

GIFT ACCEPTANCE POLICIES



TEXAS LUTHERAN UNIVERSITY

ISSUED BY

Department of Development and Alumni Relations

O.G. Beck College Center

Texas Lutheran University

1000 W. Court St., Seguin, TX 78155

Revised and Approved February 2020

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Introduction

These policies are intended to guide the Texas Lutheran University (TLU) staff, community and the general public in the gift solicitation, giving, acceptance and acknowledgment process.

Gift Policy Statement

TLU strongly encourages the solicitation and donation of private gifts that enable the University to fulfill its educational mission. To facilitate productive gifting, TLU has adopted *Gift Acceptance Policies*. These policies and procedures govern the acceptance of all gifts made to TLU, whether made during a donor's lifetime or from an estate, and whether such gifts are cash, securities, gifts-in-kind or other donations.

TLU Is Tax Exempt

Contributions to TLU are tax deductible as provided by section 170 of the Internal Revenue Code. TLU is exempt from Federal Income Tax because it is included in a group ruling governing the tax exemption of parent organization Evangelical Lutheran Church in America, specifically Group Ruling Number 9386 Section 501(c)(3) of the Internal Revenue Code.

TLU's Employee Identification Number (EIN)

TLU's Employee Identification Number (EIN) is 74-1109748.

What Constitutes a Gift

A gift is a voluntary, irrevocable donation which has been accepted by TLU of cash or equivalent marketable securities, life insurance policies, personal property, real estate, mineral rights, or an instrument that legally vests an interest of value in the University such as promissory notes, partnership interests, and restricted or non-publicly traded securities.

In addition, a gift may be made either outright (donor retains no ownership of assets donated) or in trust (the donor contributes to TLU a "future interest" in a trust's principal value or the right to a trust's income for a certain term).

A donor may designate a gift for unrestricted use by the University or a particular school, department, or unit. A donor may also make a restricted use gift by designating a specific purpose for the gift.

All donors to TLU are strongly advised to consult a tax professional, financial planner or attorney to fully understand all ramifications and rules surrounding their gift since donations are bound by state and federal Internal Revenue Service tax codes (see www.irs.gov). It is the donor's responsibility and not that of TLU to understand the financial and tax consequences of their giving.

Types of Gifts

It is the policy of TLU to offer an opportunity for donors to make gifts in the following forms:

- Cash
- Pledges of gifts to fulfill a specific intent and dollar amount
- Gifts-in-kind
- Planned gifts
- Gifts of a remainder interest (annuity, unitrust, gift of personal residence or farm with retained life estate)
- Other gifts (life insurance policies, trusts, real estate, etc)

Donors should carefully consider all aspects of making a gift before donating and are strongly advised to consult with a trusted tax professional, financial planner or attorney before finalizing gift arrangements with the University. The types of gifts listed above are detailed in depth as follows.

Cash (Currency, Check, Electronic Deposit, Credit Card or Similar)

TLU strongly encourages simple gifts of cash as the least complicated method of supporting our educational mission. Such gifts require minimal administrative overhead to process, and the University normally issues the donor a formal acknowledgment within 48 hours of receiving the donation.

TLU requests that wherever possible, donors should earmark gifts of cash for our annual fund known as "The Texas Lutheran Fund" because these dollars are unrestricted and the University can direct resources wherever they are needed most. By contrast, gifts may also be directed to a particular established fund. All gifts of cash are welcome and TLU encourages all friends of the University to act on their philanthropic values. In all cases, every donor should provide TLU with instructions relating to the purpose of the gift.

Normally TLU considers the date of the gift to be the date on which the cash or check is deposited into our bank. The exception is for calendar year-end gifts, when TLU honors the U.S. Postal Service's postmark stamp, or records the day on which TLU receives a gift via UPS, Federal Express or similar carrier.

Gifts sent to TLU by wire transfer are dated according to the day the funding reaches the University's bank account.

Donors may make gifts to TLU using a Visa, MasterCard, Discover or American Express credit card. The donor can submit a signed written request, oral directions, or via TLU's secure web page to make a single or repeating charge against a specific credit card. Donors must provide:

- ✓ Type of credit card
- ✓ Account number
- ✓ Expiration date
- ✓ Name on card or account holder
- ✓ Address (if donor seeks acknowledgment)
- ✓ Zip code for TLU processing
- ✓ Telephone number

Note that the date of the gift is *not* the date that the donor provides instructions to charge a credit card, but the date the gift is charged against the credit card. This can be an important issue for donors who want to make gifts within a specific calendar year for tax purposes, so donors should make sure that a TLU staff person receives instructions in time to process the gift before the end of the year.

Pledges

TLU will accept a donor's written promise or pledge to make a small or large gift or gifts over a period of time.

TLU records pledges using the following guidelines:

- A TLU department can have the University record a pledge of less than \$25,000 provided it gives the Development Office a written request along with a completed Letter of Intent Form (see appendix iii) that has been signed by the pledge maker.
- A donor who makes a "verbal" pledge can have that pledge recorded by TLU provided that an authorized TLU employee sends the donor an e-mail, letter or note confirming in writing what the donor told the TLU employee verbally.
- TLU will record the face value of an unconditional pledge of \$25,000 or more if the donor completes and signs TLU's Letter of Intent Form (see appendix iii), and TLU can reasonably expect the donor to fulfill the commitment within five years.
- TLU will record certain conditional pledges of \$25,000 or more, for which payment depends on a specific future and uncertain event. An example of a conditional pledge is a matching challenge.
- TLU will not book a verbal pledge for \$25,000 or more.

Gifts-in-Kind / Tangible Personal Property

Gifts-in-kind are tangible personal property gifts that are "moveable" as opposed to real estate or real property which is "immovable." All gifts of tangible personal property in excess of \$100.00, including but not limited to works of art, literary works, manuscripts, boats, motor vehicles, and computer hardware, will be referred to the Gift Acceptance Committee. Such gifts will be accepted after a thorough review indicates that the property is either readily marketable or has an immediate practical use for the University as determined by the Gift Acceptance Committee.

Gifts of Stock

Donate Actual Paper Shares of Stock. If the stock is hand delivered, the donor must give to TLU an irrevocable stock or bond power (signature guaranteed) and a signed letter of intent. The value may increase or decrease by the time TLU actually receives the funds. The donor's charitable tax deduction is on the date he or she physically hands TLU's Development Office the stock certificate(s).

If the donor wishes to mail stock certificates to TLU, he or she should contact the Development Office and forward a written letter of intent, the date, the name of the stock, the number of shares, the purpose for which the gift is intended, and provide TLU with a "Stock Power" (signature guaranteed) provided upon request.

Electronically transfer stock from the donor's brokerage account to TLU's Schwab account. The donor will need to give their broker a letter of authorization to transfer the shares; then the broker should call TLU's Development Office. TLU and the broker will confirm the donor's name, name of stock, and the number of shares.

