



Charitable Gift Policies

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I. INTRODUCTION AND PURPOSE

Butler University is a not-for-profit educational institution registered and domiciled in the State of Indiana. The University is a qualified organization under Section 501(c)(3) of the Internal Revenue Code. Therefore, charitable gifts made by individuals and entities to the University are eligible for deduction under the direction of federal tax laws.

Butler University administration and its Board of Trustees recognize the critical importance of philanthropic contributions to the continued existence and excellence of the University. Butler further recognizes its responsibility to ensure that gifts from private external sources:

- 1) are appropriate to the mission of the University;
- 2) do not carry restrictions or conditions that may compromise the University at any time, now or in the future;
- 3) are legal;
- 4) are from donors whose intents are charitable; and
- 5) are administered to protect donors' rights and wishes.

Butler University cannot accept gifts that involve unlawful discrimination based upon race, religion, sex, age, national origin, color, disability, or any other basis prohibited by federal, state, and local laws and regulations. Nor can Butler University accept gifts which obligate it to violate any other applicable law or regulation or which violate the charter or mission of the University.

Butler University will adhere to federal law, the Internal Revenue Code and its regulations, the University's charter and other governing documents and all applicable State of Indiana statutes. Furthermore, the Butler Board of Trustees elects to abide by Uniform Prudent Management of Institutional Funds Act.

Butler University will further adhere to the codes of ethics as promoted through the Donor Bill of Rights and approved by the Association of Prospect Researchers for Advancement (APRA), Association of Advancement Services Professionals (AASP), Association of Donor Relations Professionals (ADRP), Association of Fundraising Professionals (AFP), the Council for the Advancement and Support of Education (CASE), and the Partnership on Philanthropic Planning (PPP).

These policies shall become effective June 1, 2018 and shall supersede any existing policy or policies purporting to cover the subject matter of this document. These gift policies will be reviewed by the Office of University Advancement prior to May 31 in even-numbered years, or as warranted by changes in law and university policy. Any changes shall be approved by the University Board of Trustees.

These policies shall be amended as necessary by the University Board of Trustees and distributed as deemed appropriate.

II. GIFT ACCEPTANCE POLICY

The following principles constitute the University's policy on the acceptance of gifts. The policy is intended to guide the Trustees, the President and others representing the University in the acceptance of gifts, while giving full consideration to the interests and concerns of potential donors.

- 1) In accepting gifts from any source, the University must retain control over its appointments and assignments, the content and conduct of its teaching and research programs, and any other activities under its sponsorship. Although advisory and consultative arrangements of various kinds may be utilized, the University cannot share or delegate to others the responsibility for deciding what activities are to be carried out in the name of the University.
- 2) Gifts are accepted only if they are for purposes which are consistent with, and of assistance to, the educational and scholarly objectives of the University and are for activities which are within its capabilities. In seeking support, the University is sensitive to the importance of preserving the academic mission in its programs.
- 3) Care is exercised so as not to accept gifts which entail a commitment of University resources, e.g., to supplement the gifts or to sustain the work supported by them, unless the University is financially and morally able to make such a commitment and agrees to the commitment prior to solicitation or acceptance.
- 4) As a general policy, gifts provided for endowment or other purposes are invested per the University's investment and spending policies determined by the Board of Trustees Endowment and Investment Committee.
- 5) While some gifts of securities restricted as to resale are accepted by the University, the normal practice is for such gifts to be sold upon receipt.
- 6) Although the Advancement staff and University staff will provide all appropriate assistance, the ultimate responsibility regarding appraisals, the tax deductibility, and/or similar local, state, and/or federal compliance issues regarding commitments rests with the donor and/or such counsel as the donor may wish to secure.

