THE MARSHALL UNIVERSITY FOUNDATION, INC.

GIFT ACCEPTANCE POLICIES AND GUIDELINES

The Marshall University Foundation Inc. was established in 1947 as a private non-profit corporation for educational purposes, tax exempt under 501(c)3 and organized under the laws of the State of West Virginia to encourage the solicitation and acceptance of gifts to The Marshall University Foundation Inc. (hereinafter referred to as the Foundation) solely for purposes and programs that are recognized as fulfilling or enhancing the mission of Marshall University.

Marshall University is a multi-campus public university providing innovative undergraduate and graduate education that contributes to the development of society and the individual. The University actively facilitates learning through the preservation, discovery, synthesis, and dissemination of knowledge.

I. Purpose of Policies and Guidelines

The Marshall University Foundation, Inc., accepts current and deferred gifts from individuals, corporations and foundations to secure the future growth and mission of Marshall University. The purpose of this document is to set forth the criteria that the Foundation and its officers and committees use to determine that a proposed gift is acceptable and to inform prospective donors and their advisors of the types of gifts the Foundation accepts. While these guidelines establish best practices, they are designed to provide flexibility.

II. Use of Legal Counsel

The Marshall University Foundation, Inc., seeks the advice of outside legal counsel as appropriate on matters relating to acceptance of gifts. Review by legal counsel is usually sought in connection with:

a. Closely held stock transfers that are subject to restrictions or buy-sell agreements
b. Gifts involving contracts, such as bargain sales or other documents requiring the Foundation to assume a legal obligation
c. Transactions with potential conflict of interest that may invoke IRS sanctions
d. Other instances in which use of counsel is deemed appropriate by the Foundation's Board of Directors.

III. Communications with Donors

The Marshall University Foundation, Inc., holds all communications with donors and information concerning donors and prospective donors in strict confidence, subject to legally authorized and enforceable requests for information by government agencies and courts. All other requests for or releases of information concerning a donor or a prospective donor will be granted only if permission is first obtained from the donor.

IV. Conflict of Interest

The Marshall University Foundation, Inc., does not provide personal legal, financial or other professional advice to donors or prospective donors. While individuals acting on behalf of the Foundation may provide general legal and tax information obtained from reliable qualified sources to prospective donors, donors and prospective donors are strongly urged to seek the assistance of their own professional advisors in matters relating to their gifts and the resulting tax and estate planning consequences. The Foundation is committed to established national standards of ethical practice and shall comply with the Model Standards of Practice of the Charitable Gift Planner, promulgated by the National Committee on Planned Giving and the American Council on Gift Annuities (attached as Appendix A) and the Donor Bill of Rights, promulgated by the Association of Fundraising Professionals (attached as Appendix B).

V. Restrictions on Gifts

Unrestricted gifts and gifts for specific programs and purposes may be accepted, provided they are consistent with mission, purposes and priorities of Marshall University and The Marshall University Foundation, Inc. The Foundation will not accept gifts that are inconsistent with its mission, purposes or priorities; are judged too difficult to administer; or may jeopardize the Foundation's tax-exempt status; or provide a direct benefit to the donor.

VI. Standing Committees dealing with gifts

The Advancement Committee has a primary charge of fund-raising, developing and overseeing strategies, issues and campaign feedback as well as development of appropriate planned giving policies. The Special Gifts Committee, a sub-committee of the Advancement Committee, will review gifts of tangible property offered to the Foundation, such as art, land, cars, homes, collections, etc.

The Investment Committee has a primary charge of oversight of the Foundation's investments, including negotiations with its investment partners.

VII. Types of Gifts

A. The following gifts may be considered for acceptance by the Foundation:

1. Cash
2. Securities
3. Tangible Personal Property, including in-kind gifts
4. Real Estate
5. Remainder Interests in Property
6. Oil, Gas and Mineral interests
7. Bargain Sales
8. Life Insurance
9. Charitable Gift Annuities
10. Charitable Remainder Trusts
11. Revocable Trust Agreements

12. Charitable Lead Trusts
13. Retirement Plan Beneficiary Designations
14. Bequests
15. Life Insurance Beneficiary Designations
16. Donor Advised Funds *

B. The following criteria apply to the acceptance of gifts in these categories:

1. *Cash.* Cash may be accepted in any negotiable form, i.e., currency, check, money order or credit card. Gifts are payable to The Marshall University Foundation, Inc.

