

## Fundraising Policies

The encouragement of philanthropy toward SNHU is an obligation of all members of the university community. The following statements of policy provide guidance in the discharge of that obligation.

These standard operating procedures are designed to protect SNHU and the persons and other entities that support its programs, and to assure that all gifts to, or for the use of SNHU are structured to provide maximum benefits to all parties.

The goal of these policies is to encourage funding of SNHU without encumbering gifts which may generate more cost than benefit, or which are restricted in a manner not in keeping with the goals of the university, while maintaining consistency of practices, and upholding the highest standard of integrity for SNHU.

To optimize funding from individuals and entities, SNHU must be capable of responding quickly, and in the affirmative where feasible, to all gifts offered by prospective donors. These procedures must be flexible since some gift situations can be complex, and decisions can be made only after careful consideration of a number of interrelated factors.

Therefore, these procedures require, in some instances, that the merits of a particular gift are to be considered by the Vice President for Institutional Advancement (VPIA) or an authorized designee, and a final decision rendered.

### ETHICS IN FUND RAISING

SNHU operates in compliance with the *Code of Ethical Principles and Standards of Professional Practice* as enunciated by the Association of Fundraising Professionals

(AFP), the Council for Advancement and Support of Education (CASE) , and endorses their policies.

SNHU will make available for public review in its office of Institutional Advancement the Donor Bill of Rights , spelling out for donors the conduct and service they can and should expect from an organization they support.

### GENERAL FUND RAISING PROCEDURE

1. SNHU will comply with all state, city, and federal laws regarding charitable solicitation.
2. SNHU will comply with all CASE policies, standards and guidelines.
3. SNHU will adhere to the ethical guidelines for fund raising promulgated by the AFP and CASE.
4. SNHU will maintain the confidentiality of donor information and not disclose any information or list which includes individual names, addresses and/or phone numbers outside of the university without the prior permission of each individual.
5. SNHU fundraising activities should be limited to projects and programs that enhance the image of the university.

6. SNHU shall, when goods or services are given to a donor as part of the gift process, identify at the point of solicitation and in all points of solicitation materials that:
  - a. SNHU is the beneficiary
  - b. Written information about SNHU is available,
  - c. The actual or anticipated portion that is tax deductible.

## FUND-RAISING POLICY

The Institutional Advancement Office supervises fund-raising activities for Southern New Hampshire University. The Development Office governs access to the university's principal constituents and supporters (trustees, alumni, parents, faculty, staff, friends, foundations and corporations) for fund-raising purposes or solicitations of any kind and oversees the implementation, management and coordination of all fund-raising programs and materials.

All university departments, enterprises, individuals and organizations who wish to conduct fund-raising programs or solicitations that target the university's constituents and/or supporters must have their plans reviewed prior to implementation by the Vice President for Institutional Advancement and/or the Development Office.

## GIFT ACCEPTANCE POLICY

This policy serves as a guideline to the Southern New Hampshire University Institutional Advancement staff. This policy is intended only as a guide and allows for some flexibility on a case-by-case basis.

1. SNHU reserves the right to accept or reject any gift.
2. No general or group solicitation shall be undertaken by any unit of SNHU without the approval of the Vice President for Institutional Advancement and/or the office of Development.
3. Discrimination on the basis of race, creed, color, sex or national origin violates public, as well as SNHU policy; therefore gifts or grants that necessitate illegal discriminatory use or administration will not be accepted.
4. SNHU recognizes and respects the right of a donor to channel gifts to a favored, restricted purpose, and the restriction for any gift accepted by SNHU will be implemented faithfully. In recognition, however, of the problems for SNHU and the donor often implicit in restricted gifts, the following policies are made applicable:
  - a. If consistent with the donor's intention, any restriction should be in non-legally binding language that permits an alternative use should a change in circumstances render honoring the restriction impossible or extremely difficult;
  - b. A restriction on the use or administration of a gift keyed to the incumbency of any individual in a university post ordinarily will not be accepted;
  - c. The administration and use of gifts cannot be directed by alumni or other donors;
  - d. All gifts solicited in the name of and treated as a gift to SNHU shall be received and expended by SNHU through regular channels;

## TYPES of GIFTS ACCEPTED

### 1. CASH

- a. SNHU accepts gifts of cash, check or credit card for any qualified purpose, regardless of the gift amount.
- b. Checks shall be made payable to SNHU or to a particular program or project at SNHU. In no event shall a check be made payable to an individual who represents SNHU.
- c. Credit card gifts represent a form of loan transaction between the donor and the credit issuer. SNHU will record the gift when it receives authorization for the charge from the credit card agency.

