

**Lawrence University of Wisconsin
Gift Acceptance Policy
May 2022**

I. INTRODUCTION

This policy is designed to ensure that all gifts to or for the use of Lawrence University are mutually beneficial for Lawrence and its donors. Because some gift situations may be complex, or more costly than beneficial, this policy has been developed to establish standards for evaluating potential gifts. These standards are designed to account for the uniqueness of each gift and each donor, and to allow for a full and fair assessment of any gift in a timely and professional manner. In addition to addressing the acceptance of charitable gifts, this policy also outlines the approval process for grant, sponsored awards, and related contracts. This policy may be amended as noted in section VII and any amendment has retroactive effect in connection with the administration of gifts previously made.

II. GUIDING PRINCIPLES

- Lawrence encourages gifts and grants from all sources, including individuals, corporations, foundations, and governmental entities, in support of its charitable and educational purposes.
- Lawrence is responsible for maintaining its mission and institutional values as an exceptional private liberal arts college. As such, Lawrence will only accept gifts in keeping with this character and in furtherance of its charitable and educational mission.
- Lawrence reserves the right to decline a gift for any reason. Among those reasons are that the gift is not in furtherance of Lawrence's mission or educational purposes, is likely to generate little or no financial gain, would inhibit gifts from other donors, or would cause Lawrence to violate legal or ethical principles.
- Lawrence will use its best efforts to provide donors with information it considers appropriate to facilitate the gift-giving process, and to ensure that all development staff respond to donors in a timely, professional, and courteous manner.
- Although Lawrence's development staff strives to maintain a high level of familiarity with tax and related laws that affect charitable gifts, staff members cannot provide legal or tax advice to donors. Therefore, Lawrence encourages all donors to consult with their personal legal counsel, tax advisors, and/or financial planners prior to making a gift.

- Lawrence will seek the advice of its own legal counsel as appropriate and necessary prior to accepting gifts of a complex nature. Lawrence will observe all legal requirements governing the acceptance and administration of charitable gifts, including the filing of all necessary documentation upon the receipt and/or disposition of a gift.
- Lawrence may incur and pay reasonable fees for legal or other professional services rendered to the institution in direct connection with the acceptance, administration, and/or stewardship of a gift. Lawrence cannot pay fees for legal or other professional services rendered to the donor, including but not limited to fees for tax, legal, financial, or appraisal services.
- Lawrence will acknowledge all gifts in accordance with the college's gift naming guidelines, and in an appropriate manner that respects and honors each donor and his, her, or its wishes regarding publicity or anonymity. However, Lawrence requires donors making contributions of \$5,000 or more to identify themselves when making a commitment to the University.
- In accepting a commitment, Lawrence also accepts responsibility to the donor for stewardship. This includes administering the gift properly, providing the donor with financial information about the gift, and reports to the donor about the use of gifted assets, all as deemed appropriate by Lawrence University.

III. GENERAL PROCEDURES

Lawrence's Vice President for Alumni and Development shall be responsible for evaluating any donation subject to a donor restriction prior to acceptance. Lawrence's Vice President for Alumni and Development shall also be responsible for evaluating proposed gifts of tangible personal property valued at \$100,000 or more, as well as certain gifts regardless of size as noted in section V (Gifts Needing Review). These select gifts shall be brought to the attention of the Vice President for Alumni and Development by the staff member(s) responsible for the proposed gift. Upon review of all necessary and appropriate information about the proposed gift, the Vice President for Alumni and Development, in consultation with members of the Lawrence Board of Trustees, Lawrence administration and staff, and/or independent professionals as may be necessary or appropriate or as otherwise required by this policy, shall determine whether the gift should be accepted or declined as proposed, or whether further investigation and/or negotiation is warranted. All such decisions shall be documented and shall be shared promptly with the responsible staff member. Gifts of cash, most readily marketable publicly traded securities, distributions from Donor Advised Funds, and bequest or charitable trust beneficiary designations do not require review from the Vice President for Alumni and Development prior to acceptance.