2. *Securities*: The Foundation can accept publicly traded securities, closely held securities, bonds and government issues.

   Publicly Traded Securities: These are securities regularly traded on a public stock exchange. The value of the gift will be the average of the highest and lowest selling prices quoted for the stock on the gift date, as defined below.

   Transfer of marketable securities to the Foundation may be accomplished by:

   - Electronic transfer to a Foundation account maintained at one or more brokerage firms, usually the quickest way to donate securities. The donor or the donor's agent must call the Foundation for transfer instructions.
     - The date of the gift is the date the stock is transferred into the name of The Marshall University Foundation, Inc., on the transfer agent's records.
   - Personal or mail delivery with the transferor's signature endorsing each certificate on the back to The Marshall University Foundation, Inc., and stock power attached for each separate issue of stock or bond with signatures guaranteed by a bank or trust company.
     - Hand-delivered securities will be valued as of the date of delivery.
     - Registered mail delivery will use postmark date on the stock power as the gift date when the stock certificate and stock power are mailed under separate covers.

   If securities have depreciated in value, it may be advisable for the donor to sell them at a loss and then give the proceeds to the Foundation. The proceeds will be treated as a cash gift and the donor may claim a capital loss on his/her income tax return.

   As a general rule, all marketable securities will be sold upon receipt unless otherwise directed by the Board of Directors of the Foundation. In some cases marketable securities may be restricted by applicable securities laws; in such instance the final determination on the acceptance of the restricted securities may be made by the Investment Committee of the Foundation.

Options and Other Rights in Securities: The following questions apply to acceptance of warrants, stock options and stock appreciation rights:

- Is the Foundation required to advance funds upon exercise of the gift? If so, does the Foundation have the required funds?
- Is the Foundation at risk of loss of funds in accepting the gift?
- Are the rights restricted? And if so, does the restriction affect the ability of the Foundation to dispose of the asset? Does the restriction materially impact the value of the gift to the Foundation?
- Will acceptance of the gift and/or exercise of the option trigger any tax consequences to the donor?

Closely Held Securities: These are shares of stock in entities that have been organized for profit-making purposes and are rarely traded on stock exchanges. Proposed gifts of closely held securities, which include not only debt and equity positions in non-publicly traded companies but also interests in LLPs and LLCs or other ownership forms, will be reviewed by addressing the following questions:

- What type of entity is represented by the gift? (For example, C Corporation, S Corporation, LLC, LLP)
- Will the security generate unrelated business taxable income to the Foundation? If so, does the Foundation have the funds to pay this tax?
- Will the gift trigger any negative tax consequences to the donor? If the donor is unsure, please advise him/her to talk with his/her accountant.
- Are there restrictions on the security that would prevent the Foundation from ultimately converting those assets to cash?
- How does the company operate? Does its operation of the gift interest create liability for the Foundation?
- Is the security marketable? If so, what is the market for sale, and estimated time required for sale?

If potential problems arise on initial review of the security, further review and recommendations may be sought from an outside professional before making a decision whether to accept the gift. Every effort will be made to sell non-marketable securities as quickly as possible. A decision to accept gifts of closely-held securities is made by the Board of Directors upon recommendation of the Investment Committee and the Special Gifts Committee.

3. *Tangible Personal Property, including in-kind gifts.* The Foundation may accept tangible personal property gifts, including but not limited to coin, stamp and other collections, works of art, jewelry, antiques, automobiles, manuscripts and books. Such gifts are accepted only after a thorough review by the Special Gifts Committee indicates the property is readily marketable or may be used by the university in a manner consistent with the mission.