The donor or their broker should contact TLU's Development Office and provide the donor's name, name of the stock, number of shares to be given, purpose for which the gift is to be used, the name of the broker, the firm, the city, and broker's phone number. The donor will need to sign a form provided by the broker authorizing and initiating the transfer. The donor will also need to send the TLU Development Office a letter of intent for the gift. TLU can provide a sample letter to the individual(s). The letter will state that an electronic transfer is taking place, the name of the stock, the number of shares, and the purpose for which the gift is intended. TLU has an account at one brokerage firm:

Charles Schwab
DTC/ or clearing number of Charles Schwab: 0164
TLU account: SO 8760-5753
Phone: (830) 372-8011 or (800) 515-2157

TLU reserves the right to refuse the gift of stock of a company whose reputation, character, and interest are immoral or dishonest.

Donating Books and Other Library Items

With certain limitations, TLU's Blumberg Memorial Library accepts donations of books and other library items as gifts-in-kind. Donated items should be in usable condition and should be insect-free and reasonably clean and unmarked. The library cannot accept materials which are not outright gifts or which have restrictions. Donated items become the property of the university.

When processing gift materials, the library reserves the right to retain appropriate items for the collection and dispose of the rest, usually through the Better World Books service. Gift books that are not added to the library's collection are sent to Better World Books, where they are either sold or given directly to the library's chosen literacy partner, Books for Africa. A percentage of the proceeds of all sales through this service are returned to Blumberg Memorial Library, with a smaller percentage of sales going to Books for Africa.

Objects such as rare books or special collections which may be more appropriate for a museum or archive are not accepted for addition to the collection due to the library's inability to curate such items. However, the university may accept such donations for resale.

Offices or departments other than the library may not accept donations on behalf of the library without the library's prior consent.

The library will supply acknowledgement to the donor in the form of a count of items received, but the donor is responsible for any monetary appraisals required for income tax or other purposes. Such appraisals must be conducted prior to donation since donated items will be dispersed once they are received.

Planned Gifts

TLU can accept gifts left in a will, revocable living trusts, life insurance policies owned and not owned by TLU, retirement funds, or other estate planning documents also known as “planned gifts.” Donors who schedule planned gifts remove uncertainty from their estate disposition, provide for loved ones, and benefit their chosen charities including TLU while possibly improving their estate’s and their loved ones’ tax positions. In the absence of planned gifts, one’s estate after death is more likely to be managed by courts in a sometimes lengthy and unpredictable process.

A “bequest intention” is documented by evidence that TLU will receive a planned gift upon a donor’s death. TLU generally does not record bequest intentions as either gifts or pledges. However exceptions can be made when recording pledges for a capital campaign. CASE standards will be used when determining age requirements.

Friends and alumni of TLU who have included TLU in their estate plans are invited to become members of the O.G. Beck Society and receive certain communications and benefits. Those interested in including TLU in their will, or making any other type of estate plans, should contact: Development and Alumni Relations Office, Texas Lutheran University, 1000 W. Court Street, Seguin, TX 78155.

Gifts of a Remainder Interest

TLU can accept title to a remainder interest “in trust” of property in return for an obligation to pay income to the donor and/or other beneficiaries for their lives or a certain term, and the University’s ability to use the gift is deferred until the beneficiaries die or the trust otherwise terminates. These gifts may be in the form of charitable remainder unitrusts, charitable remainder annuity trusts, charitable gift annuities, or contributions to a pooled income fund. TLU records these gifts at both their face value and the value of the remainder interest as determined under regulations to the Internal Revenue Code. TLU also can be the beneficiary of a charitable lead trust where TLU’s interest is in the form of a guaranteed annuity interest or a unitrust interest and the remainder is given to non-charitable beneficiaries. If the trust is properly structured, the donor may receive a deduction for the income interest.

Through these arrangements, donors have transferred title to TLU, reserving for themselves and/or other beneficiaries the right to receive income for their lives or a specified period. Upon the death of the beneficiaries or other termination of the trust, TLU receives the remaining value of the trust assets for use as the donor directed. TLU’s Gift Acceptance Committee is responsible for determining whether the University should accept a gift through a life income trust and must consider the age of the donors, the expected payout rate, the proposed gift asset, and more.

Other Gifts

TLU may accept certain gifts of life insurance policies, charitable lead trusts and revocable trusts, or real estate provided TLU is gifted 100 percent interest in the property. Lesser interests in real estate or mineral assets may be accepted when a clear benefit to TLU can be demonstrated. Minority interests in minerals may be accepted by approval of the Gift Acceptance Committee.

Insurance TLU will automatically accept — without the necessity of review and approval by the Gift Acceptance Committee — gifts of whole life insurance policies that:

- Are either paid-up or with a minimum face value of \$5,000.00 and certain other attributes
- Designate Texas Lutheran University as the owner and beneficiary of the policy
- If intended for endowment purposes, offer a face value of the policy meeting the minimum funding standards for endowments established by the Board of Regents

An accepted insurance gift will be completed upon the execution and delivery of the life insurance policy to the University or an assignment of the policy in the event that the University is not the original owner of the policy. In addition, the filing of Form 8283 by the donor is required by the IRS for assets valued at more than \$500.00. This form should be sent to the TLU Business Office for execution by the University.

Revocable Trusts Texas Lutheran University may be the beneficiary of an outside charitable remainder trust over which the trustee has no discretion over income payments, but the donor has retained the right to change the designation of the remainder beneficiary. TLU will not record this trust until the donor has made TLU's interest irrevocable or until TLU receives the trust assets upon termination. TLU may be the remainder beneficiary of a trust over which an outside trustee has discretionary authority to invade the principal for the benefit of one or more other beneficiaries for a specified period of time. TLU's remainder interest may be revocable or irrevocable. An example is a trust established under the will of a TLU alumnus which holds the residue of his estate, makes payments to his surviving wife for her life at the discretion of the trustee, and pays the balance, if any, to TLU. TLU will not book any part of this trust until it terminates. At that time, TLU will book the value of the assets received.

Real Estate TLU should not accept any gift of real estate without approval by TLU's Gift Acceptance Committee, after review of the following considerations. The decision to accept any gift of real estate is at TLU's sole discretion. If the property is not well suited for TLU's use consistent with its core mission, the property should probably not be accepted without a high degree of confidence that the property can be quickly sold without substantial or material financial support or "sweat equity" from TLU personnel. TLU should itself seek guidance and informal assurances from independent brokers and friends of TLU active in the applicable real estate market regarding the likely "hold period" for a sale of the property by TLU (and not depend solely on the donor for these assurances).

Below are items to be considered when accepting a gift of real estate -- Residential, Agricultural, Forested, Commercial or "Other" property types. It is important to note that information a donor is required to deliver may differ depending on property types.

1. Appraisals. The donor should provide an MAI appraisal of Commercial property addressed to TLU and dated no earlier than six months prior to the date the gift is to be made and accepted, although for Commercial properties valued at less than \$1,000,000, a "broker's price opinion" or "broker's opinion of value" prepared by a licensed broker approved by TLU may be acceptable. For Residential, Agricultural and Forested properties, the donor should provide a "broker's price opinion" or "broker's opinion of value" addressed to TLU, dated no earlier than six months prior to the date the gift is to be made and accepted and prepared by a licensed broker approved by TLU.

2. Environmental Reports. For all Commercial, Agricultural and Forested properties, the donor should provide a suitable environmental assessment of the property (including any improvements on the property and any equipment and machinery used on the property) that includes TLU as a user who may rely on it. Environmental liability can arise from equipment and machinery used on a property, separate from contamination of the land and/ or building. TLU should consider using a "user questionnaire" so that the environmental consultant can incorporate TLU's responses into its report. Note that different types of environmental assessments are used for Commercial, Agricultural and Forested properties.