IV. GIFTS GENERALLY ACCEPTED WITHOUT SIGNIFICANT REVIEW

- A. Cash and cash equivalents. Lawrence will accept gifts of cash (currency) and cash equivalents (including checks, credit card or electronic funds transfers, wire transfers, and payroll deductions).
- B. Publicly traded securities. Lawrence will accept gifts of readily marketable securities (including mutual funds and government securities) that are traded on any recognized stock exchange. Lawrence encourages electronic transfers whenever possible. Unless, in its sole discretion, Lawrence determines otherwise, readily marketable securities will be sold upon receipt. In certain circumstances, the transfer or disposal of publicly traded securities may be restricted by applicable securities laws (e.g., Rule 144); in such cases, the Vice President for Alumni and Development shall determine whether Lawrence will accept the securities.
- C. Donor Advised Fund distributions. Lawrence accepts outright and estate grants from donor advised or similar funds administered by community foundations or commercial entities. Lawrence also accepts designation as a beneficiary of such funds.
- D. Bequests & Beneficiary Designations. Lawrence accepts bequests of specific assets, specific dollar amounts, and fixed percentages of an estate, residuary estate, or trust established within an overall estate plan. Lawrence will not serve as personal representative, executor, or administrator of an estate, and will not serve as a trustee of a revocable or irrevocable trust. Lawrence accepts gifts of retirement plan assets or commercial annuities through designation as a beneficiary (primary or contingent) of a specific dollar amount or fixed percentage of the account balance. Lawrence accepts gifts of life insurance proceeds (separate from ownership of the underlying insurance policy) through designation as a beneficiary of a specific dollar amount or fixed percentage of the proceeds.
- E. Charitable Remainder Trusts. Lawrence accepts designation as a remainder beneficiary of all forms of charitable remainder trusts, including annuity trusts, standard unitrusts, net income (with or without make-up) trusts, and flip trusts. Lawrence will not serve as a trustee of a charitable remainder trust.
- F. Charitable Lead Trusts. Lawrence accepts designation as an income beneficiary of all forms of charitable lead trusts, including grantor and non-grantor trusts with annuity or unitrust payouts. Lawrence will not serve as a trustee of a charitable lead trust.

V. GIFTS NEEDING REVIEW

- A. Closely held securities. Lawrence will accept gifts of closely held securities, including debt and equity positions in non-publicly traded companies, interests in general and limited partnerships, and interests in limited liability companies and similar entities, subject to the approval of the Vice President for Alumni and Development. Such gifts

will not be approved if the securities are likely to generate unfavorable tax or financial consequences (including a likely inability to convert the securities to cash within a reasonable timeframe) for Lawrence. Unless, in its sole discretion, Lawrence determines otherwise, accepted gifts of closely held securities will be sold as quickly as possible upon receipt.

B. Real estate. Lawrence will follow the university's real estate gift review process to accept gifts of real estate or remainder interests in real estate. Gifts of real estate that will be considered include residential, commercial, farm, and undeveloped property. The college will typically not accept timeshare donations. Gifts of remainder interests that will be considered include personal residence, vacation property, farm or commercial property. Gifts of real estate will be accepted at the recommendation of the Vice President for Alumni and Development and subject to the approval of the President of the University and the Chair (or, in their absence, the Vice-Chair) of the Board of Trustees. In evaluating such gifts, the Vice President for Alumni and Development, the President, and/or the Chair (or Vice-Chair) may require that a University designee conduct a site visit to the property. Contributions of real estate will not be approved if the property is encumbered by a mortgage or similar debt, if the donor cannot provide clear title, if the property is subject to significant carrying costs (such as maintenance or taxes), or if the property has environmental damage.

To determine the existence of environmental damage, Lawrence generally will require the donor to provide a formal environmental site assessment (Phase I and/or Phase II) prepared by a qualified engineering or environmental firm. Any environmental damage confirmed as a result of such assessment must be remediated and certified as such by the appropriate governmental authority, at the donor's expense, prior to approval of the gift.

Lawrence reserves the right to sell or otherwise dispose of gifted real estate upon or at any time after receipt.

C. Tangible Personal Property & Gifts of Art. Lawrence may accept gifts of tangible personal property or art. Development staff shall consult with the Curator of the Wriston Art Center Galleries and Museum on gifts of art prior to acceptance. The Curator's role may include assessing how useful the artworks will be towards the college's educational mission, whether there are ethical or practical considerations related to accepting the art, as well as physical or financial considerations. If such personal property or art is valued at \$100,000 or more, acceptance is subject to the approval of the Vice President for Alumni and Development. Factors affecting the evaluation of such gifts include the extent to which the property relates to Lawrence's charitable and educational purposes, the marketability of the property, the carrying costs of the property (including transportation, storage, maintenance, and insurance), and the effect of any existing or proposed restrictions on the use, display, or disposition of the property. Unless, in Lawrence's sole discretion, the gifted assets are directly related to Lawrence's mission and educational purposes, Lawrence reserves the right to sell or otherwise dispose of gifted tangible personal property upon or at any time after receipt.

D. Life Insurance Policies. Lawrence will accept gifts of life insurance subject to the approval of the Vice President for Alumni and Development. Such gifts will not be approved unless Lawrence is named as owner and full (100%) beneficiary of the policy or contract. Lawrence may elect to maintain a gifted insurance policy and pay any necessary premiums at its discretion but reserves the right to convert the policy to cash or to paid-up status, or to sell or otherwise dispose of a gifted policy or contract, at any time.

E. Bargain sales. With the approval of the Vice President for Alumni and Development, Lawrence will enter into bargain sales that are reasonably expected to further its charitable and educational purposes. Factors affecting the evaluation of such gifts include the nature and value of the property, the proposed purchase price and anticipated carrying and transaction costs, and the ability to sell or otherwise dispose of the purchased property.

F. Charitable Annuities. Lawrence may accept gifts of cash or publicly traded securities in exchange for charitable gift annuities, deferred gift annuities, and flexible gift annuities that are registered in certain states, in each case for no more than two designated annuitants. With the approval of the Vice President for Alumni and Development, Lawrence will consider accepting gifts of other assets in exchange for deferred and flexible gift annuities. Lawrence requires a minimum contribution of \$10,000 and a minimum age of 65 at the time annuity payments begin. Lawrence provides annuity payments at rates up to but not in excess of those recommended by the American Council on Gift Annuities.

