

## **Solicitation and Acceptance of Gifts**

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### **Definition**

A gift is any item of value given to the University by a donor (an individual or a philanthropic foundation/organization) who expects nothing of significant value in return, other than recognition and disposition of the gift in accordance with the donor's wishes. Both sponsored projects and gift-funded activities are externally supported, with funds provided typically in response to a request or proposal. This policy aims to address issues related strictly to gifts. Issues related to sponsored projects, contracts and grants are addressed separately in the Policy on Solicitation, Acceptance, and Administration of Sponsored Projects.

Gifts typically do not impose any contractual requirements and there are no "deliverables" to the donor. However, the gift may carry a donor stipulation that restricts the use of the funds to a particular purpose. As a demonstration of good stewardship, the University may choose to provide periodic progress reports and summary reports of expenditures to the donor; however, normally these are not characterized as contractual obligations or "deliverables."

Gifts can be in the form of a transfer of cash or in-kind donation (property, free of charge services, etc.), to the extent that the transferor does not receive consideration for the transfer. By way of illustration, and not as limitation, gifts include transfers which are pledges, bequests, endowments, and those which are "part-gift and part-sale."

### **Solicitation**

It is crucial that the development activities be aligned with the strategic plan and priorities of the University. As such, the fundraising functions of the University are primarily carried out by the President and the Development Office of AUAC, assisted by the Board of Trustees of AUAC and its Development Committee. These parties endorse and strive to follow the Code of Ethical Principles and Standards of Professional Practice adopted by the Association of Professional Fundraisers in soliciting and accepting gifts for the University.

Occasionally, the President may delegate the authority to solicit gifts for specific programs and objectives to Deans of Colleges and Schools, Directors of Open Centers of Excellence and Open Education, and other University executives; however, these efforts should always be coordinated with the Development Office and the Executive Team. No University employee is allowed to directly contact donors to engage in such conversations or solicit gifts from donors without prior approval of the President and/or without coordination with the Development Office. If a University employee is contacted by a potential donor interested in making a gift, the employee must place the potential donor in contact with the President's Office or the Development Office accordingly.

### **Acceptance and Execution of Gifts**

The AUAC Bylaws state that the President is the only party authorized to accept and execute agreements. The President's authority to accept and execute agreements does not extend to the following cases, which require Board approval:

- \* Exceptions to the University's approved programs and policies;
- \* The University committing itself
  - \* for more than two years of effort; or
  - \* to expenditures or costs, for which the Board has not established a fund source; or
  - \* to expenditures or costs for the construction of facilities, which have not been previously approved by the Board;
- \* Any agreement the amount or value of which exceeds \$100,000, or in case of research agreement or public service agreement, any agreement the value of which exceeds \$500,000 (AUAC Bylaws Section 6.7(b)(ii)3, adopted September 2020); or
- \* any gift of real property

For purposes of the above limitation on the President's authority, the dollar amount of a contract, grant, or gift is the amount of cash actually received, offered or pledged; or, if involving property, which is not cash, is equivalent to the fair market value of the property.

### **Related Documents**

**Communication with the AUAC and AUAF Boards of Trustees and the University Donors**