

The Board of Trustees of the Educational Foundation and University staff, in particular the Office of University Advancement, solicit current and deferred gifts from individuals, corporations, foundations, and other private entities to secure the financial growth and fulfill the mission of the University. The purpose of this policy is to define the practices governing the acceptance of gifts by the Educational Foundation (Foundation) and the University, and to provide guidance to prospective donors and their advisors when making gifts to the Foundation and University, to facilitate the gift-giving process.

GENERAL

The Foundation will accept unrestricted and restricted gifts, provided that such gifts are

Date of Board Approval: December 8, 2022

Date of Last Revision: 5/11/22 FUNDRAISING & DEVELOPMENT

PURPOSE

Chair of the Board of Trustees

Chair of the Development Committee

A member of the Finance and Investment Committee

The Foundation President shall serve as the Chair of the Gift Acceptance Committee. The Chair shall consult with the University President prior to any meeting of the Gift f.001 Tw [Boa)-3 (r)3 (d)

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market value to be \$5,000 or more.

Extraordinary gifts of tangible personal property will be referred to the Gift Acceptance Committee that will consider the following factors in reviewing such gifts for acceptance:

- Does the property further the mission and purposes of the University?
- Is the property marketable, or can it be used by the University in furtherance of the University's purposes and mission?
- Are there any restrictions on the use, display or sale of the property?
- Are there any carrying costs, possible adverse legal consequences, or potential liabilities associated with ownership of the property?

C. **Securities** - The Foundation accepts both publicly traded securities and closely-held securities under the conditions described below:

- 1) **Publicly traded securities** These are securities regularly traded on a public stock exchange. It is preferred that donors electronically transfer marketable securities directly to the Foundation's brokerage accounts. Transfers made directly to the brokerage accounts will be liquidated almost immediately and with little additional paperwork required from donors. Alternatively, marketable securities may be delivered physically to the Foundation office with the donor's/transferor's stock power attached. It is the Foundation's policy to sell all marketable securities on receipt. The value of a gift of publicly traded stock will be calculated using the mean share price between the high and low selling prices quoted on the day the stock is transferred to the Foundation.
- 2) **Closely held securities**- Acceptance of closely-held securities that include not only debt and equity positions in non-publicly traded companies but also interests in limited partnerships and limited liability companies, or other ownership funds, must be approved by the Gift Acceptance Committee, with the following considerations: any restrictions on the security that would prevent its conversion to cash, the marketability of the security, and the potential for other undesirable consequences for the Foundation.

Founder's stock Stock of a company that has gone public where the founder(s) still own shares after the initial public offering (IPO) may be gifted to the Foundation; those securities which are determined to be restricted by applicable securities laws will be

of the property for the purposes of the Foundation or university; marketability of the property, relative to its condition; any restrictions, reservations, easements, or other limitations associated with the property; carrying costs, such as insurance, property taxes (taking into account that the Foundation is not eligible for any homestead exemption), mortgages, or notes, associated with the property; the results of the environmental study report, and any potential liability for cleanup or restoration of the property that may be imposed under current law to a transferee.

- F. **Intangible—copyright or patent** - generally produce royalty income that is excluded from unrelated business taxable income under IRS section 512(b)(2). Donors are recommended to obtain his/her own legal and financial counsel.

TYPES OF GIFT VEHICLES

- A. Outright
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long-lived assets, other than real and personal property. Gifts of materials or long-lived assets that are directly related to the mission of the institution should be reported at the face (or fair market) value.

Gifts-in-kind might include such items as equipment, software, printed materials, items used for auctions, hosting dinners, etc. For all gifts-in-kind, especially items such as equipment, should be reported at the educational discount value (if an educational discount is offered)—that is, the value the institution would have paid had it purchased the item outright from the vendor regardless of the estimated value a vendor may place on a gift-in-kind.

Common examples of gifts-in-kind include:

Hardware and Software – Any proposed computer-related gifts must meet approved campus baseline standards. The gifts must also be irrevocable with ownership of the property transferred to the institution to qualify as a charitable deduction. There must be no implicit or explicit exchange, purchase of services, or provision of exclusive information.

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that will be given by that legal entity.