3. Property Condition Report. For all Commercial Properties with buildings or other improvements, the donor should provide a property condition report addressed to TLU, dated no earlier than six months prior to the date the gift is to be made and accepted, performed by an engineering or other consulting firm approved by TLU, and which includes a report on the physical condition of the property, deferred maintenance and capital expense issues and deficiencies, and compliance of the property with zoning, ADA and similar legal requirements, to the extent applicable to the property. For Residential properties, an inspection/ property condition performed by a consultant approved by TLU and generally engaged in providing such reports for Residential properties in the area in which the Residential property is located should be sufficient, although TLU may also want the donor to complete the "property condition addendum" required by law for a sale of a Residential property (in the form attached to the Residential purchase and sale agreement form generally provided by real estate brokers in the State of Texas). The donor should provide information from the applicable city or other governmental authority with jurisdiction regarding the zoning requirements and conditions for Residential, Agricultural and Forested property if such property is subject to zoning requirements. Please note that the owner of real property is generally responsible for causing compliance of the property with zoning and other legal requirements, so the cost of any changes or repairs that need to be made to the property in order to comply should be carefully considered, as well as the implications of any nonconforming use of the property. For unimproved properties, no property condition report needs to be delivered. If utilities are not already provided by a city or other trusted institutional provider, the donor should provide information regarding the source of these utilities and the capacity available. If water or sewer is to be provided by a well or private septic system, TLU may want to do a bit more diligence to understand the cost and availability of those utilities in compliance with applicable laws. We

would also recommend that if it is logistically practical, prior to acceptance of the real estate gift, a TLU representative or a friend of TLU should make a quick, in-person visual inspection of the property to verify that it appears to be generally consistent with descriptions furnished to TLU by the donor.

4. Insurance. Prior to acceptance of the real estate gift, TLU should confirm with its insurance advisors and providers that (a) for improved properties, TLU can obtain property insurance with an acceptable deductible and for an acceptable premium, even if the property is or may become vacant or is leased to a third party and (b) TLU can include the property within its liability and umbrella insurance policies upon payment of an acceptable premium.

5. Title. Prior to acceptance of the real estate gift, the donor should provide a current title commitment for the property and a copy of each document noted in the title commitment as an exception to title, as well as a copy of any survey of the property the donor may have available or that TLU may request. The title commitment should include a judgment and bankruptcy search, as well as a UCC search if the property includes any personal property of significant value. TLU's attorney should review the title and search information, as well as copies of each exception document and any survey provided. These exceptions could indicate that the property is subject to a mortgage debt, mechanics liens, transfer fees or assessments, HOA or other monthly assessments, limitations on the use or physical condition of the property and other limitations affecting the use, marketability and value of the property. If construction or renovation is ongoing at the property, the title commitment will not disclose mechanics liens for this ongoing or recent work. However, TLU can protect against mechanics liens for current or recent work by requiring a final liens paid affidavit from the general contractor(s) doing the work. If there is a mortgage debt, mechanic's lien or other lien affecting the property, the donor needs to pay those liens in full, through the title company, so that a suitable form of release is signed and recorded to evidence satisfaction and release of the lien. If the title commitment indicates the donor is the owner of anything other than fee simple title to the property, such as a leasehold estate, an easement, etc., we suggest TLU consult with legal counsel to understand the terms of these alternate estates and the applicable financial, use and other requirements imposed by the estate being conveyed. The title commitment will indicate the name of the record title holder of the property; the conveyance must be made in the name of the owner of record title as shown on the title commitment. Consideration should be given to obtaining a title policy in TLU's name, as owner, at closing, in the amount of the appraised value of the property.

6. Property Taxes. The donor should provide a tax certificate for the property indicating (a) that there are no delinquent taxes, (b) that the property intended to be donated is a separate tax parcel, (c) the current appraised value and taxes for the property and (d) any special assessments, applicable municipal utility or other tax districts, tax incentive arrangements, discounts or other special tax arrangements or assessments applicable to the property. If the property is not a separate tax parcel, the property must be formally divided into a separate tax parcel prior to the date the gift is made and TLU must obtain adequate assurances that the taxes are paid for the year of the gift on the remaining, un-gifted portion of the tax parcel or the portion gifted to TLU could be subject to a tax lien for those unpaid taxes. Note that special assessments and tax arrangements (like tax incentive arrangements, agricultural valuations and special tax districts) could result in "roll-back" or "claw-back" taxes needing to be paid after the transfer to TLU and

which would constitute a lien on the gifted property if not paid. Finally, appropriate arrangements should be made to assure that the donor pays the applicable taxes on the property for the period prior to the date of the gift and acceptance of the gift by TLU.

7. Conveyances. The transfer should be made by a general or special warranty deed or equivalent documentation if the real estate is not located in Texas. Acceptance of a quitclaim deed, deed without warranty or other form of deed other than a general or special warranty deed could impair title to the property and its marketability. As noted above, the grantor on the deed must be the owner of record title to the property. If the owner of record title to the property is deceased, TLU should consult an attorney to be sure that the individual signing on behalf of the estate of the deceased title holder is authorized to sign on behalf of the deceased title holder. If TLU obtains an owners title policy in connection with the gift, the title company will assist in this evaluation and should be involved in confirming the proper deed grantor and necessary authority issues. If the donor is suggesting a conveyance of less than a full fee simple estate in the real property, such as retention of a life estate, a gift of a life estate, reversionary rights, etc., TLU should consult legal counsel to better understand the legal, economic and practical effect of the proposed form of conveyance. Any gift made subject to a life estate retained by the donor or the donor's designee should in any event require the donor to be responsible for all costs and expenses of the property during the life estate period, including capital expenditures and operating expenses, maintenance obligations, taxes, insurance, utilities, compliance with laws, etc.

8. Leases, Licenses and Other Arrangements. The donor must disclose to TLU, and deliver to TLU copies of, any leases, licenses or other arrangements affecting the property that would survive the gift to TLU, so that TLU may evaluate the legal and financial risks and benefits arising from the lease arrangement. Leases for Agricultural land may include agricultural leases with third parties that need to be understood, and Forested land may also be burdened by arrangements with third parties regarding the growth, cutting and sale of the timber. Commercial and Residential properties may be affected by more traditional space leases with third parties, which may increase the risks to TLU (both for the periods before and after the sale) and impair TLU's ability to obtain property and liability insurance and the cost of that insurance. TLU should require a signed estoppel letter from any tenant or licensee of the property prior to accepting the gift, confirming the legal arrangements and the donor's compliance with all of its obligations under the lease or license up to the date of the gift. Because the new owner of a leased property is generally liable to the tenant for the post-transfer return of the security deposit, if a lease includes a security deposit, TLU should require that the donor also pay the security deposit to TLU. Before accepting a gift made subject to a lease, license or similar arrangement, TLU should consult counsel or a friend of TLU knowledgeable in the field to better evaluate the risks and benefits of the lease arrangement.

9. Litigation and Claims; Third Party Lease and Purchase Rights. The donor should disclose to TLU (a) any pending or threatened litigation or claims with respect to the ownership, maintenance, condition or use of the property, (b) any notices known to the donor from any governmental authority asserting any material violation of laws or regulations affecting the property, (c) any pending or threatened condemnation affecting the property known to the donor

and (d) any parties with an option, right of first refusal or similar right to purchase or lease all or any portion of the property.

