

Gift Counting and Recognition Policies

Office of College Advancement

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**Purpose**

The following guidelines are established to define how outright and deferred gift commitments will be counted and reported during York College of Pennsylvania’s (YCP) comprehensive campaign. *They are designed to work in concert with YCP’s General Gift Acceptance and supersede any previous campaign gift crediting policies.* YCP will comply with all applicable laws in the implementation of these guidelines.

The primary sources for YCP’s Gift Counting Policies are the standards and definitions provided by the Council for Advancement and Support of Educations (CASE) in its publication *CASE Reporting Standards and Management Guidelines, 4th edition*, and Partnership on Philanthropic Planning in its publication guidelines for *Reporting and Counting Charitable Gifts, 2nd edition*.

**Gift Counting Policy**

The primary goal of the campaign is to raise funds to meet the aspirations and needs of YCP as listed in the case for support. These needs can most immediately be met through the receipt of cash or other liquid assets. It is recognized, however, that other forms of commitments will be offered and provisions for their inclusion in the campaign goals must be made. The following guidelines stipulate which gifts will be credited to the campaign.

Gifts and pledges received during the period of July 1, 2017, through June 30, 2022, from individuals, corporations, foundations, or other organizations will be counted toward the campaign goal. The pledge period generally will be up to five (5) years. Exceptions will be considered on request. (FOOTNOTE)

**Outright Gifts**

***Cash, Checks, and Credit Cards***

Cash, checks, and credit cards gifts are counted at face value on the date YCP processes the gift.

***Matured Bequests***

Matured bequests and any payments on previous bequests received during the campaign period will be credited for the amount received beginning October 20, 2017. If the bequest has been previously counted in a campaign, the amount should be reduced based upon what has already been counted.

***Publicly Traded Securities***

Marketable securities are counted at the average of the high and low selling price on the day the donor relinquished dominion and control in favor of YCP. If there are no trades on the gift date, the fair market value is the average of the high and low selling price on the trading day before and after the date of the gift.

***Closely Held Securities***

Gifts of closely held stock that exceed $10,000 in value are reported at the fair market value places on them by a qualified independent appraiser and recorded on IRS Form 8283. Closely held stock that is $10,000 or less will be valued at the per-share cash purchase price of the most recent transaction or by another method at the discretion of the Vice President of College Advancement.

***Matching Gifts***

Matching gifts received from companies and foundations are counted at face value of the gift. Potential matching gifts (claims) are not counted.

***Grants***

A grant, unlike a gift, is normally a written agreement to carry out a specified project that may entail a tangible product, usually a proprietary report. A grant that requires performance on the part of the College must be processed through established College procedures. A grant from a non-governmental source that does not require proprietary reporting and has no provisions for intellectual property and/or publication rights may, in the name of the College, be counted as a campaign contribution. Government funds will be excluded, with the exception of pass-through payments.

***Gifts of Real and Personal Property (Gifts-in-kind)***

Gifts of real and personal property (Gifts-in-kind) that qualify for a charitable deduction are counted at their full fair market value, as outlined by applicable CASE standards. Examples of property gifts that will not be counted per CASE standards include gifts of software systems pursuant to corporate partnerships and conservation easements, among others.

**Other Special Gifts**

This category may include, but is not limited to, gifts such as qualified charitable rollovers, grants from donor advised funds, grants from private foundations, and others whereby the gift is initiated by donor designation or suggestion.

In the case where gifts are initiated by donor designation to a third entity, gift acknowledgement will be sent to the appropriate entity and a copy of the acknowledgement will be sent to the donor. Examples include:

1. IRA charitable rollover – acknowledgement is sent to the financial institution.
2. Donor advised fund – acknowledgement is sent to the tax exempt organization holding the DAF as official donor of record.
3. Private foundation – acknowledgement is sent to the private foundation.

The designating donor may receive “soft credit” for special gifts, but under no circumstance will gift receipting practices recognize anyone other than the official donor of record (in these cases, the issuing agencies or trustees).

**Pledges**

Written pledges with a payment schedule of 5 years or less that are unconditional will be counted at face value. Pledge payments may extend beyond the end date of the campaign. Exceptions to the 5-year payment period may be approved at the discretion of the Vice President of College Advancement and/or the Chief Financial Officer. Conditional pledges will not be counted. Pledges may be fulfilled with deferred gifts in accordance with the counting procedures outlined above as well as the applicable policies governing deferred gifts. Pledges are the obligation of the donor. Matching gifts may be applied to the pledge if allowed by the matching gift company. Pledges may not be fulfilled by third party entities where prohibited by law. If a donor’s circumstances change and a pledge cannot be fulfilled as originally written, the donor is obligated to notify YCP so the appropriate adjustments can be made (amount, length of time, source of funds, etc.). Any pledge balances that are not fulfilled will be deleted from the campaign counting and report.

**Revocable gifts (i.e. expectancies**)

Revocable deferred gifts (also referred to as “expectancies”) such as will bequests and retirement account designations may be counted in the campaign. To be counted, YCP must receive a document during the campaign period from the donor or a third party having reasonable knowledge of the donor’s gift (e.g., an attorney) that confirms the following:

a. A gift has been established.

b. The estimated value of the gift.

c. YCP will receive the gift at the end of the term specified in the gift instrument, which typically will be the end of the donor’s life.

