



VIRGINIA THEOLOGICAL SEMINARY

Gift Acceptance and Crediting Policies

Adopted by VTS Development and Church Relations Committee: 11-11-08

**VIRGINIA THEOLOGICAL SEMINARY
3737 SEMINARY ROAD
ALEXANDRIA, VIRGINIA 22304
1-800-941-0083**

Contents

The Donor Bill of Rights.....	Page 3
Expectations of Donors at VTS.....	Page 4
Gift Acceptance and Crediting Policies - An Overview.....	Page 5
Gift Documentation and Administration.....	Page 6
Outright Gifts and Personal Gifts.....	Page 7
Deferred Gifts	Page 8
Endowed Funds	Page 9

The Donor Bill of Rights

The Donor Bill of Rights was created by the Association of Fundraising Professionals (AFP), the Association for Healthcare Philanthropy (AHP), the Council for Advancement and Support of Education (CASE), and the Giving Institute: Leading Consultants to Non-Profits. It states:

Philanthropy is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To ensure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the nonprofit organizations and causes they are asked to support, we declare that all donors have these rights:

- I. To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.
- II. To be informed of the identity of those serving on the organization's governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities.
- III. To have access to the organization's most recent financial statements.
- IV. To be assured their gifts will be used for the purposes for which they were given.
- V. To receive appropriate acknowledgement and recognition.
- VI. To be assured that information about their donation is handled with respect and with confidentiality to the extent provided by law.
- VII. To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.
- VIII. To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.
- IX. To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.
- X. To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.

***EXPECTATIONS OF DONORS to
VIRGINIA THEOLOGICAL SEMINARY***

1. Donors will be recognized and honored for their support and included in the appropriate recognition societies and the annual report.
2. In addition, all donors will be properly thanked for a gift and sent a formal acknowledgement of their gift for their records and tax purposes.
3. Donors will be advised of the impact of their gifts on Virginia Theological Seminary (VTS) projects and programs.
4. Donors will be urged to have all deferred gift agreements reviewed by their own legal and financial advisors prior to their gifting.
5. Donors will be advised that obtaining a qualified appraisal to establish the fair market value of gifted assets will be the responsibility of the donor, not of VTS.
6. All requests for anonymity will be carefully guarded, unless federal and state law or other legal authority requires disclosure.
7. Before gifts are publicized, permission will be obtained from the donor.
8. VTS will seek to make the giving experience satisfying to the donor through a variety of appropriate appreciation and recognition techniques.

Gift Acceptance and Crediting Policies – An Overview

The Virginia Theological Seminary (VTS), with oversight of the Development and Church Relations Committee, has established a set of Gift Acceptance and Crediting Policies for donors and solicitors as a guide for discussion, solicitation, acknowledgment and crediting of gifts to VTS.

The intent of the Gift Acceptance and Crediting Policies is to provide fair and equitable standards for all involved in the philanthropic support of VTS, as well as to assist in measuring progress toward all fundraising activities. These policies will help to ensure that all accepted gifts have real value and are in keeping with the objectives of VTS.

The policies are intended to:

- Be straightforward and honest;
- Fulfill all legal requirements;
- Be fair and sensitive to donors; and
- Further the mission and plans of VTS.

In the case of special circumstances or major exceptions, the issue may be presented to the Gifts Acceptance Committee (comprised of the Dean and President; Vice President for Institutional Advancement; Director of Development; and the Vice President for Administration and Finance) for a final decision/clarification. VTS may accept specific gift arrangements other than those detailed below on the recommendation of the Gifts Acceptance Committee, but the overarching policy of VTS is to convert donated assets to cash as quickly as is practical with consideration given to a donor's request.

Gift Restrictions

Donors may direct their contributions for specific purposes that meet the programmatic needs and requirements of VTS. The donor should discuss the ideas for the restricted gift with the Dean and President or the Vice President for Institutional Advancement and have approval before a restricted gift may be accepted. The language used in creating such a gift should leave sufficient leeway to apply the gift to some other purpose should the designated purpose cease to exist or no longer be feasible. Whenever possible and feasible, an unrestricted gift will be sought by VTS.

