**

July 17, 2007

Mr. and Mrs. Professorship Donor  
909 West Franklin Street  
Richmond, Virginia 23284

Dear Mr. and Mrs. Donor:

In keeping with our efforts to be good stewards of the gifts invested at the Medical College of Virginia Foundation by our loyal alumni and friends, I am pleased to share with you the enclosed report on the Fund Name. Included in this report is the endowment balance and spending detail as of April 30, 2006.

Endowed chairs and professorships greatly increase the scholarly strength of our institution. The interest derived from these funds helps supplement departmental funding, enabling our Schools to recruit and retain the best and brightest teachers, scientists and physicians. This funding also creates a greater opportunity for gifted faculty to pursue their academic passions. Endowed chairs and professors are vital to the success of our institution, acting as catalysts for fulfilling the medical center's mission and helping to inspire future generations of students here on the MCV Campus.

Thank you again for recognizing our talented faculty in this significant way. Please know that we are deeply grateful for your friendship and kindness.

Sincerely,

William P. Kotti  
President

Enclosures

## **DR. JOHN DOE CHAIR IN INFECTIOUS DISEASES**

### **FUND INFORMATION**

MARKET VALUE 7/1/2005:	\$1,187,662.56
MARKET VALUE 3/31/2006:	\$1,258,024.35
AVAILABLE DISTRIBUTION:	\$55,232.05

### **MCVF INVESTMENT PERFORMANCE (6/30/05)**

ONE YEAR	7.6%
3 YEARS	8.6%
5 YEARS	2.4%
10 YEARS	9.0%
SINCE 1985	9.6

## Appendix N

# Virginia Commonwealth University Private Funding Project Readiness Test

Project: \_\_\_\_\_

Project leader: \_\_\_\_\_ Dean: \_\_\_\_\_

School/center: \_\_\_\_\_ Date: \_\_\_\_\_

##	Criteria	Yes	No	N/A
1	Does the project relate to a specific goal identified in the school's or University's long-range plan?			
2	Does the project have the Dean's, Vice President's and President's written approval?			
3	Has a marketing and/or feasibility study been conducted that determines if the project is viable?			
4	If the project involves a physical facility, does the University or one of its related affiliates have control of the land?			
5	Does the project have a realistic budget and a realistic timetable?			
6	If the project is dependent on other institutional partners, is the top officer of those other institutions directly involved and committed to support the project?			
7	Is the program director or dean going to make at least 40 percent of their time available to help raise all the funds for the project?			
8	Does the project have a committed and passionate outside volunteer leader who has significant visibility in the community?			
9	Is the proposed volunteer leadership equal in its influence with the size and the scope of the project?			
10	Do the proposed major funders have a role in the design and planning of the project?			
11	Is there a good chance the prospects at the top of the gift table will commit at least 50 percent of the total private funding needed?			
12	Does the project have sufficient unencumbered prospects for private support rated at a giving level equal to three times the amount needed to fund the project in its entirety?			
13	Are there sufficient full-time professional development officers available to effectively work the prospects identified equal to a ratio of one officer per 150 prospects?			
14	If the campaign is highly dependent on loyalty to a particular person at the University, is the person committed to a long-term relationship with the institution?			
15	Is there an annual operating (not including salaries) budget available to conduct the campaign equal to at least 3 percent of the overall funding objective?			

## Appendix O

### **Principles of Practice for Alumni Relations Professionals at Educational Institutions**

Education at all levels has never been more essential to the well-being of the global community. Yet, educational institutions face an increasingly challenging environment in which to attract students, faculty, and benefactors, as well as to earn alumni allegiance, government support and public respect. As a result, alumni relations professionals perform increasingly strategic and complex roles serving their institutions and alumni including: championing the institution's mission, encouraging and fostering alumni involvement with their institutions, building long-term relationships with alumni and other constituencies, and collaborating with the advancement team to maximize efforts on behalf of the institution and its alumni. The principles below are intended to assist alumni relations professionals in fulfilling their role in a manner that will benefit their institution, its alumni, their profession, and the academic community.

#### **Ethical Principles**

Alumni relations professionals have a fundamental obligation to:

- advance the mission of their institutions and serve and support its alumni in an ethical and socially responsible manner.
- reflect in their work the basic values of educational institutions, including an abiding respect for diverse ideas, interests and constituencies.
- reinforce through words and actions the principles of honesty, integrity, and trust, which form the basis for long-term relationships and engagement with the institution's alumni and other constituencies.
- place the welfare of the institution and its alumni above personal gain, avoid conflicts of interest, take responsibility for their decisions and treat colleagues, alumni and the public with courtesy and respect.

#### **Operational Principles**

Alumni relations professionals are most successful at advancing their institutions and serving alumni when:

- their efforts support the institution's strategic plan and the best interests of alumni.
- they are present in the inner management circle of their institutions, where they provide strategic counsel to their institution's leadership, convey the viewpoints and interests of the alumni and participate in the formulation of institutional policies.
- they base their work on research that informs their understanding of the institution's alumni and measures progress toward established goals in support of the institution and its alumni.
- they view themselves as educators on special assignment in alumni affairs.
- they undertake multiple programs for reaching and engaging alumni.