10. Mineral Interests. The title commitment and title policy cannot be relied upon to provide information regarding ownership of the minerals associated with the property, whether they have been severed, etc., so if the mineral interests are of interest to TLU, they should be reviewed in accordance with TLU's policies for mineral estates and interests. If the minerals have been or will be severed at or prior to the donation to TLU, TLU should understand that in Texas the mineral estate is the dominant estate and the surface estate is the servient estate, giving the mineral owners a right to use the surface estate to extract their minerals so long as they do it reasonably, the severance documents don't impose any more restrictive standards on the mineral owners and their use of the surface complies with applicable laws. TLU should consider the effect of fracking, slant drilling or similar subsurface activities related to extraction of the minerals on the surface use, subsurface support for surface improvements, environmental issues, etc.

If a proposed gift of real property is approved by the Gift Acceptance Committee, the Development Office will acknowledge receipt of the gift on behalf of TLU upon proper recording in the local county real property records. The receipt will reflect the following: (a) "Your gift may require that you complete IRS Form 8283, and an appraisal of the donated property. Please consult your tax advisor."; and (b) "The deduction you receive from this gift may be limited to the lower of the cost or the market value of the goods donated. Please consult your tax advisor." TLU will not appraise or assign a value to the gift property. It is the donor's responsibility to establish a value for the gift and to provide, at the donor's expense, a qualified appraisal required by the IRS in the case of gifts of tangible personal property valued in excess of \$5,000.00.

The costs associated with the conveyance and delivery of the gift, including but not limited to preparation of the conveyance documents, incurred legal fees, any transfer and recording fees, the title commitment and title insurance policy, the appraisal, the property condition report, the environmental report and, if deemed necessary by the Gift Acceptance Committee, a current survey, will be either paid by the donor or charged to the fund code of the department(s), program(s), or endowment(s) to benefit by the donation. In addition, the filing of Form 8283 by the donor is required by the IRS for gifts of real property. This form should be sent to the Business Office for execution by TLU.

Who May Donate Gifts

Gifts can come from individuals, corporations, partnerships, private liability companies, private foundations, community or corporate foundations, donor-advised funds, public charities, limited liability companies, estates, or trusts. A gift is the voluntary, non-reciprocal transfer of money or property from a donor to an institution. The donor does not expect anything of value in return other than recognition.

In certain cases, part of a contribution is considered a gift and part of it is in payment for goods or services received; see the section below entitled "Quid Pro Quo" for more detail. In other

cases a contribution is classified as a grant by TLU. Grants typically create obligations that make it different from an outright gift such as sponsored program funding or certain awards. A grant is the transfer of money or property from a sponsor to an institution that may require performance of specific duties such as research, budget reports, progress reports, and return of unused funds. More information can be found below in “Seeking External Grants” on page 18.

About TLU’s Gift Acceptance Committee

Every gift made to TLU creates legal conditions and obligations binding upon the University. For this reason, the terms of each gift must be considered with care. TLU convenes its Gift Acceptance Committee when the circumstances surrounding a specific gift proposal raise significant institutional issues.

The Gift Acceptance Committee consists of six members. It is chaired by the Vice President for Development and Alumni Relations, other members include the President, Vice President for Finance, the Chair of the Development Committee of the Board of Regents, and Vice President Academic Affairs and the Director of Gift Planning. Counsel may be sought from Regents who have an expertise in specific areas such as real estate or law.

Criteria for Evaluating Potential Gifts-in-Kind

The Gift Acceptance Committee will meet to determine whether any significant gift-in-kind proposal brought to TLU for consideration aligns with the University’s academic or administrative purposes, positions, and programs. The Committee strives to achieve fairness in how gifts-in-kind are donated and accepted, ensuring that the University consistently applies the following principles:

- The proposed gift-in-kind aligns with is appropriate to TLU’s mission and needs
- The gift-in-kind would impose no undue financial burden on TLU nor require unreasonable additional expenditure or responsibilities
- The gift-in-kind would not inhibit TLU from accepting gifts from other donors
- The gift-in-kind does not limit the research that a faculty member or student can perform
- Any restrictions that come with the gift-in-kind are written in reasonably broad and flexible terms to maximize the gift’s usefulness to TLU, such as permitting TLU to apply the gift to a related purpose when the designated purpose is no longer practical.

TLU will not accept any gift with restrictions that, in the University’s judgment, unlawfully discriminate on the basis of race, creed, color, citizenship, national origin, sexual orientation, gender, age, veteran status, or disability.

Donors interested in giving TLU a gift for consideration by the Gift Acceptance Committee should complete and submit a gift-in-kind proposal (appendix ii) to:

Vice President for Development and Alumni Relations
O.G. Beck Center, Suite 226
Texas Lutheran University
1000 W. Court Street
Seguin, TX 78155

Who Receives Credit for Gifts

Beyond considering the type of gift to be made to TLU, donors and TLU staff should understand how gifts get credited to whom.

Hard Credit. Normally the person whose name is on the check or who completes the online or written form is the person credited with the gift.

Soft Credit. TLU frequently receives gifts from private foundations or donor-advised funds at community foundations or private companies “second party” donors—at the advice or recommendation of “third-party” friends of the University.

Although these gifts would not come to TLU without the direction or advice of the third party friend, TLU is required to record these gifts as a “hard credit” on the record of—and issues a receipt to—the legal entity that issued the check. This is a standard practice among tax exempt charities and is required by auditors. TLU “soft credit’s” the third party who advocated for the gift on TLU’s behalf, and recognizes the third party for the gift in the annual report.

A gift from a donor-advised fund cannot satisfy a personal pledge made by the third party friend who recommended the donation.

“Soft credit” will accrue to the legal spouse of a donor who receives the “hard credit” in his or her record. Any married donor who instead seeks to split the “hard credit” donation between the two spouses must direct and authorize TLU’s Development Office to make this change in University records.

Matching Gifts. Many donors take advantage of matching gift programs available in their workplaces so that the University receives additional gifts from their employers. TLU allocates these matching funds to the same fund as the donor’s original gift, unless the donor requests otherwise or the policies of the company prohibit matching gifts to particular funds.

Note that TLU “hard credits” these gifts to the company and issues a receipt to the company. TLU records a “soft credit” in the donor’s giving record and counts the gifts towards the company and the donor’s giving club.

For this reason, matching gifts will not be credited toward a donor’s pledge because the match emanates from a separate entity and is recorded as such.

Endowment Fund Policies

Whereas gifts to The Texas Lutheran Fund are put to use immediately, endowment gifts are invested and a portion of the endowment market value is expended on an annual basis for the purpose outlined by the donor and University in the signed agreement establishing the fund. Endowment gifts may be used to establish a new endowment fund or may be added to an existing endowment fund. Oversight of the endowment investments is provided by the investment committee of the Board of Regents and is directed by the investment committee charter and policy.

People interested in establishing a named endowment fund are encouraged to consult with a development officer prior to making the gift so that the donor's intentions are appropriately established in writing. In designating an endowment gift for a specific purpose, the donor is encouraged to describe that purpose as broadly as possible and to avoid detailed limitations and restrictions.