Right of Refusal

Virginia Theological Seminary reserves the right to refuse any gift.

GIFT DOCUMENTATION

Documentation will be required for all official crediting of gifts.

1. *Letters of intent, instruments of transfer, email confirmations, and pledge forms* will be used when appropriate to identify the gift arrangement and asset being given, its intended use, pledge payment schedules (where applicable) and the donor. Such forms can be highly personalized to accommodate particular gift arrangements and can be used to reassure the donor that his or her special goals and circumstances will be observed.
2. *All gift instruments referenced above must be in writing and dated.* Verbal pledges of support will be counted in a separate “verbal” category until such time as they are confirmed in writing.

GIFT ADMINISTRATION

1. All documented gifts and pledges will be recorded by the designated member of the Office of Institutional Advancement staff, who also will ensure that the appropriate receipting and written acknowledgments are mailed to donors in accordance with standard office practice.

All pledge payment schedules will be in writing for confirmation of a donor’s intent.

2. Pledge reminder letters, based upon the donor’s confirmed payment schedule, will be sent by VTS unless notified of circumstances making pledge reminders inappropriate.
3. Gifts will be directed to the purposes designated by donors as long as they are legal and acceptable to VTS.

GIFT ACCEPTANCE AND CREDITING POLICIES

GIFT TYPES - Outright Gifts

1. *Cash and checks* are counted as of the date received by Virginia Theological Seminary. An exception is made at the end of the calendar year when the postmark date is used.
2. *Securities* that are publicly traded are counted at the mean market value on the date of gift (i.e. - the date the stock is received into the VTS account). Gifts of closely held stock deemed to be marketable may be credited at the fair market value as determined by a qualified independent appraiser.
3. *Real or personal property* gifts are reviewed by the Gifts Acceptance Committee. The value for crediting those accepted is determined by current appraisal of fair market value according to guidelines of the Internal Revenue Service. Any restrictions on sale, maintenance, administration or display must also be approved. These gifts will be credited on the date the donor relinquishes control of the asset to Virginia Theological Seminary by deed or by physical delivery, as may be appropriate to the form of the gift.
4. *Gifts-in-kind* that help meet approved Virginia Theological Seminary needs and for which donors qualify for a charitable gift deduction under IRS rules are accepted and are counted. The value of those accepted is determined by current qualified appraisal of fair market value for gifts valued at \$5,000 or more. Gifts of under \$5,000 may be reported at the value declared by the donor for income and/or gift tax purposes.
5. *Gifts of art* will be accepted only if the art is given with the intent and understanding that it may be sold and the proceeds used for programmatic purposes. Gifts of art will be reported at the value placed on the gift by an independent appraisal.

Personal Gifts

A personal gift is defined as a gift from an individual or individual's family or a gift commitment made through the vehicle of the individual's personal or family foundation, or through a business entity controlled by the individual or family. For example:

- Gifts given in honor or recognition of an individual are not credited to that individual.
- Corporate or Foundation gifts over which the individual has a controlling interest and allocation discretion are credited to that individual.
- Corporate matching gifts will be counted in accordance with binding corporate policy. If there is no such policy, gifts will be counted toward the purpose of the gift which triggered the match.
- Matching gifts and gifts from donor advised funds will trigger recognition credit for the individuals who steered them to the campaign. For tax purposes, such gifts will be treated as gifts made by the legal entity (i.e. - the corporation or donor advised fund).

GIFT TYPES - Deferred Gifts

Deferred gifts – both irrevocable and revocable – are welcomed and encouraged as an important segment of the Virginia Theological Seminary’s fundraising efforts.

Deferred gifts will be credited on the date the donor signs the gift document.