- they utilize a wide spectrum of communication devices, including electronic mail, to reach and engage alumni.
- they seek feedback from the alumni to help align services with existing and emerging needs of this constituency.
- they involve internal constituencies across the organization in alumni engagement.
- they employ historically proven methods, as well as promising new approaches in the field, as part of a commitment to continuous improvement in their service to the institution and its alumni.

### **Alumni Engagement Principles**

Alumni relations professionals best serve the needs and interests of the alumni and ensure the involvement of alumni with the institution when they:

#### **Respect**

- acknowledge and embrace alumni as vital stakeholders in their institutions.
- serve as an advocate for alumni, representing their interests in working with institutional departments and constituencies as well as the broader community.
- provide alumni with relevant financial information concerning the work of the alumni association and its activities.
- ensure personal information provided by alumni is handled in a professional and confidential manner at all times.
- recognize alumni contributions of time, talent and treasure.

#### **Inform**

- inform alumni about institutional mission, goals and programs.
- inform alumni about alumni association mission, goals and programs.
- ensure the mission, goals and programs of the alumni association are consistent with and support the mission, goals and programs of the institution.

#### **Involve**

- encourage alumni to participate in and support the programs, services and events of the alumni association and the institution.
- encourage alumni to pursue leadership opportunities in the alumni association and throughout the institution.
- involve alumni – seeking their ideas, input and feedback – in any planning process that seeks to define or modify the alumni association mission or its system for selecting its leadership.
- encourage alumni to serve in the broader community as ambassadors for their alma mater and for education in general.

## **Appendix P**

### **Guidelines for Alumni Relations Professionals on Establishing Vendor Relationships**

#### **Ethics**

It is incumbent upon the alumni relations professional to be aware of and adhere to their own institution's conflict-of-interest guidelines and policies and how these affect relationships with vendors.

It is also suggested that alumni relations professionals and vendors read and agree to comply with the CASE Code of Ethics. The CASE Code of Ethics can be found at [www.case.org](http://www.case.org), keyword: ethics.

#### **Suggested steps for evaluating vendor relationships**

Vendor relationships fall into two main categories:

- Vendors to whom the institution pays fees for service and/or products
- Vendors with whom the institution contracts to provide services and/or products for which there is no fee paid by the institution. This includes contracts in which the institution earns a royalty.

#### **The Product/Service**

As an underlying principle, alumni relations professionals should strive to offer only high quality products and services that benefit both alumni and the institution. It is expected that corporate providers of these products and services will meet the institution's and/or alumni association's standards of integrity, value, and customer service.

#### **Role of Alumni Relations Professionals**

- Thoroughly research every vendor opportunity, including its proposed program, customer service reputation, financial viability and experience with other client institutions.
- Evaluate the cost/benefit relationship of the program.
- Allow an adequate timeframe to launch the program and evaluate results
- Suggest multi-year relationships with the option to exit with reasonable notice for any reason.
- Consider licensing guidelines and issues where appropriate.
- Safeguard privacy of alumni data.
- Clarify by all parties the ownership of materials provided and produced, including data, marketing materials, Web site and logos.
- Expect reasonable guaranteed royalties, benefits and signing bonuses where applicable.
- Develop service-level agreements with clear consequences for failure to meet commitments.
- Conduct a transparent, fair and equitable proposal process with multiple vendors when possible.

- Seek legal counsel to conduct a full review and provide alumni relations professionals and opinion on any written agreements.
- Address contractual issues:
  - Ensure that all terms of the contract are clearly defined.
  - Ensure that the obligations of the institution and/or association and the vendor are clearly defined.
  - Specify the contract's length and plan for termination of the contract with and without cause with reasonable lead times.
  - Ensure that the institution and/or the association is compensated fairly and that the schedule for compensation is clearly delineated.
  - Define the logos to be used and the ways in which those logos may be used, and establish ownership and rights to use any marks.
  - Develop a general marketing plan for the product/service and ensure the institution and/or association's role in the approval process of all marketing materials and collateral materials.
  - Define the service obligations of the corporation with respect to the program.
  - Address any and all other legal protections, including but not limited to assignment, warranty, representation, force majeure, severability, state and federal law.
- Educate the vendor of the institution's passive role and the implications of the Unrelated Business Income Tax (UBIT) where applicable.
- Ensure that institution's and/or association's role in the process of marketing the program, service or product is understood and that the earnings generated are classified according to IRS guidelines.
- Be open and transparent by offering a statement of disclosure about any programs that result in funds being paid to the institution and/or association.
- Ensure that the marketing program for the product or service clarifies the institution's benefits to alumni.

### **Expectations of Vendors**

- Demonstrate a clear understanding of the mission and goals of the institution.
- Provide a thorough program proposal that details the advantages of program to alumni and institution, outlines a marketing program, describes implementation and customer service plans and discusses royalties and/or fees where applicable.
- Provide contact information for current clients for reference.
- Ensure transparency in marketing by including a statement about any benefits provided to or earned by the institution/association in each marketing effort
- Provide adequate financial disclosure.

Last update 5-25-10 (ms)