Gifts to establish named endowment funds for specific purposes must meet the following minimum dollar requirements:

- \$25,000 Scholarships
- \$100,000 Fellowships
- \$500,000 Professorships
- \$1,000,000 Chairs

The principal amount of the original gift need not meet the minimum dollar requirement if:

- The donor agrees to fully fund the endowment at the minimum dollar requirement within five years from the date of the original gift; and
- Contributions made within the first year of the establishment of the fund constitute 20% or more of the minimum dollar requirement for the endowment.

When the principal amount of the original gift does not meet the minimum dollar requirement, the gift, and any additional contributions, will be placed into an unnamed endowment account until the cumulative total of contributions equals or exceeds the minimum requirement. To ensure that proper tracking and accurate accounting is maintained, we call these "baby" endowments and track them for assessment and auditing purposes until they have reached the minimum requirement and guidelines are established.

If the donor fails to meet the initial year funding requirements and/or to fully fund the endowment within five years, a development officer will contact the donor in order to assess the likelihood that the fund will be brought to the minimum funding levels. The development officer will then refer the matter to the Gift Acceptance Committee with one of the following recommendations:

- that the donor be granted a written extension of time in which to achieve the minimum requirements, or
- that the gifts previously made to the fund be transferred to an existing endowment fund most compatible with the original intent of the donor.

TLU reserves the right to review the minimum amounts required for named endowments periodically and to amend the minimum amount required so as to ensure that endowment proceeds are sufficient to fund the intended purposes of the endowment. If and when the University acts to increase the minimum amount required to establish a particular named endowment fund, such action shall not be retroactive to funds already established and named. For a more detailed discussion of these issues and to review sample documents, see these sections below: “Endowed Scholarships” (appendix v), “Endowed Fellowships (appendix vi), “Endowed Professorships” (appendix vii), and “Endowed Chairs” (appendix viii).

Valuation and Appraisal

TLU will record the “fair market value” of each gift: what a willing buyer would pay to a willing seller, both having reasonable knowledge of the asset and neither being under a compulsion to act.

For all gifts other than cash or publicly traded securities, TLU must receive from the donor at no cost to TLU an appraisal of the gift asset in order to record the value of the gift. This appraisal may come from either:

- Form 8283 Appraisal Summary, the Internal Revenue Service form that a donor must provide in order to take an income tax deduction for any gift (other than cash or publicly traded securities) valued at more than \$5,000 (or closely held securities valued at more than \$10,000). This appraisal will be prepared by a qualified appraiser; or
- Other information that supports the fair market value provided by the donor and acceptable to TLU.

If TLU does not receive this information from the donor and cannot determine the valuation without unreasonable efforts, the University will record the gift with a \$1.00 value until a valuation which meets the standards described above is provided or the asset is sold.

Gift Acknowledgment Receipt

TLU issues a formal, written gift acknowledgment receipt to every donor including those who donate via www.tlu.org, normally within 48 hours of the receipt of the gift. Donors should retain receipts for tax deduction purposes.

In order to receive a receipt, a donor must make a gift that qualifies as a tax-deductible charitable gift by Internal Revenue Service rules. Only gifts recorded in TLU’s donor database by a member of the Development Office will be receipted. Gifts received by other TLU departments will not be receipted until received by the Development Office. Donors must provide TLU with the following information to receive a receipt:

- Name of the donor(s)
- Address of the donor(s)
- Date of the gift
- Description of the gift property

- Fair market value of the gift property for a gift in kind gift
- Amount of gift
- Purpose of gift

Receipts for non-cash gifts will not include information about the *value* of the gift.

Depending upon the type of gift made, receipts issued by TLU state one of the following:

- No benefit has been bestowed upon this donor in exchange for this contribution. For your convenience, tax statements will be mailed annually prior to January 31.
- No benefit has been bestowed upon this donor in exchange for this contribution.
- Your gift may require that you complete IRS Form 8283, together with an appraisal of the donated property. Please consult your tax advisor. The deduction you receive from this gift may be limited to the lower of the cost or the market value of the goods donated.

Faculty Who Gift Honoraria, Awards, Salary

A TLU faculty member may receive an honorarium for a speaking engagement or a cash award. These payments are taxable income to the faculty member, and the faculty member should receive a 1099 from the organization that makes the payment. The faculty member may make a gift to TLU of the honorarium or award by endorsing the check to Texas Lutheran University or writing a separate check to Texas Lutheran University in the same amount, and TLU will issue a gift receipt to the donor. In most cases, this gift will allow the donor to deduct an amount equal to the taxable income, thus essentially eliminating or reducing the faculty member's liability for personal income taxes on the honorarium or award.

In certain circumstances, a faculty member may work with the sponsoring organization to waive the honorarium. The organization will write a check to Texas Lutheran University. The organization will receive credit for the gift, and the faculty member can receive "soft" credit although he or she does not receive the gift. The rules relating to honoraria apply equally to awards received by faculty members. TLU employees may make a gift of their salary to the University, but they must first accept the salary as personal income.

Unreimbursed expenses. A donor may deduct as a charitable contribution reasonable unreimbursed expenses incurred while performing some service previously authorized as a gift by a TLU Vice President, TLU Business Office, or Department Chair. These expenses may include the costs of transportation, meals and lodging, or out-of-pocket expenses incurred when donors use their homes for fundraising purposes. They are recorded as gifts-in-kind. Donors may not deduct (and TLU will not record as a gift) professional services rendered by a donor. Examples of such services are lawyers providing legal advice or chefs catering a dinner. (The chef may deduct the cost of the food only.)

"Quid Pro Quo" – Benefits for Gifts

Certain contributions to TLU are not fully tax-deductible because a benefit of goods or services is received by donors in return for their gifts to the University (for example, a dinner or tickets to an event). In these cases, donors must reduce the value of their contributions for income tax purposes by the value of the goods or services received. It is TLU's legal obligation to provide information about this adjustment to the donors on the receipts issued by the University. A

receipt will either state, “The donor received no goods or services in return for this gift” or “The donor received goods or services valued at \$_____.”

When a donor receives a benefit, TLU credits only the amount of the actual (deductible) gift to the donor’s giving record (the amount of the payment minus the value of the premium).

Donors seeking guidance on what is and is not tax deductible for a “quid pro quo” contribution should contact TLU’s Development Office at (830) 372-8030.

Privacy

Texas Lutheran University respects the privacy of the generous donors who financially support its objectives and mission. Safeguarding donor privacy is good stewardship as well as a matter of professional ethics. The Donor Bill of Rights (endorsed by CASE, the Association of Healthcare Philanthropy, the Association of Fundraising Professionals and the American Association of Fund-Raising Counsel) states that donors are: “To be assured that information about their donations is handled with respect and with confidentiality to the extent provided by law.” TLU will make every effort to ascertain a donor’s wishes in this regard. It is the policy of the University to hold the names of our donors in confidence.

Deductibility of Corporate Sponsorships

TLU records and recognizes private, charitable gifts. Many corporate sponsorships are countable fully or in part, unless the sponsor receives benefits which constitutes advertising.

A corporate sponsorship may be recorded as a charitable contribution if it is made by a person or corporation engaged in a trade or business (and not in the form of services) and recognition is limited to publicizing the name, logo, location, phone number, address, web address, and web link; the publicity is a value neutral description of products or services; and the gift is not contingent on event attendance, ratings or public exposure.