1. *Bequest intentions* announced by the donor (although not necessarily indicating a gift amount) automatically qualifies the donor for inclusion in the Frances Scott Key Society. If the donor announces his/her intention to revoke the bequest, his/her membership is terminated.

2. *Deferred Gifts* (including will bequest intentions, charitable gift annuities, charitable remainder trusts and other such gifts that mature after a donor’s lifetime) will be counted as “planned gifts” rather than in the outright gifts tally. As with all gifts, documentation signed by the donor is required to enter the gift commitment on VTS’ books. A pledge agreement form appropriate for deferred gifts will be made available to donors.

3. With requisite documentation, deferred gifts will be counted at full value provided the donor will be at least 75 years old at the time the gift documentation is executed. Credit for deferred gifts by donors younger than that age will be discounted as follows:

<u>Donor’s Age</u>	<u>Amount of Face Value Credited</u>
75 or older	100%
70-74	90%
60-69	80%
50-59	70%

4. *Life-income gifts* (such as charitable gift annuities, pooled income fund gifts and charitable remainder trusts) in which all income beneficiaries are at least 75 years of age, will be counted at the face value of the gifted assets. Those that include younger beneficiaries will be counted according to the table above (based on the age of the youngest beneficiary).

5. Gifts of *real estate* with a retained life or term estate will be counted using a qualified real estate appraisal and then discounting according to the table above, based on the age of the youngest life interest holder. It will be important to have the property appraised by an objective third party. The final decision to accept the gift will be determined by the Gifts Acceptance Committee.

6. Income anticipated from a *charitable lead trust* established during a specific time period will be counted at face value of the total income to be received during the first ten (10) years of the trust. Charitable lead trusts paying for a period of longer than ten (10) years will be valued at present value for the subsequent period. VTS will not serve as a trustee of a Charitable Lead Trust.

GIFT TYPES - Deferred Gifts (continued)

7. Confirmed provision for VTS in *individual retirement accounts* or *qualified plans* shall be counted according to the table above. To be counted, such expectancies must be in the form of a specified amount or a percentage of the donor's relevant asset pool at the time the commitment is made.

In the case of a retirement plan account, where the pool of assets will be depleted over time by mandatory distributions, the donor's will must contain a provision to the effect that any shortfall in the anticipated amount passing to VTS will be made up from the donor's estate. The execution by the donor of a Pledge Agreement would be the preferred method of confirming the donor's commitment in this case.

8. Virginia Theological Seminary may be named the beneficiary of an *insurance policy*.

9. *Other plans for deferred gifts* will be considered on a case-by-case basis by the Gifts Acceptance Committee.

GIFT TYPES - Endowed Funds

The Gifts Acceptance Committee, with advice and consultation of the Dean and President, should set the minimum gift level amounts and establish approved guidelines for endowed funds and scholarships.

The gift levels described below are intended as minimum amounts needed to endow the respective opportunity. Exceptions may be granted by the Vice President of Institutional Advancement after consultation with the Dean and President.

1. *Scholarships & Endowed Funds*: To establish a scholarship or fund, a minimum of \$50,000 is required. An endowed scholarship may be awarded to a graduate student, alumnus, laity or clergy member on the basis of need, academic merit or a combination of factors. Scholarships cannot be awarded until 1 year's income has been generated or sufficient monies have been generated by the fund to support the gift fully.
2. *Special Purpose Funds*: To establish one of these funds, a minimum of \$50,000 is required. The proceeds from these funds are used to support students, clergy and laity in programs ranging from emergency assistance, interviews and housing needs, general expenses of the seminary, research, continued education, etc.
3. *Prizes, Awards and Lectures*: To establish an endowed lectureship, prize or award a minimum of \$50,000 is required. The income from these funds may be used to pay for honoraria, publicity and the expenses of faculty, visiting professors or guest lecturers to present a lecture or a series of lectures on campus. Prizes and

awards for graduating students and recognized faculty members are also included in this category.

4. *Endowed Faculty Chair*: To establish and endow a faculty chair, a minimum of \$2,000,000 is required.