The Foundation or the University reserves the right to sell or otherwise dispose of the personal property if such action is financially advisable or necessary. In that case, the Foundation will inform the donor that IRS rules may limit the amount of charitable deduction to the donor's cost basis.

In order to qualify for a tax deduction under IRS rules, gifts of tangible personal property of $5,000.00 or more require a written appraisal by a qualified independent appraiser. The Foundation cannot pay for an appraisal. If, however, a donor declines a gift receipt, the Foundation can accept the property on behalf of the University and determine an appropriate market value of the gift using methods up to and including obtaining a qualified appraisal.

The donor is responsible for arranging and assuming all associated costs of transporting the gift to the University. The Foundation or the University assumes ownership once the gift-in-kind is physically received.

After being notified of a donor's intention to contribute a gift-in-kind, the Foundation determines if the gift is acceptable. The recipient (college, school, department or program) must declare that the gift-in-kind will meet the purposes for which the gift is intended and be willing to accept the gift and assume all associated costs upon receipt of gift.

The Foundation determines whether the gift is for a related or unrelated use. A tax deduction for the market value of the gift is allowed when the University will use the gift (related). In the event the gift is not accepted by a college, school, department or program, the Foundation may choose to accept the gift. In assessing the appropriateness of the gift, the Foundation will address the following questions:

- Is the property marketable? What is the market for and costs of transportation to market and sale?
- Are there any undue restrictions on the use, display, or sale of the property?
- Are there any carrying costs (insurance, storage, ongoing maintenance, administrative and legal fees) for the property?
- Does the asset have legal and other liabilities, which the Foundation will be expected to assume?
- Would the property expose the Foundation to unrelated business income tax liability?

The appropriate form (related use or unrelated use) is forwarded to the donor to complete the valuation section and return to The Foundation. Once the form is returned by the donor, the Foundation sends to the appropriate college, school, department or program to execute the agreement, thereby assuming responsibility of the gift-in-kind. The form is returned to the Foundation for approval of acceptance and acknowledgment. Copies of the executed form are distributed to the donor, the college, school, department or program (attached as Appendix C).

4. *Real Estate*. The Marshall University Real Estate Foundation, Inc. (hereinafter referred to as the Real Estate Foundation) may accept gifts of real estate on a case by case basis including but, not limited to developed property (houses, condominiums, commercial property, farm land, and rental property), undeveloped property, or gifts subject to a prior life interest. Real property may be accepted as an outright gift or, in some cases, to fund a Deferred Charitable Gift Annuity ("DCGA"), subject to prior approval by the Real Estate Foundation.

   In some cases where the donor wishes to gift real estate as a split interest planned gift, the Real Estate Foundation may encourage the donor to create a Flip Charitable Remainder Unitrust ("Flip CRUT"), designating the Real Estate Foundation as remainder beneficiary of the trust. Such cases may include donors who live in states regulating gift annuity reserve requirements. The Real Estate Foundation does not desire to serve as trustee of any trusts.

   A gift of real property will be subject to the following requirements:

   (a) Qualified appraisal of the property's fair market value obtained and paid for by the donor. The donor shall report the results to the Real Estate Foundation on IRS Form 8283, which must be certified by an authorized officer of the Real Estate Foundation. In order for the donor to take a charitable deduction, the IRS requires that the donor get an independent qualified appraisal of the property made no earlier than 60 days before the gift and no later than the day before the date on which the tax return claiming the deduction is filed (including extensions). If the donor-provided appraisal is subject to question by the Real Estate Foundation and/or its independent auditors, the Real Estate Foundation reserves the right to obtain an additional appraisal paid for by the Real Estate Foundation.

   (b) *Inspection by a representative of the Real Estate Foundation.* The Real Estate Foundation may choose to have a representative or employee or local licensed home inspector or contractor view the property to assess potential problems, risks and costs before incurring the expenses associated with the acquisition of real estate. If risks are identified, it will be necessary for the donor to rectify the problem at his/her expense before the Real Estate Foundation will consider accepting the gift.