### 2. GIFTS-IN-KIND

- a. Gifts-in-kind are generally defined as non-cash donations, other than real or personal property, of materials or long-lived assets.
- b. SNHU will adhere to CASE standards for gift-in-kind recording and reporting purposes, i.e. SNHU will report the face (fair market) value of gifts-in-kind that are directly related to the University's mission.
- c. SNHU will use the educational discount value (if an educational discount is offered) for gifts-in-kind, especially for such items as equipment and software.

### 3. PUBLICLY TRADED SECURITIES

- a. SNHU can accept readily marketable securities, such as those traded on a stock exchange.
- b. SNHU will likely sell the securities immediately upon receipt.
- c. For SNHU gift crediting and accounting purposes, the value of the securities is its mean value (the average of the high and low stock price) on the date of the gift.
- d. The date of the gift of securities is the date the donor relinquishes control of the stock, i.e. postmark if mailed, otherwise the date the donor instructs his/her broker to make the transfer.

### 4. CLOSELY HELD SECURITIES

- a. Non-publicly traded securities may be accepted after consultation with the Institutional Advancement office.
- b. Prior to acceptance of non-publicly traded (closely held) securities, SNHU shall explore methods of liquidation for the securities through redemption or sale. A representative of SNHU shall contact the closely held corporation to determine an estimate of fair market value, and any restrictions on transfer.
- c. No commitment for repurchase of closely held securities shall be made prior to completion of the gift of securities.

### 5. REAL ESTATE

- a. Gifts of real estate must be reviewed by the SNHU administration or IA office before acceptance.
- b. The donor is responsible for obtaining and bears the cost of an appraisal of the property.

- c. Gifts of property shall be acknowledged in terms of precise description of the property but without a qualified appraisal or evaluation made by SNHU; SNHU may procure an appraisal from a competent and disinterested third party; the donor is responsible for obtaining and bears the cost of an appraisal of the property.
- d. Prior to acceptance of any gift of real estate, a member of the university staff designated by IA must conduct a visual inspection of the property. If the property is located in a geographically remote area, a local real estate broker can substitute for a member of the staff in conducting the visual inspection.
- e. The donor must provide the following documents:
  - i. Real estate deed
  - ii. Real estate tax bill
  - iii. Plot plan
  - iv. Substantiation of zoning status
- f. Depending on the value and desirability of the gift, the donor may be asked to pay for all or a portion of the following:
  - i. Maintenance costs
  - ii. Real estate taxes
  - iii. Insurance
  - iv. Real estate broker's commission and other costs of the sale
  - v. Appraisal costs
- g. For SNHU's gift crediting and accounting purposes, the value of the gift is the appraised value of the real estate obtained within 60 days of the gift.

## 6. LIFE INSURANCE

- a. SNHU will accept matured life insurance policies as gifts if the university is named as the owner and irrevocable beneficiary of the policy.
- b. If the policy is partially or fully paid-up, its gift value for SNHU's gift crediting and accounting purposes is the policy's cash surrender value as identified in writing by the insurance provider. (Note: For IRS purposes, the donor's charitable income tax deduction for a partially paid-up policy gift is equal to the interpolated terminal reserve, which is an amount slightly in excess of the cash surrender value.)
- c. SNHU will accept gifts of life insurance policies, including whole life, variable and universal life policies, which meet the following three criteria:
  - i. The policy is either paid-up or, if not paid-up as of the date of the gift:
    1. Has a minimum face value of \$25,000
    2. Has a payment schedule that, based on current dividend scales which are not guaranteed, allows the policy to be paid by dividends within 12-15 years ; and
    3. Requires a written pledge of a charitable contribution from the donor to SNHU in a total amount which equals or exceeds the total premiums due, and with the pledge payments scheduled so as to equal or exceed each policy payment as that payment becomes due. This written pledge also will acknowledge

the absolute ownership by SNHU of the policy given and acknowledge the resulting right of SNHU to cash-in the policy and apply the proceeds of the same for the benefit of the University in accordance with an existing endowment agreement, if any; and if there is no endowment agreement in effect, or if minimum funding levels for the same are not attained with the proceeds, then the pledge shall provide that the proceeds shall be applied for the benefit of SNHU as the Trustees of the University may deem appropriate, giving due consideration to the intent of the donor.

