

SECTION: **POLICY STATEMENT - GENERAL AND ADMINISTRATIVE**

SUBJECT: **GIFT MANAGEMENT POLICY**

PURPOSE: To provide management with the criteria and framework by which donations may be accepted, managed and conveyed.

EFFECTIVE DATE: **February 2, 2001**

HISTORICAL: May 9, 1997; June 9, 2000

GIFT MANAGEMENT POLICY

I. BACKGROUND AND PURPOSE

- A.** This policy statement has been adopted by the Cal Poly Corporation (“CPC”) Board of Directors to provide management with the criteria and framework by which donations may be accepted, managed, and conveyed in appropriate circumstances.

Title 5 of the California Code of Regulations (Section 42500) provides the broad authority of the CPC to function as the recipient/donee of private support gifts under the terms of an appropriate agreement between CSU Trustees and the CPC. Authority for the CPC to function as the donee/recipient of gifts is set forth in University policy and master operating agreements between these entities. The provisions of this policy shall be interpreted consistent with these policy statements and agreements.

The Financial Accounting Standards Board (FASB) is one of the governing bodies that monitor accounting policies and issues standards. These standards are followed by the accounting profession and need to be applied to our financial statements in order to receive a non-qualified audit from the CPC’s auditors. The Financial Accounting Standards Board issued Standard No. 116, *Accounting for Contributions Received and Contributions Made* in June 1993.

This Statement establishes accounting standards for contributions and applies to all entities that receive or make contributions. Generally, contributions received, including unconditional promises to give, are recognized as revenues in the period received at their fair values. In-kind contributions made, including unconditional promises to give, are recognized as expenses in the period made at their fair values. Written Promises to give are recognized when received. See Section II C.

The CPC is an IRS qualified Section 501(c)(3) tax-exempt charitable-educational organization. The IRS has classified the CPC as not being a public charity per Section 509(a) of the U. S. Internal Revenue Code. The State of California has classified the CPC as a public benefit corporation under the Nonprofit Corporation Law.

This statement revises the June 9, 2000 version which superseded the "Gift Acceptance Policy" adopted by the Board in 1997, and shall apply to all gifts and related funds accepted on or after February 2, 2001.

II. POLICY

A. General

1. Only gifts, bequests, devices, endowments, trusts, and similar funds or other assets which are designated for the use of (in trust for) the University or to the CPC for University programs or projects may be considered for acceptance.
2. Except as provided below, the CPC Executive Director, or his designee, has authority to accept gifts or related funds and instruments designated by the donor/grantor for purposes or uses previously approved by the Board of Directors, or for established, instructional or support programs and functions of the University authorized by the University President or his designee.
3. Donated real property may be sold or otherwise conveyed at fair market value, consistent with any gift restrictions with concurrence by the University President. Such sales or conveyance shall be authorized by the Executive Director in consultation with the appropriate Board committee.

B. Special Acceptance Criteria

1. The CPC Executive Director, or a designee, in consultation with the University President or a designee, and the Investment Committee of the Board of Directors, has authority to accept real estate gifts, either outright or in trust, within the following parameters:
 - a. The title is in a form satisfactory, as evidenced in a preliminary title report.
 - b. A qualified appraisal has been received from the donor.
 - c. The owner confirms they are not presently under any legal obligation to sell or otherwise convey the property.
 - d. A site inspection has been conducted by Foundation or University staff, with satisfactory findings from an appropriate environmental review.
 - e. A Phase I environmental impact has been conducted on any special use property, with a positive environmental assessment.
2. Real Property offered for acceptance not meeting Section B1 parameters, New University Programs, or donations involving a substantial or unique obligation of the Foundation, shall be submitted to the University President

for approval as to its acceptability and conformance with CSU regulations (particularly Cal. Code of Reg. Sec. 42500(c) regarding real property) and then to the Board of Directors for consideration.

3. Gifts of Personal Property

- a. Breeding stock requires the approval of the University's Dean, College of Agriculture, or his designee, as a precondition to any acceptance consideration by the Foundation.
- b. Expendable supplies/materials which involve on-campus floor space necessary to house the gift in excess of 100 square feet shall require a certification from a designated University official that: the gift is acceptable; space is available; acceptance of the property will require reasonable storage costs, in relation to value and use; and the funds for such costs are available.
- c. Vehicles and equipment involving on-campus space necessary to house the gift in excess of 100 square feet shall require a certification from a designated University official that: the gift is acceptable; authorized space of equipment has been obtained; acceptance will require reasonable operation, repair, and maintenance costs in relation to value and use; and the funds for such costs are available.

The CPC will consider transfer title/ownership of such gifts to the University when circumstances unique to the gift or conditions of its donation and acceptance or operational considerations make such transfer feasible.

- d. Gifts of stocks, bonds and similar instruments shall be subject to processing in accordance with established investment policy and management guidelines regarding retention in portfolio or sale.

C. Accounting Standards Compliance

FASB Statement No. 116 requires the CPC to distinguish between contributions received that increase permanently restricted net assets, temporarily restricted net assets, and unrestricted net assets. The CPC must recognize the expiration of donor-imposed restrictions in the period in which the restrictions expire. Certain exceptions are allowed for contributions of services and works of art, historical treasures, and similar assets.

Contributions of services are recognized only if the services received (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of works of art, historical treasures, and similar assets need not be recognized as revenues and capitalized if the donated items are added to collections held

for public exhibition, education, or research in furtherance of public service rather than financial gain.

This Statement requires certain disclosures for collection items not capitalized and written confirmation of contributed services and promises to give.

III. REPORTS TO THE BOARD

Major or unique gifts and their disposition shall be periodically reported to the Board.

IV. IMPLEMENTING GUIDELINES

The Executive Director is authorized to establish management guidelines consistent with and in implementation of this policy statement.