

**RUTGERS POLICY**

**Section:** 40.2.13

**Section Title:** Fiscal Management

**Policy Name:** Donor Gift Policy

**Formerly Book:** n/a

**Approval Authority:** Senior Vice President for Finance and Treasurer

**Responsible Executive:** Senior Vice President for Finance and Treasurer

**Responsible Office:** Office of Finance and Treasurer

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**Errors or changes?** [hkerr@uco.rutgers.edu](mailto:hkerr@uco.rutgers.edu)

**1. Policy Statement**

The university has designated responsibility to the Rutgers University Foundation for soliciting and administering all gifts and grants from individuals as well as gifts to the university's endowment. Gifts and donations are voluntary and irrevocable transfers of money or property made by a donor without expectation of or receipt of direct economic benefit or any other tangible compensation from the donor. All funds acquired according to the terms of this definition must be deposited with the Rutgers University Foundation so that the donor can receive the appropriate acknowledgement and tax receipt.

**2. Reason for Policy**

To provide guidance to faculty and staff concerning the depositing, recording and acknowledgment of all charitable gifts received on behalf of Rutgers University.

**3. Who Should Read This Policy**

All members of the Rutgers University community.

**4. Related Documents**

Rutgers University Foundation Gift Policy Manual

**5. Contacts**

- a. Division of University Accounting: Restricted and Endowment Funds  
(<http://ua.rutgers.edu/>)
- b. Rutgers University Foundation (<http://support.rutgers.edu>)

**6. The Policy**

**40.2.13 DONOR GIFT POLICY**

**A. Role of Rutgers University Foundation**

The university recognizes the critical importance of philanthropic contributions to the continued existence and excellence of Rutgers, The State University of New Jersey. The university has empowered the Rutgers University Foundation (“Foundation”) to assist the university in obtaining private gift support and other resources to meet the needs of the university. As such, the Foundation is responsible to ensure that gifts from private external sources:

- are appropriate to the mission of the university;
- do not carry restrictions of conditions that may compromise the university at any time, now or in the future;
- are legal;
- are from donors whose intents are charitable; and
- are administered to protect donors’ rights and wishes.

To ensure that contributions comply with university and governmental regulations, all fundraising activities on behalf of the university should be coordinated with the Foundation.

The Foundation is also responsible for acknowledging all gifts on behalf of the university. Any gifts received directly by a university department should be forwarded to the Division of University Accounting – Restricted and Endowment Funds with all documentation received from the donor that identifies the donor and the purpose of the gift. For the purpose of acknowledging a gift, The Division of University Accounting (DUA) will notify the Foundation of any gifts received directly by the university.

For information about various methods of giving, types of gifts and other fundraising opportunities, contact the Rutgers University Foundation.

## **B. Legal Issues**

The university cannot accept gifts that involve unlawful discrimination based upon race, religion, sex, age, national origin, color, handicap, or any other basis prohibited by federal, state, and local laws and regulations. The university also cannot accept gifts which obligate it to violate any other applicable law or regulation or which violate the charter or mission of the university.

The university will not accept gifts directed to or for the use or benefit of particular named individuals. These gifts are considered by the Internal Revenue Service as private benefit and not qualifying for the charitable contribution deduction. Gifts that cannot be accepted include contributions for financial aid to a specific student, contributions to provide compensation or other direct benefit to a faculty or staff member, and contributions to an account over which the donor has expenditure control.

The university and the Foundation will adhere to federal law, the Internal Revenue Service Code and its regulations, and State of New Jersey statutes relating to charitable organizations and not-for-profit corporations, particularly the Uniform Prudent Management of Institutional Funds Act.

## **C. Purpose and Use of Gifts**

The university is responsible for ensuring that contributions are used for the purpose(s) designated by the donor. It is, therefore, important for this purpose to be clearly identified at the time the gift is made. No staff member or representative of the university or the Foundation is authorized to commit to an agreement that is contrary to the university’s mission and established policies and procedures or that compromises the ability of university departments and personnel to carry out their assigned responsibilities. The Foundation can assist in working with the donor to clearly establish the intent of the gift.

Endowed gifts must be clearly identified by the donor that the gift is for endowment, in perpetuity or other words that indicate the donor's intent that the gift be permanently retained by the university. These gifts will be invested in the university's endowment pool. These funds are invested in accordance with policies as established by the Joint Committee on Investments of the Board of Governors and the Board of Trustees. Income on these funds is allocated annually to each account based on the university's spending rate at that time. Under special circumstances, the university may accept gifts that are to be held or invested in some other manner as approved by the Senior Vice President for Finance and Treasurer.

To ensure proper use of the funds, any donations or fundraising activities for specific purposes must be recorded in a distinct university account. Departments must request an account from the Division of University Accounting by submitting the proper new account documentation. Once the account has been established, the DUA will coordinate with the Foundation to transfer all Foundation held funds to the new account.

The university reserves the right to apply a percentage of certain gift funds toward the general costs of operating the institution or the Foundation.

#### **D. Gifts of Property**

The university and the Foundation will accept gifts of property, including tangible personal property, intangible personal property, and real property.

1. **Tangible personal property** is any property, other than land or buildings that can be seen or touched such as furniture, books, jewelry, gems, artwork, watercraft, aircraft, and motor vehicles. Livestock, harvested crops, cut timber, and other agricultural products as well as items of business inventory or equipment fall under this category.

Note: Gifts of works of art must be made with the knowledge and/or involvement of The Jane Voorhees Zimmerli Art Museum at Rutgers in New Brunswick or the Stedman Gallery at Rutgers-Camden Center for the Arts.

2. Examples of **intangible personal property** include patents, copyrights, royalties, installment obligations, insurance and annuity contracts, partnership interests, checks, securities and other negotiable instruments. Currency is not considered intangible property unless it has numismatic value as a collectible.

Gifts of intangible personal property must be readily marketable and be needed by the university for use in a manner which is related to the purposes for which its tax exempt status was granted. This type of gift must also promote its tax exempt purpose. Gifts of real property must be approved by the Senior Vice President for Finance and Treasurer in consultation with the Office of the Senior Vice President and General Counsel.

3. **Real property** is any property that is attached directly to land, as well as the land itself. Real property not only includes buildings and other structures, but also rights and interests.