If revocable gifts made are designated to a specific comprehensive campaign initiative, the amount counted in campaign totals will be the full face value if the donor(s) is/are 70 years or older by the conclusion of the campaign.

A revocable deferred gift in which another person has an interest in the gift prior to YCP may be counted only if such other person also has made a corresponding gift provision (e.g., “mirrorwills”). Other contingent gifts without a corresponding gift provision from the other interested person will not be counted.

**Life Income gifts**

Life income gifts will be counted in the campaign at the charitable deduction amount of the donated asset(s) determined at the time of the gift. Life income gifts include charitable remainder trusts and gift annuities in which a donor irrevocably transfers an asset in exchange for an income stream, with the remainder ultimately benefiting YCP. Life income gifts managed by entities other than YCP can still be included in fundraising totals by the College. The gift terms and documentation will determine how they will be counted. If both the gift and YCP’s interest are irrevocable, the gift will be counted with other cash gifts and pledges at the value on the most recently available statement supplied by the entity managing the gift. If YCP’s interest is revocable (even if the gift is irrevocable), the gift will be counted in the same manner as other expectancies.

**Charitable Lead Trusts**

If a charitable lead trust has irrevocably designated YCP as a charitable beneficiary, the expected payment stream over the term of the trust will be counted as a pledge, even if the term lasts beyond the five-year period for standard pledges. Payments received from the trust will be treated as payments on that pledge.

If the term of the trust could last for one or more lifetimes, then duration of such lifetimes shall be assumed to be the life expectancy that would be used under applicable tax regulations.

Determination of the future payment stream for some charitable lead trusts (specifically “lead unitrusts”) requires assumptions about the trust’s future investment performance, since the size of future payments depends on future investment performance. If such an assumption is needed, then the Applicable Federal Rate (IRS Discount Rate) for the month of the trust’s creation shall be used. If a lead trust makes distributions without having made YCP an irrevocable beneficiary (i.e., through a discretionary or revocable power), then such payments will be reported as outright gifts as they are received.

**Life Insurance**

Life insurance presents special counting issues due to the numerous ways in which life insurance gifts can be made.

To ensure consistent treatment, the death benefits of all life insurance gifts shall be recorded as an expectancy, regardless of whether the gift is a revocable beneficiary designation or an irrevocable transfer of policy ownership.

If the gift is an irrevocable transfer of policy ownership, the current policy value as reported by the insurance company shall be counted with other gifts and pledges. The death benefits counted as an expectancy shall be reduced by the amount counted with other gifts and pledges.

Gifts of cash and other assets intended to be used for premium payments for policies owned by YCP shall be counted with other gifts and pledges.

Gifts of the following types of insurance will not be counted:

a. Term insurance

b. Employer provided group insurance

c. Accidental death insurance

**Reachback Gifts**

YCP recognizes that donors make gifts in anticipation of a campaign. To encourage them to follow through on these commitments, and in keeping with campaign best practice, YCP has adopted a reachback policy.

The criteria under which pre-campaign gifts and commitments, those recorded prior to July 1, 2017 will be included in the YCP comprehensive campaign are as follows:

Gift commitments from donor(s) that equal or exceed $5,000,000, made within one calendar year prior to comprehensive campaign approval date that were designated to one or more of the campaign initiatives.

**Hard to Value Gifts**

If a gift cannot be properly valued under these policies the Vice President of College Advancement and/or the Chief Financial Officer will determine the value, if any, to be reported in the campaign totals. In making such a determination, the Vice President of College Advancement may use information from counsel or other independent sources that can provide as fair and accurate an assessment of a gift’s value as is practicable.

**Campaign Counting Exclusions and Reporting**

1. Campaign Reporting Totals

The campaign reporting totals will reflect the following:

1. Total of outright gifts for annual operations, capital improvement, and the endowment.
2. Total pledge balances for annual operations, capital improvements, and the endowment.
3. Deferred gifts that are documented in accordance with the policy stated above will be counted towards the campaign goal.
4. Other gifts as may be applicable and approved by the Board of Trustees.
5. Total campaign gifts.

2. Campaign Counting Exclusions

The campaign counting and reporting totals will exclude the following:

1. Any earnings, appreciation or income on investments or gifts, even if accrued during the campaign reporting period.
2. Any unpaid pledge balances that have been deleted or written off.
3. Any contributions of time or services.
4. Any excess income received from ticket-based operations, unless it is a campaign specific event.
5. Any miscellaneous revenues such as revenue from contracts, payments from governmental entities, or other non-campaign receipts of income.

Any exceptions to the counting and reporting guidelines will occur on a case-by-case basis as determined by the Vice President of College Advancement and/or the Chief Financial Officer. Fair, ethical, and appropriate consideration will be given as any exceptions related to the mission of YCP.

**Policy for Recognition**

1. All gifts to the campaign will be recognized within YCP gift clubs and other recognition societies.
2. YCP will work with donors to arrange appropriate recognition for gifts to the campaign. Depending upon the scale and purpose of the gift, this recognition may include naming opportunities on campus, stories in campaign publications, press releases for the public media, and special events.