



Campaign Counting Policies
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I. Introduction

This document defines the guidelines for campaign counting and reporting by University Advancement at Butler University (BU) to ensure consistency. It covers all gifts and commitments made to BU to be counted in the comprehensive campaign that began June 1, 2015 and ends May 31, 2022. The comprehensive campaign will raise support for all areas of the University, including but not limited to, current program support, special purposes, capital, and endowment.

II. Executive Summary

The Campaign reporting period is June 1, 2015 and May 31, 2022.

1. Gifts and commitments received or committed during the campaign reporting period will be counted in campaign totals. Payments on commitments that were made prior to the start of the campaign will not be counted. Gifts and commitments made prior to the start of the campaign will be counted on an exception basis with written approval by the Vice President for University Advancement, or based on prior agreements.
2. The recommended commitment payment period is five years or less and commitments must be paid by May 31, 2027 (five years after the end of the campaign). In rare instances, commitments of \$1 million or more may be paid over more than five years with prior approval from the Vice President for University Advancement and Vice President for Finance and Administration, in consultation with the President.
3. The unpaid balance of any cancelled or unfulfilled commitments will be subtracted from campaign totals when it is determined that they will not be realized.
4. Grants (from corporations, foundations, groups, and agencies) are to be counted. Private grants for sponsored research, contracts and government funds are not to be counted.
5. Cash, checks, and credit card or debit card gifts and commitments are counted at face value.
6. Publicly traded securities and mutual fund shares are counted by using the mean (average) of the high and low of the stock(s) or bond(s) on the day the transfer is received by Butler University's brokerage account.
7. Gifts in-kind valued at less than \$5,000 will be counted with provided donor estimated value.
8. Gifts in-kind, real estate, and other property valued at or above \$5,000 will be counted at the value placed on them per the University's Charitable Gift Policies. Corporate gifts-in-kind will be counted at fair market value.

9. Closely held stock is counted at the appraised value, or may be counted at the donor's estimated value if \$10,000 or less, with proper documentation.
10. All deferred (revocable and irrevocable) gifts will be counted at face value.
11. Conditional commitments will be counted, pending Vice President for University Advancement's approval, and if there is reasonable expectation the conditions will be met within five (5) years of the commitment being made and appropriate documentation is received.
12. Non-binding intentions will be counted and reported in conjunction with other campaign intentions.
13. None of the reporting and counting guidelines for Butler University are so rigid as to preclude exceptions for special circumstances at the discretion of the President and/or Vice President of Advancement.

III. Applicability & Audience

All staff members of Butler University Advancement, University leadership, and senior volunteer leadership are responsible for knowing and following this policy.

IV. Policy

A. Reporting Period

The reporting period is June 1, 2015 through May 31, 2022.

B. General Principles

1. Gifts, philanthropic grants, and commitments received or committed during the campaign reporting period will be counted in campaign totals.

2. Payments received during the counting period on commitments that were made prior to the start of the campaign will not be counted.
3. Exceptions may be made and gifts and commitments made prior to the start of the campaign may be “grandfathered” only on an exception basis with written approval by the Vice President for University Advancement or based on prior agreements.
4. Gifts or philanthropic grants will be reported only when the assets are transferred irrevocably to BU. Commitments will be reported only when appropriate documentation has been received. Irrevocable planned gifts will be reported only when ownership of assets is irrevocably surrendered under a legally binding document or agreement; revocable bequest intentions will be reported when documentation is received.
5. The recommended commitment payment period is five years or less and commitments must be paid by May 31, 2027 (five years after the end of the campaign). Commitments of \$1 million or more may be paid over more than five years with prior approval by the Vice President for University Advancement and the Vice President for Finance and Administration.
6. The unpaid balance of any cancelled or unfulfilled commitments will be subtracted from campaign totals when it is determined that they will not be realized – all unpaid balance will be evaluated and revisited prior to the conclusion of the campaign.
7. Commitments are recorded and reported based on the donor’s intention, not the designation chosen by university staff or faculty. Efforts will be made to track use of substantial gifts for stewardship purposes.
8. Recognition opportunities are noted in Appendix A.
9. None of the reporting and counting guidelines for Butler University are so rigid as to preclude exceptions for special circumstances at the discretion of the President.

C. Campaign Counting and Reporting Guidelines

Counting for campaign reporting purposes and recognition credit to the donor will be as follows:

1. *Cash, Checks and Credit Cards:* Includes gifts made by currency, check, credit card, electronic funds transfer, and wire transfer. Will be counted and credited at full value on the date of the gift. Foreign currency will be reported as the value in U.S. Dollars on the legal asset transfer date.

