Topic
Development & Gifts Administration

Policy Number
450-11

Reviewed Date
May 1, 1998

Responsible Office
- Office of University Development and Alumni Relations

Purpose
This policy defines the basic guidelines governing the acceptance and acknowledgment of gifts and private grants for the benefit of campus programs through either The Regents or the UCSF Foundation.

Definitions

Acceptance of a Gift

The formal intent to take title of a tendered gift. A letter indicating acceptance, including a description of the gift and the date of receipt, and signed by a person authorized to accept gifts on behalf of the University, constitutes legal acceptance. Because the University is legally obligated to adhere to the terms of every gift, a gift cannot be accepted unless it is legally, ethically, and procedurally acceptable according to all University policies.

Acknowledgement of a Gift

The written notification sent to inform a donor that the proffered gift has been received. Letters of acknowledgment from persons other than those with delegated acceptance authority do not constitute legally recognized acceptance and should not state nor imply that a gift has been accepted.

Bequest

A transfer, by means of a will, of personal property (cash, securities, or other tangible property).

Deferred Gift
A commitment or gift established legally during the donor's lifetime, but whose principal benefits usually do not accrue to the charitable recipient until some future time; often after the donor's death. Except for will commitments, the term is usually applied to any arrangement whereby money or property is irrevocably set aside for future receipt by an organization, and frequently by which income is paid to the donor and/or someone else for a period of time. Annuities, trusts, gifts of insurance, and will commitments are generally referred to as deferred gifts.

Devises

A gift, often real property, found in a last will and testament.

Gifts

Includes outright gifts, pledges, and bequests, but excludes grants from private sources as defined in the guidelines for review of gifts/grants for research dated July 8, 1980 (http://www.ucop.edu/ucophome/coordrev/policy/7-08-80.html).

Intangible Property

Gift of property that does not have intrinsic value but is evidence of value, such as securities.

Life Income Plan

A gift of cash, securities, and/or real estate in which the donor receives income from the donated assets for a period of time through an annuity or trust arrangement for himself and/or other beneficiaries.

Pledges

A signed and dated legal commitment to make a gift over a specific period; the total value of such a commitment.

Private Grants
An award to UCSF in response to a proposal submitted to a private foundation, association, corporation or corporate foundation, or private trust that specifies reports on expenditures, guidelines for audits, consideration for the grantor, testing or evaluating, and/or satisfying specific conditions or requirements for a specified period of performance. Private grants are subject to The Regents’ overhead charges of varying levels, depending on contractual arrangements.

Testamentary Gift

A gift by means of a will, effective after the death of the donor.

Testator

A person who makes a legally valid will; a person who dies leaving a will.

Policy

A. Regents’ approval is required to accept gifts/private grants either to the UCSF Foundation or to The Regents which:

1. involve amounts in excess of $5,000,000;

2. involve construction of facilities not previously approved by the Chancellor and the Board of Regents;

3. do not conform with approved University programs, policies, and construction projects;

4. constitute a commitment for more than seven years;

5. obligate the University to expenditures or costs for which there is no established fund source.

B. Gifts of real property require the following approvals:

1. Regents’ approval for gifts to The Regents of real property in excess of $50,000;

2. Presidential approval for gifts to The Regents of real property up to $50,000;

3. the UCSF Foundation may accept gifts of real property at any level after review in accordance with University procedures.

C. The Chancellor may accept all pledges and gifts/private grants that do not require Regental approval (see III.A.).

D. Private grants may not be accepted through the UCSF Foundation.
E. The dollar amount of a gift/private grant shall be the amount of cash actually received; or, if in the form of a pledge, the full amount pledged; or the equivalent to the fair market value of securities or other property.

F. All gifts must be clearly identified as such by the donor. Although it need not take legal form, a statement in writing from the donor is required to assure tax deductibility. The statement must:

1. express the donor's intent to make a gift;
2. describe the gift;
3. declare the irrevocability of the transfer;
4. designate the purpose(s) for which the gift is to be used;
5. if creating an endowment, authorize The Regents or the UCSF Foundation to:
   a. combine the endowment with other funds for investment purposes;
   b. transfer the income to the principal;
   c. authorize the Chancellor to identify a new purpose if the original purpose is no longer valid, and to transfer funds to other campus priorities; d. apply a University gift fee.

G. There may be a conflict of interest if the acceptance of a gift is placed in a fund in which the recipient retains control of expenditures (e.g., if a faculty member makes a gift in support of an activity which the faculty member administers, or receives a donation in lieu of payment for services between patient and physician). All such gifts should be assigned to an account over which the chairperson or director has signature authorization that is not shared by the designated recipient.

H. All proposed gifts to the UC Regents or to the UCSF Foundation for the benefit of UCSF must be first referred to the Assistant Vice Chancellor--University Development and Alumni Relations for review and approval. University Development and Alumni Relations reviews gift offers to ensure the terms are in conformity with Regents or UCSF Foundation policy and do not unduly restrict the usefulness or desirability of the gift.

I. Accepting Gifts of Securities

The Treasurer of The Regents and/or the UCSF Foundation are the official custodians of all securities (e.g., stocks and bonds). Securities received by any department should be delivered immediately to University Development and Alumni Relations along with the postmarked envelope. The valuation of stock depends upon the date of its receipt. University Development and Alumni Relations will forward the proceeds from the sale of securities to its appropriate designation.

This policy defines the basic guidelines governing the acceptance and acknowledgment of gifts and private grants for the benefit of campus programs through either The Regents or the UCSF Foundation.
J. Accepting Bequests or Devises

All papers and documents relating to probate matters, including notices of hearings, wills, documentary evidence of assets, and forms of receipt for distribution as assets, should be forwarded promptly to University Development and Alumni Relations. Acknowledgment of a testamentary gift is generally made after distribution from the estate. In some cases, however, acknowledgment prior to receipt may be appropriate. University Development and Alumni Relations should be consulted in advance concerning prior acknowledgment of a testamentary gift.

K. Accepting Gifts-in-Kind

Gifts-in-kind, including works of art, may only be accepted by University Development and Alumni Relations. Proposed recipients are not authorized to accept such gifts on behalf of The Regents or the UCSF Foundation and should not informally or verbally indicate that acceptance will be forthcoming.

L. Accepting Real Property, Pledges, and Life Income Plans

1. Real property

Authority to accept gifts of real property valued at $50,000 or more has been retained by The Regents. The President of the University of California may accept gifts of real property to The Regents valued at less than $50,000. The UCSF Foundation may accept gifts of real property of any value after review in accordance with University procedures.

2. Pledges

A pledge is accepted in the same manner and under the same conditions as a gift of cash, regardless of whether it is accompanied by an initial payment. Information, prior to the death of a testator, that provision has been made in a will for the benefit of UCSF at a future time does not constitute a pledge.

3. Life income plans

University Development and Alumni Relations should be consulted for guidance on handling gift proposals involving life income plans.

Responsibilities

Contact Office of Origin (see above) with any questions.

Related Policies

- 600-21 - Naming of University Properties, Programs and Facilities [5]

References

- Development Policy and Administration Manual [6], Office of the President
- Accepting, Acknowledging, and Documenting the Receipt of Gifts, (Section I.B.3.) [7]