- ii. SNHU is designated as the owner and the beneficiary of the policy. (While the policy will identify SNHU as the beneficiary, the development officer should work with the donor to clarify the purpose of the gift—whether it be for endowment (existing or new), specific program or department, or unrestricted use – by attachment of a memorandum, letter, or endowment agreement to the policy.)
  - iii. If intended for endowment purposes, the face value of the policy meets the minimum funding standards for endowments for its stated purpose(s) established by the Board of Trustees and in effect at the time of the gift of the policy. (Development officers need to be aware that the actual funding of an endowment funded with the proceeds of life insurance takes place following the death of the insured, and the minimum funding requirements that are in effect at the time of the insured's death will govern whether there are sufficient death benefits to fund such endowment for its stated purpose(s).)
- d. SNHU may be named a beneficiary to a life insurance policy without being named as policy owner as part of a donor's bequest, and will report as a gift the full amount of the insurance company's settlement at the death of the donor on the date the University receives the proceeds.

## 7. **PERSONAL PROPERTY**

- a. Personal property is defined as anything other than real property that is subject to personal ownership. There are two types of personal property, tangible property and intangible or intellectual property.
- b. Tangible personal property includes but is not limited to animals, cars, boats, securities, food or other items used for hosting dinners, personal collections of art, books.
- c. Examples of intangible or intellectual property include patents, copyrights, computer software under development, etc.
- d. All gifts of personal property must be reviewed by the office of Institutional Advancement or a selected SNHU member before acceptance.
- e. Gifts of tangible property should have a use related to the University's tax-exempt purpose.
- f. Such gifts of tangible property defined above shall be used by or sold for the benefit of SNHU.
- g. No property that requires special display facilities or security measures shall be accepted by SNHU.
- h. SNHU adheres to CASE standards for gift records and all IRS requirements related to disposing of gifts of tangible personal property and filing appropriate forms.
- i. SNHU will count gifts of tangible and intangible personal property that qualify as charitable deductions for a donor following the best practices as set by CASE standards and generally at fair market value regardless of the value the donor may be able to take as a charitable deduction.

- j. If the fair market value of intangible or intellectual property is not known and cannot be readily determined, SNHU will report the asset in the year the value becomes known.
- k. Following IRS requirements, gifts of personal property with a fair market value greater than \$5,000 require a value from a qualified independent appraiser, generally paid for by the donor.

## **8. PLANNED GIFTS**

- a. SNHU shall not act as an executor (personal representative) for a donor's estate.
- b. SNHU may act as co-trustee on a charitable remainder trust when the trust names SNHU as a beneficiary of 50% or more of the trust.
- c. SNHU will provide for the drafting of legal documents for a charitable remainder trust when SNHU is named as a beneficiary of 50% or more of the trust. The donor's own counsel must review the documents at the donor's cost.

### **A. Charitable Gift Annuities**

- a. Administrative fees will be paid by SNHU.
- b. There shall be no more than 2 beneficiaries on a charitable gift annuity.
- c. The minimum gift accepted to establish a charitable gift annuity is \$15,000 and is subject to change.
- d. No income beneficiary for a charitable gift annuity shall be younger than 65 years old.
- e. SNHU follows the American Council on Gift Annuities suggested rates.

### **B. Deferred and Flexible Deferred Gift Annuities**

- a. Administrative fees will be paid by SNHU.
- b. There shall be no more than 2 beneficiaries on a deferred gift annuity.
- c. SNHU follows the American Council on Gift Annuities suggested rates.

### **C. Charitable Remainder Trusts**

- a. Due to the cost of drafting and administration, the minimum to establish a charitable remainder trust is \$100,000, and is subject to change.
- b. Management fees for the administration of a charitable remainder trust when SNHU is named as trustee or co-trustee shall be paid from the income of the trust.
- c. Investment of a charitable remainder trust shall be determined by the fiduciary hired to manage the trust. No representation shall be made by any SNHU employee or person acting on behalf of SNHU as to the management or investment of such charitable remainder trust.
- d. The payout rate of the charitable remainder trust shall be determined in consultation with the donor and a SNHU investment advisor. By law, the payout rate cannot be lower than 5%. The payout rate shall be negotiated between the donor and SNHU and shall reflect the number of beneficiaries, their ages, the size of the trust, and type of trust (Unitrust (CRUT), income exception Unitrusts (Unitrust-Net Income (NICRUT), Unitrust-net income with makeup provisions (NIMCRUT), Unitrust-percentage (NIMCRUT)), Unitrust combination (flip CRUT), Annuity Trust (CRAT)).