2. *Publicly-traded Securities:* Securities that are traded on the New York and American Stock Exchanges, as well as other major U.S. and foreign exchanges and the NASDAQ; corporate bonds; government issues and agency securities may be accepted by Butler University. The value of a gift of securities is determined by the mean (average) of the high and low of the stock(s) or bond(s) on the day the transfer is received by Butler University's brokerage account.
3. *Closely Held Stock:* Closely held or non-publicly traded securities may be accepted only after prior review and approval by Butler University. Gifts of securities that are not publicly traded will be accepted at the discretion of the University on a case-by-case evaluation of the conditions affecting the eventual sale of the securities by the University. Such gifts will be credited at fair market value as determined by a qualified, independent appraiser secured and compensated by the donor. If restrictions are placed on the securities by the donor or by the terms of the securities themselves, acceptance of the gift shall be subject to prior approval by the Vice President, University Advancement.
4. *Mutual Funds:* Mutual fund shares may be accepted by the University. Shares of mutual funds will be credited at the net asset value of the shares on the gift date. If such a price is not readily available, then the value shall be determined as if the shares were untraded securities in IRS Publication 561.
5. *Grants and Contracts:* Charitable grant income from private, non-government sources shall be counted, but fundraising totals shall *not* include contract revenue. All government grants and awards – whether local, state (including state matching grants), federal, or foreign – will not be counted. Grants will be counted in the campaign if determined to be charitable.
6. *Donor-Advised Funds:* Gifts from donor-advised funds are handled like other cash gifts.
7. *Tangible/Intangible Personal Property/Contributed Services:* Gifts of tangible and intangible personal property, and contributed services will be accepted by BU in accordance with the charitable gift policies. If gifts are not covered by the Charitable Gift Policy, the items must undergo a business review to ensure they will be used or may be sold, as appropriate.
8. *Gifts of Real Estate:* Gifts of real estate must follow the documented charitable gift policies prior to acceptance. Approved gifts that qualify as a charitable contribution will be counted at fair market value on the date of the gift as determined by a qualified independent appraiser as required by the IRS for valuing non-cash charitable contributions.

Gifts of real estate may take the form of an outright, present gift of the donor's entire interest in the property, or the gift may be subject to a reserved life estate by the donor. Whether the gift is of a present interest or the remainder interest, an independent appraisal is necessary for both tax and campaign counting purposes.

9. *Planned Gifts:* Planned gifts are generally defined as gifts with a deferred component that will likely be received upon the donor's death. The value that is provided and recorded initially represents an estimate or projection of what Butler will actually receive when the gift is realized.

Any bequest distributions received will be recorded at the value of the assets received. If there is an existing bequest commitment on the donor's or his or her spouse's record, the bequest will be recorded as a payment against that commitment. Any amount incremental to the existing intention will be recorded separately as a new gift. These gifts will be counted in the campaign totals as long as the distribution has not been counted or credited in a previous campaign.

Both revocable and irrevocable planned gifts will be counted at face value, as long as all required documentation has been provided at the time the gift is submitted for approval:

1. Once the appropriate documentation has been submitted, reviewed and approved, revocable estate commitments will be counted at face value and recorded as planned gift intentions.
2. Most irrevocable planned gifts are made in the form of vehicles that pay income to a donor or donors for a period of years or for a lifetime. At the end of that period, Butler receives the principal and unpaid income, according to the terms of the document governing the vehicle's existence. Examples of irrevocable planned gifts (and any relevant information related to counting those gifts) include:
 - Charitable Remainder Trust administered by Butler or its agent: The market value on the date the remainder trust is established will be the amount that is counted in campaign totals.
 - Charitable Remainder Trust administered by others: Provided that all appropriate documentation is provided, the fair market value of the portion that is designated to Butler University will be counted (and a value assigned) on the date that Butler is notified of the gift.
 - Charitable Gift Annuity and Deferred Payment Charitable Gift Annuity: The market value on the date the gift annuity is established will be the amount that is counted in campaign totals. In cases where a gift annuity is funded with illiquid assets, the value used for counting purposes will be determined by the Director of Gift Planning and relevant members of University Advancement's senior leadership team.
 - Remainder interest in a residence or farm (also known as a retained life estate): Gifts of real estate must follow the documented charitable gift policies prior to acceptance. The decision of whether to accept a remainder interest shall be made on a case-by-case basis, by the approval of the Vice President for University Advancement and Vice President for Finance and Administration. The fair market value of the remainder interest in the property at the time of the gift will be counted in the campaign.
 - Charitable Lead Trust: In the case of a Charitable Lead Trust, the income is paid to the charity and the remainder is ultimately distributed to family members or to the individual who established the trust. For

counting purposes, Butler will book a commitment for the duration of expected distributions and track the distributions as payments on that commitment.