   (c) *Phase I environmental study will be conducted by a qualified inspection firm and paid for by the Real Estate Foundation.* This is to ensure that the property has no environmental damage or other environmental issues that would expose the Real Estate Foundation to liability. This requirement may be waived by the Real Estate Foundation on a case by case basis. If environmental risks are identified, it will be necessary for the donor to rectify the problem at his/her expense before the Real Estate Foundation will consider accepting the gift.

   (d) *Marketability review by at least two knowledgeable brokers.* The Real Estate Foundation shall consult with at least two knowledgeable real estate brokers to determine the marketability of the proposed property. The Real Estate Foundation will ask brokers and/or home inspectors to review the donor's stated carrying costs and identify areas of concern.

(e) *Carrying costs to cover ongoing expenses and maintenance of the property between the transfer of the property and its sale, paid by the Real Estate Foundation.* Such carrying costs to include but are not limited to: insurance, utilities, maintenance, repairs, landscaping, snow removal, property management, property taxes, property owners' association dues, and garbage removal. In the case of a unitrust, the donor must deposit sufficient cash in the unitrust to pay for these expenses for the time period prior to the sale by the trust.

(f) *Transfer costs associated with the property such as title search costs and title insurance, and legal fees, paid by the donor.* A transfer of property becomes effective for tax purposes at the time a properly executed general warranty deed is delivered to the Real Estate Foundation by the donor. The donor is encouraged to provide other available information including, a recent survey of the property, title insurance policy, or an attorney's title opinion.

Deferred Charitable Gift Annuity

While the Real Estate Foundation will not accept real estate, tangible personal property or any other illiquid asset in exchange for current charitable gift annuities, it may accept real estate, tangible personal property or other illiquid assets in exchange for deferred gift annuities so long as:

- the deferral period be subject to the Real Estate Foundation's discretion and reviewed case by case,
- the value and marketability of the property are reasonably certain, and
- the Real Estate Foundation approves the gift arrangement.

In consideration of the gift, the Real Estate Foundation will pay a fixed income for one or two individuals, which can include the donor(s). The minimum age to establish the gift annuity is 45; with the minimum age to receive payments of 65. The Real Estate Foundation will adhere to the payout rates established by the American Council on Gift Annuities (ACGA). These rates are published annually and are reviewed and revised periodically as prevailing interest rates fluctuate and secular trends in mortality change.

Each gift annuity contract will include the following to be executed by the Donor(s) and the Chief Executive Officer of the Real Estate Foundation, Inc.: Gift Annuity Application, Disclosure Statement and Gift Annuity Agreement.

At the death of the annuitant, or the second-to-die of a two-life gift annuity, the residual balance will be transferred into the Marshall University Foundation's Greatest Needs Fund. Designation of gifts will follow the gift acceptance policies in effect at the time the contract was executed. Endowments bearing individual's names must meet the guidelines in effect at the time the agreement ends and the residual balance is transferred to The Marshall University Foundation, Inc.

Management of the Charitable Gift Annuity Program will be the responsibility of the Real Estate Foundation. The investment and administration of the Charitable Gift Annuity Fund will be provided by the Real Estate Foundation's Planned Giving Partner. Oversight and investment policy will be the responsibility of the Investment Committee of the Board of Directors of the Real Estate Foundation. The Real Estate Foundation will adhere to all state rules and regulations regarding gift annuities and will not offer gift annuities in states where the rules are too limited and restrictive.

A due diligence process will determine the net value from the real property to use in discounting the gift annuity rate to the extent that the net proceeds are expected to be less than the appraised value. The net proceeds are defined as the expected selling price less any selling costs to the Real Estate Foundation, i.e., carrying and transfer costs. The cost estimate will consider potential income from the property.

Steps include estimates of:

- the *gross sales price/appraisal* from the real property – by a qualified appraisal

- the length of time necessary to *market* the property and complete settlement or close of escrow – by a broker

- *carrying costs* of the property including real estate taxes, insurance, utilities, maintenance, landscaping, snow removal (in northern climates), property management and any capital repairs needed to make the property marketable

- *transfer costs* of the property. These include the broker's commission, legal fees, title insurance and possibly transfer fees.