## D. **Bequests**

- a. Assets transferred through bequests that have an immediate value to SNHU or can be liquidated shall be encouraged by IA staff.
- b. Gifts that appear to require more cost than benefit shall be discouraged or rejected.
- c. The office for Institutional Advancement recommends that restricted provisions be described as broadly as possible and that detailed limitations be kept to a minimum. Consult with the Vice President for Institutional Advancement before drafting any such provisions to assure that they can be implemented according to the donor's desires.
- d. The office of Institutional Advancement can provide sample bequest language

## E. **Retirement Plans**

- a. SNHU can benefit from being named as a Beneficiary of Individual Retirement Accounts (IRAs), tax-sheltered annuities, Keogh plans, self employed plans (SEP)s, 401(k), 403(b) and other qualified pension and profit-sharing plans.
- b. A donor names SNHU as a beneficiary of the plan using a Beneficiary Designation Form secured through their employer or financial planner and informs SNHU of the planned bequest.
- c. The funds usually pass to SNHU outside of probate and free of all taxes.
- d. A donor can name SNHU as primary beneficiary by including in his/her will words similar to the following: All charitable gifts will first be funded with the right to receive any property which would be taxed as income in respect of a decedent if any such right is received by the Estate/Trust.”
- e. A donor can name SNHU as a contingent beneficiary on a Beneficiary Designation Form with the spouse listed as a primary beneficiary. The surviving spouse may choose to remain the designated beneficiary and receive payments per the retirement plan or may choose to roll the balances over into their own IRA. (If the surviving spouse rolls the balance into their account a new Beneficiary Designation Form must be completed to designate SNHU as a beneficiary.) Upon the death of the surviving spouse, the remaining balances may then be distributed to the designated beneficiary.
- f. A donor may designate a testamentary Unitrust as the beneficiary. This trust is exempt from both income and estate tax through a combination of charitable and marital deductions and pays income to the surviving spouse for life. Upon the death of the second spouse, the testamentary trust principal is distributed to SNHU without payment of any income tax on the amount.

## 9. **ENDOWED FUND**

To endow a scholarship or other fund, a donor must sign a Memorandum of Agreement with Southern New Hampshire University as set forth by the office of Institutional Advancement. The minimum to endow a scholarship/fund is \$50,000. The university Board of Trustees reserves the right to approve or disapprove the agreement based on the needs and best interests of the university. The property comprising this gift may, for investment purposes, be merged with the general investment assets of Southern New Hampshire University. The gift shall be entered into the University's books and records as the name of the fund as it appears on the Memorandum of Agreement and shall always be so designated. The spendable income therefrom, but not the principal, shall be used for scholarship awards or other purpose as stated in the memorandum of Agreement. If, in the opinion of the trustees of the University, or their successors, the

need for funds for the charitable purpose described above no longer exists at some future date, the trustees, or their successors, are authorized to use these funds in the best interest of the University, provided that the identity of the fund is maintained.

The Southern New Hampshire University Office for Institutional Advancement recommends that restricted provisions be described as broadly as possible and that detailed limitations be kept to a minimum. Please consult with the Vice President for Institutional Advancement before drafting any such provisions to assure that they can be implemented according to the donor's desires.

Institutional Advancement will enforce the Fund-raising and Gift Acceptance policies.

## NEXT STEPS:

To receive further information and assistance about our fundraising policies, or to learn more about how your gift can help Southern New Hampshire University, please contact Lisa Christensen.

- call **603-629-4696**
- email **[l.christensen@snhu.edu](mailto:l.christensen@snhu.edu)**

\* Because everyone's situation is different, we encourage you to seek professional legal, estate planning, and financial advice before deciding on a course of action. This information does not constitute legal or financial advice and should not be relied upon as a substitute for professional advice.



By supporting Southern New Hampshire University with your philanthropic donations, you are helping us expand access to education to meet the unique needs of each and every student.

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