- Life Insurance: Individuals can make irrevocable gifts of life insurance that must follow the documented charitable gift policies. Life insurance policies in which BU is both the owner and beneficiary shall be counted at the cash surrender value of the policy at the time of the gift.
- Life Insurance Premiums: Gifts to pay life insurance premiums on policies owned by BU are recorded and reported as gifts at the time they are made. BU pays the premiums and the donor sends a gift to reimburse the expense. For campaign purposes, a commitment may be counted to record the donor's expected premium payments in accordance with commitment counting as detailed above.
- Life Insurance Payout (payment of policy benefits after death of insured) on Policy Owned by BU: The death benefits are considered return on investment. Any amount to be counted would be based on review on an individual basis and decisions will be made by the Director of Gift Planning and relevant members of University Advancement's senior leadership team.
- Life Insurance Payout (payment of policy benefits after death of insured) on Policy Not Owned by BU: The death benefits are recorded as a payment on life insurance expectancy or as an outright bequest received.

10. Matching Gifts: Gifts received from organizations and corporations that participate in a corporate matching gift program will be recorded as matching gifts and counted in campaign totals. The matching gift will be used for the same purpose as the matched donor's original gift, unless that use is prohibited by the matching gift organization's guidelines.

11. Commitments: Commitments will be counted at the face value.

- a. **Conditional Commitments:** Commitments to be paid dependent on certain conditions being met (i.e. matching grant) will be included if there is reasonable expectation that the conditions under which the commitment is made will be met within five (5) years of the commitment being made, there is appropriate documentation, most likely in the form of a gift agreement, and they are approved by the Vice President for University Advancement. They will be identified as conditional commitments for reporting purposes.
- b. **Commitments with anticipated match:** When a portion of the total gift will be paid through a match, the donor's portion will be recorded as commitment and the matching gift portion will be recorded as anticipated match on that commitment. Matching gifts should never be considered as a way to fulfill an individual's commitment. The matching amount will not be included in the campaign totals until the matching gifts are received.
- c. **Non-Binding Intentions:** The IRS does not permit a donor to satisfy his or her outstanding personal pledge through a gift from a foundation or through a donor advised fund, but donors can notify us that they intend to recommend distributions from either vehicle, which will then be tracked as a non-binding intention. These are not binding, not legally enforceable, and will be identified as non-binding for reporting purposes.

Changes in commitments:

- a. **Inactive commitments:** Commitments will be inactivated (written off) when they are determined to be uncollectible. In this case, the campaign will only count the paid amount and the donor will only receive campaign credit for that amount.
- b. **Increased commitments:** An increase to the amount of a commitment will be recorded as a new, separate commitment at the time the increase is communicated by the donor.
- c. **Decreased commitments:** A decrease to the amount of a commitment will result in the original commitment being decreased to the revised commitment amount and only the reduced amount will count toward campaign totals and credit.

V. Exclusions

The following types of funds shall not be recorded as gifts, even if received under circumstances indicating that the payer regarded them as a contribution:

- Advertising revenue
- Appraisal costs
- Contract revenues, including sponsored research funds

- Contributions from cities or regional governments, even though those entities may be incorporated
- Discounts on purchases, such as an educational discount, but not bargain sales
- Expenses incurred while transferring a gift
- Governmental funds, whether local, state (including state matching grants), federal or foreign
- Investment earnings on gifts (the only exception being interest accumulations counted in guaranteed investment instruments that mature within the reporting year, such as zero coupon bonds)
- Money from an exclusive vendor relationship
- Sale of merchandise
- Proceeds from raffle ticket sales
- Royalties from affinity agreements
- Sales tax on purchase of goods
- Gifts directly to social organizations such as fraternities or sororities, unless the gift supports an BU building fund for the benefit of that organization or scholarships/prizes for students, or gifts to separate charitable organizations, unless the organization is an affiliate of BU or the purpose of the fund is to offset costs otherwise incurred by BU
- Surplus income transfers from ticket-based operations, except for any amount equal to that permitted as a charitable deduction by the IRS
- Tuition payments
- Gifts that contravene BU policies