All capital gains will be deferred and a portion taxed over the estimated life expectancy of the annuitant(s).

5. *Remainder Interests in Property.* The Real Estate Foundation may accept a remainder interest in a personal residence, farm, or vacation property subject to the provisions of the real estate policy (item 4 above). The donor or other occupants may continue to occupy the residence without disruption for the duration of the donor's life. After the donor's death, the Real Estate Foundation may either use or sell the property. Where the Real Estate Foundation receives a gift of a remainder interest, expenses for maintenance, insurance, real estate taxes, and any property indebtedness will be paid by the donor and/or primary beneficiary.

6. *Oil, Gas and Mineral Interests.* The Real Estate Foundation may accept oil, gas, or mineral interests, when appropriate. In accepting oil, gas or mineral interests, the

Real Estate Foundation will determine whether the following criteria have been met:

- Gifts of surface rights should have a value of $20,000 or greater.
- Gifts of oil, gas, and mineral interests should generate at least $3,000 per year in royalties or other income (as determined by the average of the three years prior to the gift).
- The property should not have extended liabilities or other considerations that make receipt of the gift inappropriate.
- A working interest is rarely accepted. A working interest may only be accepted when there is a plan to minimize potential liability and tax consequences.
- The property must undergo an environmental review to ensure that the Foundation has no current or potential exposure to environmental liability. The cost of the environmental review must be borne by the donor.

7. *Bargain Sales.* The Real Estate Foundation may enter into a bargain sale arrangement in instances where the bargain sale furthers the mission and purposes of the Foundation, subject to the provisions of the real estate policy (item 4 above). In determining the appropriateness of the transaction, the Real Estate Foundation will consider whether:

    - The value of the property has been substantiated by an independent appraisal.
    - Any debt assumed with the property is less than 50% of the appraised market value.
    - The Real Estate Foundation will use the property, or there is a market for sale of the property allowing sale within 12 months of receipt.
    - The costs to safeguard, insure, and expense the property (including property tax, if applicable) during the holding period have been determined

8. *Life Insurance.* A donor may name the Foundation as a beneficiary and/or owner of a new or existing life insurance policy. The Foundation must be named as both beneficiary and irrevocable owner before a life insurance policy can be recorded as a gift. If the donor contributes future premium payments, the Foundation will include the entire amount of the additional premium payment as a gift in the year that it is made.

    If the donor does not elect to continue to make gifts to cover premium payments on the life insurance policy, the Foundation may:

    - continue to pay the premiums and receive the full face value of the policy at the donor's death;
    - convert the policy to paid up insurance in a reduced amount with no further payments; or
    - surrender the policy for its current cash value.

Once the policy is accepted, life insurance holdings will be reviewed annually to determine whether it is best to continue to pay the premiums, convert the policy to paid up insurance, surrender the policy for its current cash value, or change the underlying investment structure.

9. *Life Insurance Beneficiary Designations* – Donors and supporters of the Foundation will be encouraged to name the Foundation as beneficiary or contingent beneficiary of their life insurance policies. Such designations shall not be recorded as gifts to the Foundation until such time as the gift is irrevocable.

10. *Charitable Gift Annuities* - A charitable gift annuity is a life income arrangement and charitable agreement whereby the donor transfers to The Marshall University Foundation, Inc. a specific sum of cash, securities or other property in an amount no less than $10,000. In consideration of this gift, the Foundation will pay a fixed income for one or two individuals, which can include the donor(s). The minimum age to establish the gift annuity is 45; with the minimum age to receive payments of 65.

    The annuity can be established as immediate, deferred or flexible, with the age restrictions stated in the preceding paragraph. The Marshall University Foundation will adhere to the payout rates established by the American Council on Gift Annuities (ACGA). These rates are published annually and are reviewed and revised periodically as prevailing interest rates fluctuate and secular trends in mortality change.