By contrast, a corporate sponsorship is disqualified as a gift when the corporation is the exclusive provider: for sale or use of their products or services at this or another of TLU’s events; if a table is provided specifically for space to display and sell products and time is used to speak to event attendees about their company and its products and services; if the corporate advertising or recognition at the TLU event promotes or markets their product or service using qualitative or comparative language, prices, savings, value, endorsement or inducement to purchase, sale or use. The following promotional language is prohibited: “best,” “finest,” “give them a call,” “stop by their store at...,” “lowest prices in town,” “endorsed by TLU”.

TLU requires a copy of signed agreements for sponsorships of \$1,000 or more including a full description, quantity, and value of all items of value given to the sponsor as a result of their contribution. Other information may be needed and requested for TLU’s files.

To discuss what is permissible in corporate sponsorships, contact TLU’s Director of Corporate and Foundation Relations.

Anonymity

TLU requires that the donor be identified for all substantial gifts. This information may be kept confidential with the consent of the Vice President for Development and Alumni Relations. (No discretion may be exercised in certain instances, e.g., foreign gifts for which regulations require disclosure of specific information). When a donor asks that he or she remain anonymous in relation to a gift, the fundraiser must determine the appropriate level of anonymity. For some donors, it is acceptable for University officials and internal entities to know about a gift. Their primary request is that their names and their gift not be discussed in any public setting or included in any published honor roll of donors. In this case, the gift will be recorded to the donor's individual record but will not be published in any University materials, nor recognized in any public fashion. Other donors want complete anonymity, meaning that only the fundraiser(s) involved and a select number of University officers may know the source of this gift. The Vice President for Development and Alumni Relations must approve all such gifts and requests for complete anonymity.

Gift Systems will create a numbered anonymous record for each anonymous donor (e.g. Anonymous #555) and record all anonymous gifts for that donor there. The donor may also have a regular record that reveals his or her name, but no cross-reference between the anonymous record and the regular record will exist. Gift Systems will maintain a separate limited access record of all anonymous donors. Such records should be used in only limited circumstances because it will thereafter be difficult to obtain a complete history of the donor giving.

Memorial Gifts

Memorial gifts to TLU allow donors to honor someone who has passed away. Families may ask that gifts be made to a charitable organization in memory of the deceased in lieu of flowers to a funeral. Memorial gifts may be made at any time and Texas Lutheran University will send notification of each remembrance to the family.

Interested donors should contact TLU's Development Office at (830) 372-8030 to inquire about memorial gifts that have already been established.

Raffles

Donors should know that the IRS does not consider the purchase of a raffle ticket to be a tax-deductible gift. TLU generally discourages raffles and is limited to two raffles annually on a University-wide basis. Anyone considering a raffle for the benefit of any arm of the University must contact TLU's Development Office at (830) 372-8030.

Record Retention

Development and Alumni Relations maintains hard copy records of gift transactions for at least three years. This includes copies of gift transmittals, correspondence, copies of checks, gift receipts, deposit slips, journals and all gift agreements.

Return of Gifts to Donors at Their Request

While such cases are exceedingly rare, a donor may request that a gift voluntarily made to TLU be returned. Such a request should immediately be communicated to the Gift Acceptance Committee for referral to and review by the Gift Acceptance Committee and General Counsel.

The Gift Acceptance Committee will make a final recommendation on the disposition of the request to the President and, if granted, a check will be produced and given to the donor.

Gifts from Faculty Members to Support Their Own Research

A faculty member who makes a contribution in support of his/her own research makes a gift to Texas Lutheran University. If the gift has not been fully spent when the donor leaves the faculty, the remainder will stay at TLU and not revert to the donor. These gifts cannot be used to pay the salary of the donor/faculty member. They may be subject to additional oversight and limitations on a case-by-case basis.

Board Designated Gifts

The Development Office will report individual undesignated gifts of \$50,000 or more to the Executive Committee of the Board of Regents via the President's Office. It is appropriate to recommend undesignated or designated use to the Executive Committee. After review the Executive Committee will designate the gift and report via the President's Office to Development for processing.

Gifts to Fraternal Organizations

As a separately incorporated entity, a fraternity or sorority is usually considered a social club, organized under section 501(c)(7) of the Internal Revenue Code. These groups are tax-exempt, but generally are NOT eligible to receive tax-deductible gifts from donors. We do not record these gifts to TLU as charitable gift in our office and will not report them on the donor's end of the year statement or provide a gift receipt.

Information for Gift Seekers

Who May Solicit Gifts

Most gifts to TLU are solicited and accepted by trained employees of the Department of Development and Alumni Relations located in the O.G. Beck Center.

Where appropriate and meaningful, other TLU individuals and organizations are encouraged to fundraise on behalf of TLU. Constituents include:

- Staff
- Faculty
- Students
- Organizations
- Departments
- Regents
- Board Members
- Alumni

The TLU constituents listed above must first obtain authorization to solicit gifts from the Development Office to prevent duplication of effort and avoid inundating donors with excessive or uncoordinated requests. Coordinating requests enhances TLU's success with procuring and

stewarding gifts and is not meant to dissuade TLU community members from their essential role in procuring resources for the University.

What follows are procedures for TLU constituencies to engage in fundraising, obtaining gifts-in-kind, and seeking external grants (i.e. disbursed by outside organizations, not by TLU).

How to Conduct a Fundraising Activity

Any individual, group, organization or department on campus wishing to engage in any type of fundraising activity should observe the following procedure at least two months beforehand:

1. Summarize the fundraising activity in writing by completing the *Request to Solicit Donations* form (appendix i) and sending to the Assistant Vice President for Development. The completed request should include the purpose of the fundraiser, the approximate range of dollar amounts to be asked for, a list of specific prospects who will be solicited, the benefit (if any) to the donor, and the timing of the fundraiser. Also include drafts of any fundraising promotional materials (e.g. letters or brochures), and a list of any vendors being used.
2. The Assistant Vice President for Development will review the request, determine the need for additional information, and forward the recommendation on to the Vice President for Development and Alumni Relations
3. If approved and after all solicitations are completed, the fundraising coordinator must then provide the Director of Development Services with the names of all donors and their respective gift value so the gifts can be properly recorded and acknowledged by TLU.

Seeking External Grants

TLU faculty members interested in seeking an external grant must first receive approval from the Associate Vice President for Academic Affairs, who will discuss the project with the Vice President for Academic Affairs and/or the Vice President for Development and Alumni Relations.

TLU staff members must submit their proposal with the Vice President for Development and Alumni Relations.

Upon approval of the Vice President for Academic Affairs/Vice President of Development and Alumni Relations, grant requests are passed on to TLU's Grants Committee. The committee evaluates and prioritizes potential grant proposals for consideration by external funders. The committee is comprised of:

VP for Academic Affairs
AVP for Academic Affairs

VP for Development and Alumni Relations
Director of Corporate and Foundation Relations

Soliciting Gifts-in-Kind

Most gifts to TLU are gifts of cash or readily marketable securities and are stewarded by professional employees from the Development Office. Other gifts are more complex, such as gifts-in-kind.