- 7) Butler University, through campaign leadership, other volunteers, or representatives of the University, will neither knowingly seek nor accept any commitment it believes is not in the potential donor's best interest.
- 8) The Advancement Committee will recommend allocation of unrestricted gifts of \$500,000 or more to the Board of Trustees for a full board vote (may be done electronically)
- 9) The President has authority to direct unrestricted gifts between \$250,000 and \$499,999 to an approved list of up to ten (10) priorities; priorities will be discussed in consultation with the Finance & Facilities Committee on an annual basis.
- 10) President has authority to direct unrestricted gifts of less than \$250,000 to allocation(s) of their choice without Board of Trustees approval.
- 11) The allocation of all unrestricted gifts of \$250,000 or more received during a fiscal year will be reported through the Advancement Committee at the June Board meeting.
- 12) Any deviation from these policies and procedures must have written approval from the President of Butler University and be filed with the gift documentation.

Occasionally individual gifts may be presented for discussion to Butler University's Gift Review Committee at the recommendation of the Vice President for University Advancement and the Vice President for Finance and Administration. Gifts that may expose the University to adverse publicity, require undue expenditures, or involve the University in unexpected responsibilities because of their source, conditions, or purposes, and gifts of property will be reviewed by the Gift Review Committee for recommendation to the Advancement Committee of the Board of Trustees.

A) Outright Gifts

This section discusses acceptance criteria and procedures for accepting outright gifts, including cash, securities and property. Information in this section identifies types of outright gifts Butler University will accept, defines minimum gift level requirements for gift types, and identifies those authorized to accept gifts and details acceptance procedures.

1) Cash and Cash Equivalent. Butler University will accept gifts of cash, including U.S. currency, foreign currency, checks drawn on U.S. and foreign banks, credit card payments, payroll deductions, and third party cash/checks.

a. Cash. There is no minimum gift level for outright gifts of cash.

- b. Credit Card Payments.** Butler University will accept outright gifts via credit card payments.

Regarding gift credit, the donor receives credit for the face value of the gift; actual proceeds (more or less than the gift credit amount) are deposited to the appropriate gift account.

- c. Payroll Deductions.** Butler University will accept gifts of cash from Butler University employees made via payroll deductions.

Donors may complete an online form that allows them to start, stop, or change their payroll deduction.

- 2) Securities.** Butler University accepts gifts of publicly traded securities including stocks, bonds and mutual funds. This type of gift may be transferred electronically (preferred method) or delivered in certificate form. It is the University's general policy for all publicly traded securities to be sold upon receipt.

- a. 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. Actual proceeds (more or less than the gift credit amount) are deposited to the appropriate gift account.

- b. Closely Held Securities.** Closely held or non-publicly traded securities may be accepted only after prior review and approval by Butler University Vice President for Finance and Administration.

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 over \$10,000 in value will be credited at fair market value as determined by a qualified, independent appraiser secured and compensated by the donor.

Gifts of closely held stock of \$10,000 or less may be valued at the per-share cash purchase price of the most recent transaction, in the same reporting period. If no such transition has occurred, an independent

certified public accountant (CPA) who maintains the books for that corporation is qualified to value its stock.

- c. Mutual Fund Shares.* 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.

3) Tangible and Intangible Personal Property. Butler University will accept gifts of property, including tangible personal property and intangible personal property. Acceptance of gifts of personal property will be based on whether the property (a) is readily marketable, (b) is needed by the University for use in a manner which is related to the purposes for which its tax exempt status was granted, and (c) promotes its tax exempt purpose. It is the donor's responsibility to establish a value for the gift and to provide, at his or her expense, a qualified appraisal if required by the Internal Revenue Service for gifts of personal property valued in excess of \$5,000. If requested by the donor, the University will sign and return an IRS Form 8283. Gifts of less than \$5,000 shall be valued at the amount it would cost to purchase the item in its current condition at the time it is donated, as determined by the donor and agreed upon by BU. Gifts without an appraisal may be counted as gifts of \$0 until an appropriate value is submitted. Where an appraisal is not available, University Advancement will take the donor's estimated value under advisement and reserve the right to obtain its own appraisal. All values must be determined using the educational discounts that would be granted to BU, if BU were to purchase the property.