C. Remainder interests in residences and farms or Retained Life Estate Gift:

The Foundation will accept a remainder interest in a personal residence, farm, or vacation property subject to the provisions regarding the acceptance of real estate outlined previously in this policy document. The donor or other named life tenant may continue to occupy the real property for the duration of the stated life or the stated term interest. Expenses for maintenance, real estate taxes, and any property indebtedness are to be paid by the donor or life tenant. A contractual agreement between the donor and the Foundation will be required. At the death of the donor or life tenant or term of years' tenant, as applicable, the Foundation may use the property or reduce it to cash. All procedures for evaluating proposed gifts of real property, outlined elsewhere in this document, apply to proposed retained life estate gifts as well. The donor has certain legal and financial obligations to undertake. Donors are required to have all documents related to a proposed retained life estate gift reviewed by their own attorneys.

D. Bargain sales:

The Foundation may enter into a bargain sale arrangement only when the bargain sale furthers the mission and purposes of California State University, East Bay. A bargain sale is a sale of property for less than its fair market value. Some donors are willing to sell their property for an amount equal to their cost basis. The donor then recovers the donor's investment and receives a charitable deduction for the appreciated portion. All bargain sales must be reviewed and approved by the Gift Acceptance Committee. Factors used in determining the appropriateness of the transaction include: the results of an independent appraisal, obtained at the donor's expense, substantiating the value of the property; whether the Foundation will assume any debt with the property; the marketability of the property for sale within 12 months of receipt; and carrying costs associated with the property during the holding period prior to sale.

E. Transfer of ownership of policy:

The "Cal State East Bay Educational Foundation" must be named both beneficiary and irrevocable owner of an insurance policy before a life insurance policy can be recorded as a gift. The gift shall be valued at its interpolated terminal reserve value (cash surrender value) on the date of receipt. Should the donor contribute future premium payments, the Foundation will include the entire amount of the additional premium payment as a gift in the year the payment is made. If the donor elects not to

pay the premiums, convert the policy to paid-up insurance, or surrender the policy for its cash surrender value. No insurance products and no insurance companies or agents are endorsed by the Foundation for use in funding gifts to the Foundation. The Foundation does not furnish donor's names to third parties for the purpose of marketing life insurance to donors or for any other purpose.

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Charitable Remainder Unitrust (CRUT)—A CRUT pays a fixed percentage times the value of the trust assets (not less than 5%) determined annually. It can be created for the life of a beneficiary or

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may provide for a specific dollar amount in cash, specific securities, specific articles of tangible or real property, or a percentage of the residual of the estate. Donors and supporters of the Foundation will be encouraged to make bequests to the Foundation in their wills. The donors and supporters will be advised to include the statement, “To the Cal State East Bay Educational Foundation for the benefit of California State University, East Bay” to clearly indicate the intent of their bequest for the Foundation.

K. Living Trusts:

Testamentary gifts from family living trusts are encouraged and are in lieu of bequests in a will. Such a provision in a living trust

may provide for a specific dollar amount in cash, specific securities, specific articles of tangible or real property, or a percentage of the remainder interest in the trust. The trust provision should name the “Cal State East Bay Educational Foundation for the benefit of California State University, East Bay” to clearly indicate the intent of their trust gift for the Foundation.

L. Retirement plan beneficiary designation:

Donors are encouraged to name the “Cal State East Bay Educational Foundation” as beneficiary of their retirement plans, including Individual Retirement Accounts (IRAs) and qualified pension and profit sharing plans. Donors may wish to make their spouse the primary beneficiary, in which case the Foundation may be designated as secondary or contingent beneficiary. Gifts from retirement plans may be established by sending a new beneficiary designation to the donor’s plan administrator.

For all testamentary gifts listed in preceding sections c, d, and e – Testamentary gifts may be given as unrestricted or restricted gifts. Donors may also establish a testamentary charitable remainder trust, which can provide an income for a designated beneficiary or beneficiaries. If such a gift is made testamentarily, the principal will pass to the Foundation only after the death of the income beneficiary or beneficiaries or after the expiration of the set term of years not to exceed 20 as stated in the trust instrument.

M. Other property:

Property not otherwise described above, whether esaw 2.06 0 3 (I)6 (f)5 (s)2 (u)4 (c)3 (h)4 (

The Foundation shall seek the advice of legal counsel in matters relating to acceptance of gifts including but not limited to:

- Closely held stock transfers that are subject to restrictions, buy-sell agreements or other arrangements that limit the marketability of the securities.
- Arrangements and documents pertaining to such arrangements where the Foundation is named as trustee.
- Gifts involving bargain sales or documents requiring the Foundation to take or refrain from taking some action or assume an obligation.
- Transactions with potential conflicts of interest that may invoke IRS or other legal sanctions.



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