    Each gift annuity contract will include the following to be executed by the Donor(s) and the Chief Executive Officer of The Marshall University Foundation, Inc.: Gift Annuity Application, Disclosure Statement and Gift Annuity Agreement.

    At the death of the annuitant, or the second-to-die of a two-life gift annuity, the residual balance will be transferred into the Marshall University Foundation's Greatest Needs Fund. Designation of gifts will follow the gift acceptance policies in effect at the time the contract was executed. Endowments bearing individual's names must meet the guidelines in effect at the time the agreement ends and the residual balance is transferred to The Marshall University Foundation, Inc.

    Management of the Charitable Gift Annuity Program will be the responsibility of The Marshall University Foundation, Inc.'s Director of Planned Giving. The investment and administration of the Charitable Gift Annuity Fund will be provided by The Marshall University Foundation, Inc.'s Planned Giving Partner. Oversight and investment policy will be the responsibility of the Investment Committee of the Board of Directors of The Marshall University Foundation, Inc. The Marshall University Foundation, Inc. will adhere to all state rules and regulations regarding gift annuities and will not offer gift annuities in states where the rules are too limited and restrictive.

11. *Charitable Remainder Trusts* - The Foundation encourages its donors to name the Foundation as a remainder beneficiary of a charitable remainder trust and will work with its donors to structure such agreements. This irrevocable trust provides immediate income tax deduction for the value of the remainder interest in the trust based on IRS life expectancy tables, the donor(s) age and the rate of return at the time. These trusts provide periodic payment of income to the donor(s) or their named beneficiary for life or a specified term of years, after which the trust assets pass to the Foundation. Neither the University nor the Foundation is chartered to serve as trustee; therefore, a third party trustee (such as a bank or a friend) should be used. After the death of the named beneficiary, the trustee will transfer the principal to the Foundation.

    The two types of Charitable Remainder Trusts are:

    - Annuity Trust: The annual payment is a *fixed dollar amount* based on a percentage (which must be at least 5%) of the initial fair market value of the trust property. Donors may not make additional contributions to an annuity trust.
    - Unitrust: The annual payment from a unitrust is a *fixed percentage* (which must be at least 5%) of the value of the trust assets re-evaluated each year. Donors may make subsequent additions to the unitrust during their lifetime or by bequest upon their death.

12. *Revocable Trust Agreements* - The Foundation encourages its donors to name the organization as a beneficiary of all or a portion of a revocable trust agreement. A revocable trust will not qualify for immediate income tax benefits. The Foundation will not serve as trustee of a revocable trust agreement and will instead encourage the donor to use a professional fiduciary.

13. *Charitable Lead Trusts* – A charitable lead trust provides immediate support to the Foundation and tax benefits to the donor. Income is generated by the assets in trust for a set period of time, after which the assets pass to a non-charitable beneficiary such as the donor, the donor's children or person(s) specified by the donor. The donor gives the Foundation the current economic benefit of the transferred assets and retains the right to reacquire possession and control of the assets at a future date.

    The donor during his or her lifetime creates an irrevocable trust agreement for a period of ten years or more. The agreement may take effect during the donor's lifetime or be part of the donor's will. Assets are transferred to a trustee with the stipulation the income from the assets be paid to the Foundation for the life of the trust. The Foundation will not serve as trustee of a charitable lead trust and will instead encourage the donor to use a professional fiduciary.

14. *Retirement Plan Beneficiary Designations* - Donors and supporters of the Foundation will be encouraged to name the Foundation as beneficiary of their retirement plans. Such designations will not be recorded as gifts to the Foundation until such time as the gift is irrevocable.

15. *Bequests* - Donors and supporters of the Foundation will be encouraged to make bequests to the Foundation under their wills and trusts. Bequests may provide for specific amounts in cash, securities, articles of tangible personal property, or a percentage or residue of the estate. Among donors' are residuary and contingent bequests. A residuary bequest will give the Foundation all or a portion of the estate after all debts, taxes, expenses, and other bequests have been paid. A contingent bequest will ensure that specified property will pass to the Foundation rather than unintended beneficiaries. Such bequests will not be recorded as gifts to the Foundation until such time as the gift is irrevocable.