- a. Tangible Personal Property.* Gifts of tangible personal property are defined as those gifts other than land and improvements to land that "can be touched." Butler University will accept gifts of tangible personal property such as, but not limited to, works of art, books and manuscripts, audio and video productions, boats, motor vehicles, computers or computer hardware.
- b. Intangible Personal Property.* Butler University will accept gifts of intangible personal property, such as patents, copyrights, goodwill, trade names and trademarks, partnership interests, and installment obligations.
- c. Contributed Services.* In some instances, Butler will accept gifts of personal time, services rendered and use of facilities, if the University was going to pay for the services regardless of the contribution. It should be noted that the donation of services are generally not considered tax deductible by the IRS.

4) Real Property. Butler University will accept gifts of real property; improved and unimproved, including detached single-family residences, condominiums, apartment buildings, rental property, commercial property, farms and acreage. These gifts may include real property subject to a retained life estate or other planned gift vehicle. Donors may make outright and planned gifts of real property and undivided interests in real property.

Butler University will, at its discretion, accept gifts of real property that it can reasonably expect to resell, based on consideration of the following:

1. Market value and marketability based on a reasonably current appraisal from a qualified appraiser of the fair market value of the property and interest in the property that Butler University would receive. The University requires that the donor pays for completion of the qualified appraisal. For all gifts, but particularly life-income gifts, Butler University reserves the right to perform on its own behalf a second appraisal, which would be completed at University expense.
2. Results of Phase I environmental audit (required for all proposed gifts of real property, including gifts from estates). The audit will be performed at Butler University's expense.
3. A completed professional inspection of the improvements to the property, if warranted.
4. Limitations and encumbrances, including any and all mortgages, deeds of trust, restrictions, reservations, easements, mechanic's liens and other limitations of record. No gift of real estate will be accepted until all mortgages, deeds of trust, liens and other encumbrances have been discharged. Exceptions may be made when the fair market value of the University's interest in the property net of all encumbrances is deemed to be substantial, or when a separate agreement to pay any encumbrances that might be charged to the University has been executed by a financially responsible party.
5. The existence and amount of any carrying costs, including real estate taxes, insurance, utility services, transfer fees, and property owner's association or membership dues.
6. Title information in the possession of the donor, such as the most recent survey of the property, a title insurance policy and/or an attorney's title opinion.

Note: *It is the University's practice to dispose of all gifts of real estate (other than property which the University wishes to retain) as expeditiously as possible.*

- 5) Volunteer Expenses.** In accordance with Sec. 170(f)(8) of the Internal Revenue Code, volunteers may deduct out-of-pocket expenses while performing service to the University. In addition to out-of-pocket expenses, mileage is deductible per IRS guidelines.

These deducted expenses will be treated as “gifts-in-kind” and will not count toward annual and/or cumulative giving recognition, and may not be used to satisfy unpaid commitments or minimum annual gift requirements for volunteer leadership positions.

- 6) Gifts from Donor Advised Funds, Family Foundations or Corporate Gifts.** 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. The donor initiating the gift will be given “soft” credit, and the actual donating entity will be given “hard” credit.

In the instance of a corporation, “soft” credit will be given to the individual(s) where ownership exists.

- 7) Matching Gifts.** Recognition and gift credit will be given to those businesses, organizations and foundations that make matching gifts. The donor initiating the gift will be given “soft” credit. Matching gifts made at the direction of an individual will count toward that individual's membership in University gift recognition societies.

Each individual donor is responsible for his or her matching gift and should initiate the necessary paperwork with the matching organization and make sure the proper documentation is delivered to the University. The University Advancement staff will make every effort to help expedite this process.

If an organization does not match certain restricted gifts or requires its match to be categorized in some specific way, then the University shall help to make donors aware of such policies.

Please note that many matching gift companies will typically only match that which the IRS recognizes as a tax-deductible contribution.

Matching gifts shall follow the exact designation of the original gift unless otherwise requested by the donor or required by the matching gift company.