The process for seeking and accepting gifts-in-kind begins with completion of TLU's *Gift-in-Kind Proposal Submission Form* (appendix ii) involving these steps:

1. Include a detailed description of the prospective gift, its purpose to TLU, estimated value, and any and all restrictions placed on the gift by the donor. Submit the request at least two months prior to a gift's prospective delivery date to: Associate Vice President of Development, O.G. Beck Center.
2. The Associate Vice President of Development will review the request, research any additional information needed and make a recommendation to the Vice President for Development and Alumni Relations. The Vice President for Development and Alumni Relations will either approve or reject the request, or if it warrants additional consideration will forward the request on to TLU's Gift Acceptance Committee.
3. The Gift Acceptance Committee will meet to determine whether the proposed gift aligns with the University's academic or administrative purposes, positions, and programs, and will accept or reject the prospective gift.

Appendix i Request to Solicit Donations

Purpose of the fundraiser _____

Nature of donation (e.g., cash, gift card, supplies) _____

Range of dollar value(s) of request _____

List of individuals or organizations to be solicited (attach additional pages as needed) _____

Address(es) of those solicited _____

Note: Donors wishing to receive a formal gift acknowledgment from TLU for their IRS filings must be given a copy of TLU’s 501c3 letter verifying our not-for-profit status. All gifts received must be processed through the TLU Development Office.

Requesting Organization _____

Contact Name _____

Contact Phone _____

Contact Mailing Address _____

Contact Email Address _____

Request Submitted By:

Name (print): _____

Signature: _____ Date: _____

To Be Completed by Vice President for Development and Alumni Relations or designee:

[] Request Approved

[] Request Denied

Signature: _____

Date: _____

Appendix ii Gift-In-Kind Transmittal Form

1) DONOR INFORMATION

Name _____

SS# or TIN _____

Company Contact _____

Title _____

Address _____

Phone _____

Relationship to University

_____ Alum

_____ Friend

_____ Parent

_____ Faculty/Staff

_____ Other _____ (specify)

2) Gift Information: Describe the gift indicating the quantity, model number, manufacturer, etc., and whether it needs space, additional support, material and/or service to operate. (Attach a separate sheet if necessary)

3) Purpose of gift:

_____ endowment _____ (specify)

_____ capital project _____ (specify)

_____ department _____ (specify)

_____ other _____ (specify)

4) Gift Value: Estimated value: \$_____. Written documentation from donor establishing the value of the gift must be attached. Please indicate what valuation method was used.

_____ Appraisal

_____ Vendor/Donor documentation

_____ Published value (catalog, etc.)

_____ Itemized inventory list

_____ If value no provided by donor, then value determined by qualified expert on the faculty or staff.

5) Restrictions:

_____ Donor statement of limitations and stipulations attached.

_____ Gift to be retained, used for _____.

_____ Gift may be sold, proceeds used for _____.

| |
|---|
| Gift approved by Gift Acceptance Committee on _____, 2____. D.. |
|---|

Appendix iii - Letter of Intent

I / We, _____, hereby sign this letter of intent to give Texas Lutheran University \$_____ over the period covering _____. We intend to make this gift in the form of _____. Details for this gift are as follows:

(List all terms of the agreement: purpose, restrictions, method/frequency of payments, method of recognition for all print materials.

We are pleased to make this gift to Texas Lutheran University.

Printed Name(s) of donor

Signature(s) of donor

Date

Vice President for Development and Alumni Relations

(Date)



TEXAS LUTHERAN UNIVERSITY
Learn Boldly. Live to Inspire.

**INFORMATION FOR ELECTRONIC
TRANSFER OF STOCK**

1. Information for donor's broker:

TLU Tax ID #: 74-1109748

TLU Schwab Account #: 8760-5753

DTC #: 0164, CODE 40

2. Information to be provided to TLU by donor:

A. Donor's Name: _____

B. Name of Stock: _____

C. Number of Shares: _____

D. Broker: _____

E. Firm: _____

F. City: _____

G. Broker's Phone: _____

H. Purpose of Gift: _____

Thank you!

Appendix iv Guidelines for Establishing Named Endowed Funds

**Texas Lutheran University
Endowment Agreement**

Formal name of fund:

Date established:

Purpose and specifications:

Endowed funds are held in perpetuity by Texas Lutheran University and must be used in accordance with the donor's specifications. Over the course of time, should the University be unable to make awards based on the fund in accordance with restrictions specified above, the University will use earnings from the fund in a way that is compatible with the donor's intent.

**Amount of initial contribution
provided to establish fund:**

**Amount of principal required to
initiate awards from fund:**

**If initial contribution is less than
amount required for fund maturity,
what is anticipated plan for
bringing fund to maturity:**

Appendix v Establishing an Endowed Scholarship (Minimum Amount: \$25,000.00)

PURPOSE: The following procedure should be followed when setting up a fully endowed named scholarship, which consists of a donation of \$25,000 or greater, to ensure proper tracking and accurate accounting is maintained for assessment and auditing purposes.

PROCEDURE:

The **Endowment Creation Check-List** (located at I:\Development\Office Stuff\Documentation\Endowed Scholarship Procedures) is started by the Development Admin-I, who immediately upon finding out about an endowed scholarship from a development officer, gives the form to the Development Officer (DO) to begin the process.

Each of the positions indicated on the Endowment Creation Check-List have their own responsibilities and written procedures as part of the process. These positions are Development Officer (DO), Data Entry Coordinator (DEC), Administrator-I (ADM1), and Administrator-II (ADM2). Their procedures are stored at I:\Development\Office Stuff\Documentation\Endowed Scholarship Procedures. The forms required as part of these procedures are located in I:\Development\Office Stuff\Forms\Endowed Scholarships.

Addendum to the Endowed Scholarship

All changes to currently existing endowments at Texas Lutheran University will require the donor or his representative to sign an addendum to the endowment. An addendum is required for changes such as, a change to the name or title, a change in the designation of the gift, or any other change determined to be significant as to alter the recognition or distribution of the award. The addendum will include reference to the original endowment name, date and will detail the change being made. The addendum will be signed by the donor or his representative and an official of Texas Lutheran University. Both parties will sign two addendums with one signed addendum going to the donor or his representative and the second signed addendum to be placed in the donor's file. The Director of Development Services will be advised of the change in order to update the database. The form required for this process is stored in I:\Development\Office Stuff\Forms\Endowed Scholarships\Addendum to Signed Scholarship Guidelines.

Appendix vi Establishing a Fellowship (Minimum Amount: \$100,000.00)

Endowed Fellowships for New Faculty

I. Purpose of Endowed Fellowships

Endowed fellowships increase the University's ability to recruit and retain faculty members whose abilities and qualifications contribute significantly to the development and sustenance of the academic program. Endowed Fellowships differ from endowed chairs and professorships in that they are intended to support new, early-career faculty members as they establish themselves within TLU's community of learning and faith.

II. Appointment of Faculty and Terms of Endowed Fellowships

Appointments or changes in appointments to fellowships are made by the Vice President of Academic Affairs in consultation with the appropriate Dean and the President.

Appointments may be made at any faculty rank, but because of the nature of this program endowed fellowships normally accrue to those who hold the rank of Assistant Professor. Holders of, or candidates for, endowed fellowships are subject to the normal procedures and guidelines of the University regarding recruiting, promotion, and tenure.