    Bequests may be given as unrestricted or restricted gifts. Unrestricted bequests may be applied to current needs. A restricted bequest supports a certain purpose or program designated by the donor.

16. *Donor Advised Funds* * - The Marshall University Foundation, Inc. (the Foundation) places a gift of at least $50,000 or more into a Donor Advised Fund (DAF), which acts as a pooled investment fund, in accordance with investment policies of The Marshall University Foundation, Inc. The gift is irrevocable, initially undesignated as to purpose and receives an immediate charitable tax deduction. Donors may make additional contributions in increments of at least $5,000 to their DAF to augment its potential impact in carrying out charitable intentions. Gifts to DAFs are restricted to cash or marketable securities, excluding, by statute, tax exempt bonds and IRA rollover gifts as allowed in the *Emergency Economic Stabilization Act of 2008*.

    The fund is valued annually. An annual fee of 1.75% is charged for administration.

    The earnings (and the principal, if the donor chooses) may be disbursed. The MU Foundation requires that at least 51% of the annual disbursement benefit some aspect of Marshall, but a donor may also make non-binding recommendations of gifts of the balance to other favorite qualified 501(c)(3) charities.

    Disbursements may be made semi-annually in amounts of at least $1,000. All recommendations for disbursements must be submitted to the MU Foundation by mail, email or fax. All disbursements from donor advised funds must legally be made as contributions with no goods or services received in exchange. For example, gifts from donor advised funds cannot be used for memberships or for tickets or tables for fundraising events, in accordance with IRS regulations. Other exemptions for disbursements include those to (1) private foundations within the meaning of that term in section 509(a) of IRS regulations, and (2) another organization to fulfill a legally binding pledge of the donor.

    The MU Foundation will adhere to a due diligence process for grants to other charities, investigating each organization to ensure consistency with its DAF policies, contacting each organization to request a copy of its annual report, IRS

Form 990, board member roster, program description, and documentation of tax-exempt status. All grant recommendations are presented to the MU Foundation for review and approval.

The MU Foundation shall issue to each donor an annual statement which will include the market value of the assets in the fund of the donor and all contributions and disbursements during the period covered by the report.

At the death of the Donor, a named family member may make recommendations for allocation from the DAF for a period of up to 10 years. Since at least 51% of the annual disbursements from a donor's DAF go to the MU Foundation, therefore, at least 51% of the fund should be distributed to the MU University Foundation upon termination of the fund. At that time, all remaining assets are distributed as set forth in the governing fund agreement, or as otherwise recommended in writing.

VIII. Designation of Gifts

Donors are encouraged to recognize that following the establishment of an endowment, the needs, policies and circumstances of Marshall University may change. The Marshall University Foundation Inc., through its Board of Directors, has the flexibility to make use of funds in the best interest of Marshall University in accordance with donors' interests and specifications. Donors are advised to recommend the specific purposes of their gifts as broadly as possible and to avoid detailed limitations and restrictions. Once a gift has been accepted and designated for a use, the donor may not change the original designation unless otherwise approved by the Foundation Board of Directors, the Executive Committee acting on its behalf, or the Chief Executive Officer.

The Marshall University Foundation Inc. may approve the establishment of special purpose and unrestricted endowment funds upon receipt of gifts or commitments that meet its approved financial and other criteria. Endowments bearing individual's names or otherwise rendered discrete from unrestricted funds must meet the criteria established by the Board of Directors. Written guidelines are required for each endowment to be approved by the Chief Executive Officer of the Foundation and the President of the University.

There are several types of endowments. The most common naming opportunities and their minimum gift levels to establish, are set forth in Addendum A to Marshall University Board of Governors Policy No. GA-10. Naming Policy for Units and Facilities, effective October 15, 2019.

Opportunities are available to recognize significant gifts for academic enhancements, named facilities, and other prizes and awards. Naming opportunities are attached as Appendix D.