B) Planned and Deferred Gifts

Butler University accepts gifts such as charitable trusts, charitable gift annuities, insurance policies, retirement plan beneficiary designations and bequests. As with outright gifts, exceptions to these policies and minimum amounts may be made at the discretion of the Vice President for University Advancement and Vice President for Finance and Administration.

1. **Life Income Gifts.** Life income gifts are those that provide donors with annual incomes, including trusts and annuities. The Office of Gift Planning must review all documents pertaining to all life income gifts, including gift annuities.
 - a. **Trusts.** Care will be taken to ensure that both unitrusts and annuity trusts of which the University is a remainder beneficiary comply with appropriate provisions of the Internal Revenue Code. The Butler Foundation may act as trustee of a unitrust or annuity trust of which it is a remainder beneficiary if it is in the University's best interest to do so. The Vice President for University Advancement and the Vice President for Finance and Administration will make this determination.
 - i. **Charitable Lead Trusts.** Agreements by which Butler University accepts assets in trust for a specified term of years, during which it receives periodic distributions from the trust. At the expiration of the time period determined by the donor(s), assets are transferred back to the donor(s) and/or beneficiaries specified by the donor(s).
 - ii. **Charitable Remainder Trusts.** Agreements that provide distributions to one or more beneficiaries specified by the donor(s). Established during life or at death, the donor (or his/her estate) receives a current income or estate tax deduction. Those designated as beneficiaries receive periodic distributions from the trust. When the trust terminates, the remaining trust funds are paid to Butler University and/or various charities for purposes designated by the donor.

Charitable remainder trusts can last either for the life of the income beneficiaries or for a term between one (1) and twenty (20) years. Charitable remainder trusts may take the forms of charitable remainder annuity trusts and charitable remainder Unitrust (straight Unitrust, net income Unitrust, net income with make-up Unitrust, or FLIP Unitrust).

Butler University will accept charitable lead and remainder trusts initially funded with a minimum gift of \$250,000. Income beneficiaries must be at least 55 years of age at the time the trust begins income payments.

b. Annuities. Charitable gift annuities are contractual agreements between a donor and Butler University under which the donor makes a gift and, in return, Butler University guarantees a fixed annual payment (distributed annually, semi-annually, or quarterly) for one or two lives. The rate of the annual payment is determined by reference to the suggested rates as adopted by the American Council on Gift Annuities and revised from time to time. While payout is not insured by any governmental agency, it is backed by the assets of Butler University. A gift annuity provides a current income tax donation and a payout that may be current or may be deferred for one year or more.

Butler University will accept charitable gift annuities that meet a minimum gift level of \$10,000 provided that all annuity payment recipients must be at least 55 years of age at the time the annuity payments begin. Donors that have previously established gift annuities may establish additional gift annuities at the minimum amount in effect at the time the earlier annuities were established.

2. Real Estate with Retained Life Estates. A form of deferred gift whereby a donor irrevocably transfers legal ownership of a personal residence or a farm property to Butler University, but retains the right to live in, on, or otherwise use the property for the remainder of his or her life (or for the lives of the donor and his or her spouse or partner) or until such time as the donor or his or her spouse or partner may elect to relinquish or terminate the retained life interest. Responsibility for maintenance, taxes and insurance on the property remains with the donor. The University will not accept time-sharing arrangements with a retained interest but may accept vacation properties. The decision of whether to accept a remainder interest shall be made on a case-by-case basis by the Vice President for University Advancement and Vice President for Finance and Administration.

Butler University will accept gifts of real property subject to a retained life estate if the fair market value of the remainder interest in the property at the time the gift is made is a minimum of \$100,000. The decision of whether to accept a remainder interest shall be made on a case-by-case basis.

