



GIFT ACCOUNTING AND ACCEPTANCE GUIDELINES

A capital campaign is a vehicle for focusing attention on the needs and aspirations of an educational community and the foundation and area it serves. The following campaign counting guidelines are designed to insure that Law & Community Foundation (LCF) can accomplish two goals. They will help the foundation determine how well the campaign has met the goals listed in the LCF Campaign guidelines. They also will provide the Charlotte School of Law (CharlotteLaw) and LCF with an objective means to compare one campaign to another in the future.

General Rules for Inclusion

Note: The following rules are applicable to all gifts given to LCF, including those received through all affiliated organizations. Receipts of all gifts are subject to the discretion of the LCF Board.

The following gifts and pledges will be accepted except where noted otherwise:

1. Written, unconditional, voluntary, non-reciprocal pledges that commit to a fixed amount over a specified period of time.
2. All gifts and realized testamentary gifts of real and personal property for campaign purposes received during the period of the campaign.
3. Qualified pledges for campaign purposes recorded during the campaign period and fulfilled within three years or three years following the end of the campaign (see #1).
4. Life income gifts to LCF – irrevocable gifts subject to life income interest:
 - a. Unitrusts, annuity trusts, pooled life income funds, gifts of residences/farms – where LCF is the non-contingent remainder beneficiary – will be valued at net present value on the date of gift. Charitable remainder gifts, held in trust by others, will be counted when LCF is informed, documentation is obtained, and a net present value has been established.
 - b. Charitable lead trusts will be counted at the value of the interest income.
5. Gifts and pledges made by corporations or foundations received during the campaign period and fulfilled within three years or three years following the end of the campaign. Matching gifts will be credited to the corporation that made the gift. (In recognition of the donor's role in securing the gift, the donor will be recognized in campaign publicity for the value of his/her pledge plus the matching gift amount.)

6. Gifts of marketable securities will be recorded at fair market value at the date of transfer (the high and low quoted selling prices – or the average of the bid/ask with certain securities) on the date the donor relinquished dominion and control of the assets in favor of LCF.
7. Gifts of closely held stock exceeding \$10,000 in value that have met the criteria for acceptance from the investment committee should be reported at the fair market value placed on them by a qualified independent appraiser. The IRS requires such an appraisal for valuing gifts of stock that are not publicly traded. Gifts of less than \$10,000 will be valued at the per-share cash purchase price of the most recent transaction.
8. Gifts of life insurance from donors 65 years or older will be counted at the cash surrender value as of gift date provided the following conditions are met:
 - a) that LCF is the owner and sole irrevocable beneficiary of the policy; and
 - b) that the policy is paid in full or that the donor has made irrevocable arrangements to have the premiums paid.
9. Sponsored research grants originating from faculty.
10. Wholly charitable trusts administered by others – the fair market value of the assets provided the LCF has an irrevocable right to all or a predetermined portion of the trust.
11. Testamentary pledge commitments –

Testamentary pledge commitments are not recommended for counting in campaign totals. If the decision is made to do so, however, the following guidelines should be followed:

- a) The commitment must have a specified amount or percentage of the estate stated in the will based on a credible estimate of the future value of the estate at the time the will is made.
- b) The LCF must have verification of the commitment in one of the following forms:
 - 1) a letter from the donor or the donor's attorney affirming the commitment and stating that LCF will be informed of any changes made to the will in the future; or
 - 2) a deferred pledge commitment or a contract to make a will (note that in some states these two have not been legally confirmed);

The amount specified or estimated should be reported at the discounted present value.

NOTES:

Testamentary pledges cannot be used for the construction of capital projects without express permission from the LCF Board upon recommendation from the campaign and financial development committees.

Proposed gifts of real estate must first be reviewed for acceptance by the LCF's full board.

A minimum of \$25,000.00 is required to establish a named scholarship endowment. A donor will have five years to fulfill this commitment.

The following are to be excluded: (Suggested we need to discuss)

- Advertising revenue
- Alumni membership dues or fees
- Contract revenues, included sponsored research funds
- Contributions from cities or regional government
- Discounts on purchases
- Earned income
- Governmental funds
- Investment earnings on gifts
- Sale of merchandise
- Tuition payments

Also:

- Conditional promises to give based upon the occurrence of a future and uncertain event
- Statements of intent
- Revocable deferred gifts
- Life insurance policies not owned by LCF, fully paid, or carrying an outstanding loan balance
- Certain gifts of tangible personal property

NOTE: To be counted in campaign totals, all gifts, pledges, bequests and other forms of support must be documented by the donor in writing.

Retained Life Interest Guidelines

1. **Pooled Life Income Fund**
 - a. Minimum gift of \$15,000
 - b. Minimum additions \$2500 each
 - c. No age restrictions
 - d. No more than two lives
 - e. Net present value at date of gift

2. **Charitable Remainder Unitrusts**
 - a. Minimum gift of \$50,000
 - b. Minimum additions \$10,000 each
 - c. No more than two lives
 - d. Younger beneficiary 65 years or older
 - e. Net present value at date of gift

3. **Charitable Remainder Annuity Trusts**
 - a. Minimum gift of \$50,000
 - b. No more than two lives
 - c. Younger beneficiary 65 years or older
 - d. Net present value at date of gift

4. **Charitable Gift Annuity**
 - a. Minimum gift of \$20,000
 - b. No age restriction
 - c. No more than one life
 - d. Net present value at date of gift

Bequest Guidelines

1. All bequest distributions that fit campaign purposes will be counted.

2. Bequest commitments by donors will not be counted in campaign totals but the donors will have all the stewardship rights and privileges of donors of other vehicles.

3. In the event that it becomes necessary to include an expectancy from a living bequest donor over the age of 65 in the campaign totals, LCF will do so only at the recommendation of the financial development and campaign committees and then only under the guidelines already listed for testamentary pledges.

Gifts in Kind Guidelines

Services, technology, collections, or other gifts in kind will be credited at the donor's appraised value at the time such gifts are made, provided that a qualified appraisal has been obtained and that the gifts are for campaign purposes or are given without restriction on sale or liquidation.

Campaign and Financial Development Committees

The LCF shall periodically review the adequacy of campaign gift accounting policies and decide on the acceptance of gifts which fall outside standard campaign accounting practices or which otherwise pose unusual problems. The committee shall refer to the financial development committee for board action recommended changes in the accounting guidelines if necessary.