

CALIFORNIA STATE UNIVERSITY, EAST BAY
and
CAL STATE EAST BAY EDUCATIONAL FOUNDATION

GIFT ADMINISTRATION AND DEVELOPMENT POLICY

Policy

California State University, East Bay, through its Office of University Advancement, raises awareness of, and develops mutually beneficial partnerships that support, the goals, activities, and achievements of the University. In support of this effort, the University Advancement program partners with the Cal State East Bay Educational Foundation (Educational Foundation) to increase private support for the University.

The University is committed to increasing private support and investing sufficient resources to make this possible. To that end, the University and the Educational Foundation have agreed to augment State funds available for the advancement program by means of this Gift Administration and Development Policy. Effective December 5, 2013, five per cent (5%) of non-endowed (1) gifts* and (2) pledge payments on gift pledges written after December 5, 2013 (referred to collectively as “gifts”), except as noted below, will be retained by the Educational Foundation and used for gift administration and support of the Office of University Advancement.

Implementation

In accordance with University policy, all gifts of any nature benefiting the University must be officially accepted and acknowledged by the Educational Foundation. Upon receipt of each gift (including gifts by credit card and payroll deduction), the Educational Foundation will credit the amount received to the appropriate gift fund and charge the same fund for the amount to be retained in accordance with this Policy.

Should a donor wish a sum certain to be used for the purpose of the gift, the donor’s gift must include the amount to be retained by the Educational Foundation. For example, a donor who wishes to have a \$1,000 scholarship awarded would make a gift of \$1,053 ($\$1,000 \div 95\% = \$1,053$; $\$1,053 \times 95\% = \$1,000$ remaining for the scholarship).

Options for Benefiting Campus Units

1. Should the benefiting campus unit so instruct the Educational Foundation, an amount, equal to the amount retained, will be transferred to the gift fund from other unrestricted gifts received for its benefit and on deposit at the Educational Foundation.
2. Additionally, acting on the request of the benefiting unit, the appropriate dean or vice president may request that the Educational Foundation transfer to the gift fund an amount, equal to the amount retained, from unrestricted gifts received for the benefit of the college or division and on deposit at the Foundation.
3. In the case of permanent endowment gifts, the benefiting campus unit may elect to have the retained amount charged to the endowment’s income account rather than the endowment gift (endowment principal). Initial endowment earnings will be used first to offset the deficit thus created in the endowment income account. Because authorized payouts of endowment earnings are limited to the lesser of (1) the annual amount authorized by the Educational Foundation and (2)

accumulated endowment earnings, this option may reduce or even eliminate the amount of initial payout(s) otherwise available to the benefiting campus unit.

Gifts Not Subject to this Policy

The following gifts are not subject to this policy:

1. In-kind gifts, with the exception of securities, real estate, or other assets received and liquidated,
2. Gifts and grants from corporations or foundations whose guidelines prohibit the use of awards for overhead or indirect cost purposes,
3. Gifts intended to be Endowed, and
4. Grants from corporations or foundations that require significant award administration (as opposed to program administration; e.g., research grants or grants requiring line item budget reports—but not simply periodic general progress reports—that can result in return of unused funds, etc.). Such grants typically already include reimbursement of the University's indirect costs.

Disclosure of Policy to Donors

Disclosure of this policy to donors should be made before the gift is made but failure to make the disclosure will not exempt the gift from this policy. Disclosure may be made in a variety of ways including fundraising materials (e.g., remittance envelopes, pledge forms, fundraising event flyers) and in written gift or grant proposals. The following statement (or similar statement) will appear on gift receipts issued by the Educational Foundation and can also be used in fundraising materials:

“In accordance with University and Educational Foundation policy, a portion of all gifts will be retained for gift administration and to encourage private support of the University.”

Other University Policies Governing Fundraising

Reference is made to the Memorandum of Understanding between the University and the Educational Foundation, which requires that the Educational Foundation “plan, direct, coordinate, and conduct activities for raising funds from private sources”. All fundraising undertaken on behalf of the University must be approved by the Office of University Advancement in accordance with its guidelines. Approval requires adherence to all policies governing gifts including gift processing and disclosure of this Gift Administration and Development Policy.

* Gifts are defined in accordance with the gift reporting standards of the Council for the Advancement and Support of Education (CASE). Gift receipts subject to this policy include outright gifts and grants (and installments thereof) from individuals and private corporations and foundations, proceeds from the sale of in-kind gifts (if sold), bequests received, receipts of remainder interests of deferred gifts, receipts of center or program “sponsorships”, and the tax-deductible portion of fundraising event “sponsorship” and ticket receipts. “Sponsorships” are defined as those recognized only by name or logo placement and not involving other commercial benefits. The CASE definition of gifts excludes revenue from contracts and from public agency grants.