G. Grants, Sponsored Awards, and Related Contracts.

Lawrence University's President has delegated authority to certain staff members to bind the institution in relation to grants and sponsored awards from organizational entities. Approval and signature authority for the acceptance of grants and sponsored awards and contracts, (e.g. corporate sponsorships, sub-award agreements, material transfer agreements, confidentiality agreements, intellectual property related agreements) and other research or grant-related instruments are delegated to any of the following individuals (unless otherwise prohibited by the granting entity):

- Provost and Dean of the Faculty
- Vice President for Finance and Administration
- Associate Vice President of Finance
- Vice President for Alumni and Development
- Executive Director/Director of Corporate, Foundation, and Sponsored Research Support

H. Other gifts. Except as noted in Section IV, any proposed gift not described above must be approved by the Vice President for Alumni and Development. Factors affecting the evaluation of such gifts include the extent to which the gift (or any sales proceeds thereof) could be used in Lawrence's mission and educational purposes, the

marketability and/or carrying costs of the gift, and any legal, financial, or other risks related to the gift. Lawrence reserves the right to sell or otherwise dispose of the gifted asset upon or at any time after receipt.

VI. GIFT ACKNOWLEDGEMENT AND NAMING GUIDELINES

- A. Reporting and acknowledging gift values. Lawrence recognizes the importance of clear guidelines for reporting the value of gifted assets. When providing donors with acknowledgement of gifts for tax purposes, Lawrence adheres to the relevant rules and regulations set forth in the Internal Revenue Code and Treasury Regulations, as such may be amended from time to time. When providing financial statements to public or governmental authorities, Lawrence observes the practices and standards promulgated by the Financial Accounting Standards Board. When crediting gifts for the purpose of donor recognition, reunion class totals, or capital campaigns, Lawrence follows internal guidelines specifically developed for such purposes.
- B. Named Gifts for Specific Purposes. Lawrence also recognizes the interest that donors may have in establishing a named and/or endowed fund to support a particular purpose. The Development Committee of the Lawrence Board of Trustees has established certain minimum amounts for such funds, which may be adjusted from time to time by the Development Committee or any successor committee of the Board. Those minimum amounts are deemed to be incorporated by reference into this policy. Lawrence University may require higher levels of gifts for certain purposes and naming opportunities in order to achieve and sustain the donor's intent. Endowments must meet the required minimum threshold and investment duration to initiate the awarding of the fund and related expenditures.
- C. Donor Recognition and Naming Opportunities. Lawrence University seeks to recognize individual donors and donor organizations who make significant gifts to the university. One of the most meaningful ways for the university to honor its donors is through naming endowment funds, buildings, facilities, programs, scholarships, professorships or other institutional priorities in accordance with both the wishes of the donor and the goals of the university. The President and Executive Committee of the Lawrence University Board of Trustees shall review and have the authority to approve or deny naming proposals for the College of Arts & Sciences, the Conservatory of Music, named buildings, or public facing gifts of \$1.5M or more. Examples of public facing gifts include departments, professorships, and large programmatic gifts. Endowed scholarships are not considered to be public facing. The Lawrence University Board of Trustees shall be informed about the naming decision in advance of a public announcement. The university will add one name (donor name, couple name, family name) to a space, building or endowment per eligible naming opportunity.
- D. Honorific Naming. When an individual associated with Lawrence University has served the university in an important capacity and has made exceptional

contributions to the welfare of the college and beyond, a proposal may be made for naming something in honor of that individual. No commitment for naming shall be made prior to approval of the proposed name. The President and Executive Committee of the Lawrence University Board of Trustees shall review and have the authority to approve or deny proposals for an honorific naming. The Lawrence University Board of Trustees shall be informed about the decision in advance of a public announcement.

- E. Removal or Refusal of a Name. In unusual or unforeseen circumstances, Lawrence reserves the right to remove a previously approved name or refuse the addition of a name. The President, in consultation with the Executive Committee of the Board of Trustees, will bring forth the recommendation for approval to the Board of Trustees. Examples of such situations include but are not limited to: a) the donor does not fulfill a commitment upon which the naming was approved; or b) continuation of the name may compromise the public trust or reputation of Lawrence. The university will continue to utilize the gift based on the funding agreement.
- F. Duration of naming. Recognition of a donor or honoree will remain associated with a space (e.g., a building, a room, or area in a facility) until such time as the space is relocated, substantially renovated or is no longer owned and used by the college. In the event that a named building, space or program is removed, substantially renovated or no longer exists, the university will make every effort to honor the intention and legacy of the donor.

VII. AMENDMENT

This policy may be amended from time to time for any reason. Such amendments shall be approved by the Development Committee of the Lawrence Board of Trustees, or any committee then acting in its stead, and shall be deemed to be incorporated by reference into this policy upon approval.

This Gift Acceptance Policy has been duly adopted by the Development Committee of the Lawrence Board of Trustees, on this twelfth day of May 2022.