3. Life Insurance. Butler University will accept gifts of life insurance.

There is no minimum gift level for gifts of life insurance policies. The Vice President for University Advancement and Vice President for Finance and Administration must approve gifts of life insurance by reference to the following preferred criteria:

1. The policy is a whole life insurance policy which is either (a) paid-up as of the date of gift, or (b) not paid-up as of the date of the gift but has a payment schedule, not to exceed ten years, which requires charitable contributions from the donor to the

University in the amount of any premiums, including unscheduled premiums, which may become due.

2. In the event a donor wishes to gift a life insurance policy, but is unable or unwilling to make charitable contributions to pay the annual premiums, the Vice President for University Advancement and Vice President for Finance and Administration may accept the gift if the life insurance policy has sufficient cash value and/or pays dividends sufficient to cover annual premiums or, may accept the gift with the donor's knowledge that the insurance will be cashed in immediately.
3. Butler University is designated as the owner and beneficiary of the policy.
4. If intended for endowment purposes, the policy has a face value that meets minimum funding standards for endowments established by the Board of Trustees.

4. **Bequests.** A bequest is a gift made upon the death of a donor to the University in a donor's Last Will and Testament or other legally binding testamentary document. Gifts made via a bequest may be outright or contingent, unrestricted or restricted, and may include any item or thing of value.

There are generally no restrictions on the type of property accepted through a bequest. However, if, in the judgment of the Vice President for University Advancement, the proposed transfer is of property that is deemed to present a liability to the University, then the University may decline acceptance of bequeathed property. The Vice President for University Advancement and the Vice President for Finance and Administration, in conjunction with University Counsel, will review the appropriate legal documents to insure that the gift in compliance with existing University gift acceptance policies.

5. **Retirement Funds.** Designation of the University as a beneficiary of retirement funds, or an outright transfer from those funds, will be accepted.

III. DONOR RECOGNITION

A) Named Giving Opportunities

Named, endowed funds are investments in the future of Butler University. In demonstration of the University's appreciation for private support, the University extends naming opportunities to encourage and recognize donors. Named gift opportunity minimums have been established for selected levels of gifts to Butler University. The funding amounts are outlined in Butler University's naming policy. Donor recognition will be commensurate to the gift.

B) University Gift Societies

Donors who contribute designated dollar amounts will be eligible for membership in University gift societies as shown below. The University may, as published, provide small token benefits to donors at the different levels that will not rise above IRS guidelines for tax deductibility. If the benefit should exceed the IRS guidelines for tax deductibility, the University will notify the donor.

1. The President's Club

The President's Club is Butler's premier leadership annual giving society and recognizes cumulative annual donations of \$2,500 or more made during the University's fiscal year, June 1-May 31. Eligible gifts must be allocated to academic, scholarship, and student-life initiatives. With the exception of athletic scholarship support, athletic donations are recognized through the Bulldog Club and not counted in the cumulative total for membership in The President's Club.

2. Fairview Heritage Society

The Fairview Heritage Society recognizes and honors alumni, friends, faculty and staff who have made a commitment to the future of Butler University through their wills and/or other planned gifts. Donors are eligible for membership when they confirm that Butler University is included in their lifetime and estate plans by providing legal documentations or by completing a gift intention form.

3. Carillon Society

The Carillon Society recognizes those whose cumulative lifetime gifts or commitments to Butler University equals at least \$100,000.

4. Bulldog Club

The Bulldog Club allows Butler athletics to meet its goals of graduation, integrity and winning. It also allows Butler to address the rising costs that are associated with competition at the Division I level. Bulldog Club gifts provide Bulldog scholar athletes with uniforms, up-to-date training facilities and equipment, team travel, the finest coaches, recruiting support, academic support programs and other essential components required to support all of Butler's teams and sports.

5. Other

From time to time, other giving societies may be created pending the approval of the Vice President for University Advancement.

IV. GIFT RECORDING AND RECEIPTING

Every donor to Butler University receives a receipt regardless of the size of the gift. Receipts are prepared, signed and mailed within five (5) business days of the receipt of the gift.