Normally, appointment to an endowed fellowship is for a term of three years. During the term of the appointment the Fellow is expected to use the fellowship support fund to enhance his or her professional development as a teacher/scholar.

III. Procedures for Establishing Endowed Fellowships

Endowed fellowships are established by the Board of Regents upon the recommendation of the President.

Endowed fellowships are usually named to honor the donors of the funds used to establish such fellowships, or in honor or memory of persons designated by the donors. Normally, an endowment principal of at least \$100,000 is necessary to endow a fellowship.

IV. Support Fund

An annual, restricted support fund shall be established for each fellowship in the year following receipt of the endowment. The fund may be used to defray expenses associated with the holder's teaching or research, or it may be used at the discretion of the holder to support other dimensions of the University's academic program. It is part of the Fellow's responsibility to properly account for the funds, to follow University policy and procedures, and to file an annual report outlining how funds were used to benefit the fellow or TLU.

Approved by the Board of Regents May,
2002

Appendix vii Endowed Professorship Guidelines

**Approved by the Board of Regents, February 1993
Edited September 1996, August 2000, and March 2002**

I. Purpose of Endowed Professorships

The purpose of endowed professorships is to enhance the quality of the academic program. Endowed professorships increase the ability of the University to recruit and retain faculty members whose abilities and qualifications contribute significantly to the development and sustenance of the academic program. Endowed professorships support the University's emphasis on effective teaching of undergraduate students within its mission as a community of learning and a community of faith.

II. Procedures for Establishing Endowed Professorships

Endowed professorships are established and designated by the Board of Regents upon the recommendation of the President.

Endowed professorships are usually named to honor the donors of the funds used to establish such professorships, or in honor or memory of persons designated by the donors. Normally, an endowment principal of at least \$500,000 is necessary to establish an endowed professorship.

III. Appointment of Faculty to Endowed Professorships

Appointments to endowed professorships are made by the Board of Regents upon the recommendation of the President. Appointments may be made at any faculty rank, but appointees to endowed professorships normally hold the rank of Associate Professor or Professor. With the exception of this appointment procedure, holders of, or candidates for, endowed professorships are subject to the normal procedures and guidelines of the University regarding recruiting, promotion, and tenure.

Normally, appointment to an endowed professorship is for a term of five years, or until a faculty member leaves the employ of the University, whichever comes first. The professorship may be awarded to a faculty member any number of terms, or it may be assigned, without prejudice to the previous holder, to another member of the faculty. In the matter of appointments or changes in appointments to professorships, the Vice President of Academic Affairs confers with the appropriate Dean and the President. Final approval of the President normally follows review with the Board of Regents.

IV. Procedures, Benefits, and Responsibilities

Holders of endowed professorships are eligible for the following privileges and benefits (in addition to the privileges and benefits held by all faculty members):

A. Support Fund

A designated support fund shall be established annually for each professorship, to be managed by the professorship holder. The specific amount is initially recommended by the Vice President of Academic Affairs, approved by the President, and set by the Board of Regents. The amount of the support fund shall be identical for all endowed professorships. The fund may be used to defray expenses associated with the holder's teaching or research, or it may be used at the discretion of the holder to support other dimensions of the University's academic program.

B. Eligibility for Reduction in Teaching Load

Each holder of an endowed professorship is eligible for a course reduction of one course (or the equivalent) per academic year. This possibility of course reduction is intended to provide additional opportunities for professional growth or program development.

The reduction is not automatic; it must be documented that the reduction in teaching load serves the purposes of endowed professorships at Texas Lutheran University. The request for reduction must be reviewed and endorsed by the respective dean. The Vice President of Academic Affairs is responsible for reviewing each case on an individual basis, and for determining actual teaching assignments in consultation with the Dean.

C. Authority and Responsibilities

Holders of endowed professorships function within the normal academic structure of the University. They hold appointment to one or more academic departments. Except as specified above, their teaching, advising, and other assignments are established through normal University procedures. Annual performance reviews are conducted by respective department chairs and deans.

Holders of endowed professorships are expected to exhibit distinguished leadership in the areas of faculty responsibility: teaching, advising, professional development/scholarship, and/or service.

Appendix viii Endowed Chair Guidelines

**Approved by the Board of Regents, February 1993
Edited September 1996, August 2000, and March 2002**

I. Purpose of Endowed Chairs

The purpose of endowed chairs is to enhance the quality of the academic program. Endowed chairs increase the ability of the University to recruit and retain faculty members whose abilities and qualifications contribute significantly to the development and sustenance of the academic program. Endowed chairs support the University's emphasis on effective teaching of undergraduate students within its mission as a community of learning and a community of faith.

II. Procedures for Establishing Endowed Chairs

Endowed chairs are established and designated by the Board of Regents upon the recommendation of the President.

Endowed chairs are usually named to honor the donors of the funds used to establish such chairs, or in honor or memory of persons designated by the donors. Normally, an endowment principal of at least \$1,000,000 is necessary to establish an endowed chair.

III. Appointment of Faculty to Endowed Chairs

Appointments to endowed chairs are made by the Board of Regents upon the recommendation of the President. Appointments may be made at any faculty rank, but appointees to endowed chairs normally hold the rank of Associate Professor or Professor. With the exception of this appointment procedure, holders of, or candidates for, endowed chairs are subject to the normal procedures and guidelines of the University regarding recruiting, promotion, and tenure.

Normally, appointment to an endowed chair is for a term of five years, or until a faculty member leaves the employ of the University, whichever comes first. The chair may be awarded to a faculty member any number of terms, or it may be assigned, without prejudice to the previous holder, to another member of the faculty. In the matter of appointments or changes in appointments to chairs, the Vice President of Academic Affairs confers with the appropriate Dean and the President. Final approval of the President normally follows review with the Board of Regents.

IV. Procedures, Benefits, and Responsibilities

Holders of endowed chairs are eligible for the following privileges and benefits (in addition to the privileges and benefits held by all faculty members):

A. *Support Fund*

A designated support fund shall be established annually for each chair, to be managed by the chair holder. The specific amount is initially recommended by the Vice President of Academic Affairs, approved by the President, and set by the Board of Regents. The amount of the support fund shall be identical for all endowed chairs. The fund may be used to defray expenses associated with the holder's teaching or research, or it may be used at the discretion of the holder to support other dimensions of the University's academic program.

B. *Eligibility for Reduction in Teaching Load*

Each holder of an endowed chair is eligible for a course reduction of one course (or the equivalent) per semester. This possibility of course reduction is intended to provide additional opportunities for professional growth or program development.

The reduction is not automatic; it must be documented that the reduction in teaching load serves the purposes of endowed chairs at Texas Lutheran University. The request for reduction must be reviewed and endorsed by the respective dean. The Vice President of Academic Affairs is responsible for reviewing each case on an individual basis, and for determining actual teaching assignments in consultation with the Dean.

C. *Authority and Responsibilities*

Holders of endowed chairs function within the normal academic structure of the University. They hold appointment to one or more academic departments. Except as specified above, their teaching, advising, and other assignments are established through normal University procedures. Annual performance reviews are conducted by respective department chairs and deans.

Holders of endowed chairs are expected to exhibit distinguished leadership in the areas of faculty responsibility: teaching, advising, professional development/scholarship, and/or service.