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Charitable Giving

Part II

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VANDERBILT UNIVERSITY

Manual: Development and Alumni Relations Policy Manual
Section: General Policies and Procedures
Subject: Gift Acceptance and Endowment Policies
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Applies To: Vanderbilt University Staff Responsible for Donations
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I. OVERVIEW

A. What is a Gift?

A gift is a voluntary, irrevocable, gratuitous transfer to, and acceptance by, Vanderbilt of cash or cash equivalent, securities, or property of value, or an instrument (such as a deed or assignment) that legally vests an interest of value in the university. Gifts can come from individuals, corporations, partnerships, private liability companies, private foundations, community or corporate foundations, donor-advised funds, public charities, estates, trusts, and other similar entities.

A gift may be either **outright** (i.e., the donor retains no use of, or ownership in, the assets donated) or **in trust**, in which case the donor contributes to the university either a “future interest” in a trust’s principal value or the right to a trust’s income for a certain term. The 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. The donor may add the gift to an **existing fund** or establish a **new fund**.

The purpose and use of a gift as specified by the donor must be appropriate to the functions and character of Vanderbilt, as determined by the university’s policies and procedures and, where necessary or appropriate, as approved by university officers (such as in the establishment of new programs, centers, institutes). It must not require Vanderbilt to act contrary to the law or public policy in any manner. Vanderbilt will accept no gift with restrictions that, in the university’s judgment, discriminates unlawfully or contrary to university policy on the basis of race, color, religion, sex, national or ethnic origin, age, disability, sexual orientation, gender identity and expression, or military service.

Gifts should be in amounts appropriate to the specific uses and consistent with the university’s published program and planning priorities. Gifts should not be directed to purposes that are so narrowly restricted that effective use or administration—either immediately or over time—will be problematic.

Gifts requiring a commitment by the university to spend Vanderbilt funds, either upon receipt or in the future, in addition to amounts donated or pledged, must receive prior approval from the Gift Review Committee and the chancellor, and in certain instances, the Board of Trust or the appropriate committee of the Board of Trust. Examples of such gifts include:

1. Matching funds by the university;
2. A commitment to continue a project after termination or exhaustion of the gift;



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3. Financing of construction projects;
4. A commitment to finance or administer an undertaking outside the routine functions of the university or any part thereof.

B. Grants

Certain philanthropic "grants" consist of payments by a foundation or corporation in response to a proposal requesting unrestricted or restricted monies for the university, a school, center, institute, department, division, or specified project over a set period of time. Working with Development and Alumni Relations (DAR), the Office of Sponsored Research (university central schools) and the Office of Grants and Contracts (School of Medicine, School of Nursing) approve and monitor these gifts, including any discussion and agreement concerning overhead. Vanderbilt will count them in annual and campaign fundraising totals as is consistent with national guidelines, and record them in the gift system, Advance.

C. Gift Review Committee

The provost, vice chancellor for health affairs, vice chancellor for development and alumni relations, and vice chancellor for finance and chief financial officer (or their designees) will serve as the members of the Gift Review Committee. The Office of General Counsel (OGC) will provide legal advice and counsel to the committee. This committee will:

1. Approve all amendments to the Gift Acceptance and Endowment Policies;
2. Review and consent to any exceptions to these policies;
3. Determine, on a case-by-case basis, whether Vanderbilt may accept specific gifts.

Working with their respective deans, fund raisers should summarize all issues and forward to the vice chancellor for development and alumni relations for consideration by the Gift Review Committee.

D. Gift Agreements

Restricted and unrestricted gifts and pledges to Vanderbilt of \$25,000 or more and gifts and pledges for the creation of a new endowed fund require a written gift agreement signed by the donor and accepted on behalf of the university by the chancellor and vice chancellor for development and alumni relations. Additionally and where appropriate, the dean of a school or other university representatives may be signatory to the gift agreement. The gift agreement must include:

1. Signature of the donor(s)
2. The amount the donor promises to give to Vanderbilt;
3. The period in which the donor intends to make gifts in satisfaction of the promise and/or a schedule of payments (generally not to exceed five years);
4. The purpose for which the gift will be used;
5. A copy of the appropriate estate planning documents when the fund is established by a bequest.

E. Multiple Donors to the Same Fund

On occasion, multiple donors seek to raise monies for the same purpose (e.g., a class fund, an endowed chair). In these situations, when gifts and/or pledge commitments of \$25,000 have been received/pledged, a document signed by the chancellor and the vice chancellor for development and alumni relations will serve as the gift agreement for a new endowed fund.

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