A) Receipting Gifts

It shall be the responsibility of the Office of Advancement Services to officially receipt all gifts, including cash, securities, trusts, insurance policies, real estate, and other gifts-in-kind. Therefore, all gifts should be processed through Advancement Services before being deposited in any University account or bank account.

Gifts received must be forwarded to Advancement Services at the earliest possible opportunity (**no later than two working days after receiving the gift**) accompanied by all original correspondence (including envelopes) pertaining to the gifts and the following specific information:

- 1) Donor's name and street address. If the gifts are from a non-individual donor, a contact individual's name and title also should be reported.
- 2) Amount of the gift
- 3) Date the gift was received.
- 4) Account number and name in which the gift is to be deposited.
- 5) Designation (school, department, or activity).
- 6) Purpose, including restriction (scholarship, research, general fund, etc.). Other comments or special instructions. If no original correspondence accompanies a gift, this must be stated in writing when the gift is transmitted.

Donors must receive the written record of their gift in a timely manner to receive a charitable deduction for their gift. (As required by Form 8283, tax Form 1040 and others, and detailed by IRS Publication 526.)

B) Determining Date of Receipt

The date of any gift may be defined as that date on which the donor irrevocably relinquishes control of the property to the University. Determining that date may be based on relevant physical evidence provided with the gift. Reference to other sections of these policies should be made to confirm the date of specific types of gifts.

C) Deposit of Funds

All charitable funds given to the University shall be deposited in university-owned bank accounts within 48 hours. Any funds not deposited on the day of receipt shall be placed in the University Advancement safe.

D) Alumni and Development Record Maintenance

It shall be the responsibility of Advancement Services to establish and maintain information files for the purpose of providing timely and relevant information about alumni and friends. Biographical and financial records shall be maintained on a computer data base and shall be treated as confidential information and shall not be released or accessed without specific written approval of the President, Vice President for University Advancement or designated officials in the Office of Alumni and Engagement Programs.

Under no circumstances shall data be released for commercial or personal gain.

All parties with access to the data base and biographical and/or financial information must sign a confidentially or non-disclosure agreement.

V. GIFT SOLICITATION POLICY

To maximize the effectiveness and efficiency of the services provided by the Advancement and Alumni Offices, fundraising for the benefit of Butler University must be approved, coordinated, and directed through University Advancement prior to donor solicitation. The University recognizes that all constituents should be encouraged and asked to annually support the University, periodically support special campaigns and regularly consider special and planned gifts.

A) Coordination of Appeals

University Advancement has the responsibility for coordinating all types of fundraising appeals and programs in order to avoid complications caused by multiple solicitations. Any department wishing to undertake a fundraising project of any type from any constituency

(alumni, friends, foundations, businesses, students, etc.) should make their request to the Vice President for University Advancement. University Advancement also has responsibility for scheduling these appeals, approving publications which solicit support, providing contact information for those constituents to be solicited and implementing fundraising programs.

B) Publicity for Gifts

The Donors agree that the University may publicize the gifts made in accordance with its standard recognition practices. In special situations, the University may choose to issue a press release or publicize the donation outside the Butler constituency. In these situations, the Donor will be made aware of any increased publicity.

C) Finder's Fees or Commissions

The University does not pay fees to any person in consideration for directing a gift to the University.

D) Professional Fees

All professional fees in conjunction with a gift to the University will generally be paid by the donor, unless payment by the University is given prior authorization by the Vice President for University Advancement. If so authorized, the following guidelines shall be followed:

1. Payment of professional fees should be limited to situations where the University will reap significant benefit from the gift, and the donor believes it is proper for the University to bear all or part of the attending fees for completion of the gift.
2. Any such fees paid shall be reasonable and directly related to the completion of a gift, and are limited to:
 - a. appraisal fees by persons who are competent and qualified to appraise the property involved and who have no conflict of interest,
 - b. legal fees for preparation of documents,
 - c. accounting fees related to the transaction, and
 - d. fees for "fee-for-service" financial planners.
3. In the case of financial planners, such persons must attest in writing that they are compensated only for services rendered and not for the sale of products to clients. This distinction is vital to avoid payment of commissions that could be construed as triggering the application of securities regulations.

E) Conflict of Interest

The University will assure itself that its personnel are circumspect in all dealings with donors to avoid even the appearance of impropriety, including acts of self-dealing. The University will consider any transfer in which an employee has a material financial interest an act of self-dealing, which is prohibited.

In reviewing self-dealing transactions, the University shall consider a financial interest to be “material” to an employee if it is sufficient to create an appearance of conflict. This is a factual determination to be made on a case-by-case basis.

“Self-dealing” includes, but is not limited to, the following:

1. Accepting Commission, Contract Fees or Payment from a Donor. Those individuals who normally solicit gifts on behalf of the University shall not personally benefit by way of commission, contract fees, salary, or other benefits from any donor in the performance of their duties on behalf of the University.
2. Purchase, Sale, Exchange, or Leasing from a Donor. Purchase, sale, exchange, or leasing of property by University personnel from a donor will be subject to a review by the University.
3. Borrowing from a Donor. University personnel are prohibited from borrowing funds or entering into any form of credit extension with a donor.
4. Gifts from a Donor. From time to time, donors may offer nominal gifts to employees in recognition of their friendship and stewardship of their charitable gifts. Employees may accept these gifts only if the value of such gifts does not exceed \$75, and only if such gifts do not create the appearance of conflict of interest. Such situations should be discussed with the employee’s direct supervisor.

VI. Gift Management Policy

A) Endowed Fund Management

Assets of endowed funds may be commingled with assets of similar funds for investment purposes so long as each individual fund is accounted for separately.

The amount of income available each year to carry out the purpose of each fund shall be determined by the amount of distributable income available per the University’s investment and spending policies determined by the Board of Trustees Endowment and Investment Committee.

When a donor establishes a new endowed fund at Butler University, the University acknowledges that the Donor intends that the original gift amount will exist in perpetuity with the income and appreciation being used to support the purposes of the gift. In

accordance with the Indiana Uniform Prudent Management of Institutional Funds Act (UPMIFA), the Board of Trustees has established a spending policy that provides for the distribution of income and appreciation from investment activity and also a portion of the original gift amount if necessary and prudent after taking into account the factors set forth in UPMIFA IC 30-2-12-9. This policy is consistent with the University's investment philosophy to maintain the purchasing power of the original gift so that the endowment may keep pace with inflation. Notwithstanding the foregoing, the amount of money available each year to carry out the purpose of the Fund shall be determined by University's Board of Trustees, and if at any time the income of the Fund exceeds the amount of money made available by the University's Board of Trustees, then such excess income shall be reinvested in the Funds and be available for spending in future years. If and when the Board of Trustees amend, adopt, or discontinue operating procedures that affect this agreement, this agreement will be governed under the new and/or revised procedures.

If the established minimum to endow a fund, as outlined in the Naming Policies, has not been reached within five years of receipt of the initial gift to establish the Fund, the University may utilize, in any manner, the Fund that has been established for any purpose that may be deemed proper at its sole discretion, keeping in mind, however, the principal purpose of the Donor expressed in the original gift agreement.

B.) Fund Consolidation

In the event that the original purposes of an established fund can no longer be fulfilled, the University, in consultation with the Donor when possible, shall modify the gift agreement to the extent necessary to enable the gift to be used in a manner which coincides with the Donor's original intent as closely as possible, and which is consistent with the internal operating policies of the University.

For current use accounts, when the balance of a fund falls below 10% of the original gift, and no additional gifts have been made to the fund for at least five years, the University may transfer the remaining balance of the fund to another account, keeping in mind the original intention of the gift.

Any decision to alter or consolidate funds will be the responsibility of the Gift Review Committee.

The Donor Relations team, along with the Business Office, will review all endowed funds on an annual basis and provide an overview to the Board of Trustees during the June BOT meetings.