Because conditions change, endowment guidelines must contain the following contingency clause: "Should the purpose for this fund no longer exist at Marshall University, or changes in the law impact the tax exempt status of the Foundation, the Board of Directors of the Foundation may designate a purpose most consistent with the original intent of the donor."

IX. Miscellaneous Provisions

A. *Securing appraisals and legal fees for gifts to the Foundation*: It will be the responsibility of the donor to secure an appraisal (where required) and the advice of independent legal, financial or other professional advisers as needed for all gifts made to the Foundation.

B. *Valuation of gifts for development purposes*: The Foundation will record a gift received by the Foundation at its valuation for gift purposes on the date of gift.

C. *Returning Gifts*. Based on state and federal regulations, once a donor has transferred real or tangible property to the Foundation and the gift has been accepted, it cannot be returned.

D. *Provision for amendment*. This Gift Policy may be amended by majority vote of the directors of the Foundation at any regular meeting of the board or at a special meeting called for that purpose; provided that in all events at least five (5) days written notice of the proposed amendments shall be given to the Foundation's Board of Directors.

E. *Final Approval, Acceptance and Execution by the Foundation*. Documents effecting the acceptance of all gifts, the creating of endowment programs and the transfer of real or tangible personal property to the Foundation must be approved by the Board of Directors and executed by the Chief Executive Officer. Documents shall be executed in duplicate with one copy sent to the donor and the second retained by the Foundation.

F. *Responsibility for IRS Filings upon sale of gift items:* The Chief Financial Officer of the Foundation is responsible for filing IRS Form 8282 upon the sale or disposition of any non-marketable asset sold within three years of receipt by the Foundation when the charitable deduction value of the item is more than $5,000. The Foundation must file this form within 125 days of the date of sale or disposition of the asset. Form 8282 with Filing Instructions is attached as an appendix to these policies.

G. *Acknowledgement of all gifts made to the Foundation and compliance with the current IRS requirements in acknowledgement of such gifts is the responsibility of the Chief Executive Officer of the Foundation or his/her designee.* IRS Publication 561 Determining the Value of Donated Property and IRS Publication 526 Charitable Contributions provide excellent guidance and can be downloaded from www.irs.gov.

Naming Opportunities Guidelines

For naming divisions, colleges, schools, departments, centers, institutes and programs:

Naming Opportunity	Description	Suggested Minimum
College, Independent School or Division		$15,000,000
School	Within a College	$5,000,000
Independent Center, Institute, Program or Department		$2,500,000
Center, Institute or Program	Within a College or School	$1,000,000

For naming facilities:

Naming Opportunity	Description	Suggested Minimum
New university facility		Minimum of 50% of the estimated cost of construction
Renovated university facility		Minimum of 33% of estimated renovation costs
Wet Laboratory	Wet laboratories are laboratories where chemicals, drugs, or other material or biological matter are handled in liquid solutions or volatile phases, requiring direct ventilation, and specialized piped utilities (typically water and various gases).	$500,000

Dry Laboratory	Dry lab is a laboratory where computational or applied mathematical analyses are done on a computer-generated model to simulate a phenomenon in the physical realm whether it be a molecule changing quantum states, the event horizon of a black hole or anything that otherwise might be impossible or too dangerous to observe under normal laboratory conditions.	$250,000
Electronic Classroom, Case Room, or Auditorium	Electronic classrooms integrate computer, multimedia, audio-visual, and network technologies in the teaching and learning process. Case rooms provide a more intimate location for academic activities in which lecture halls, libraries, etc. are too large. An auditorium is a large building or hall used for public gatherings, typically speeches or stage performances; it can also be part of a theater, concert hall, or other public building in which the audience sits.	$200,000

Large Classrooms	> 50 seats	$100,000
Small Classrooms	≤ 50 seats	$50,000
Large Conference Rooms, Administrative Suites, Faculty Suites, Study Rooms, etc.	> 300 sq. ft.	$50,000
Small Conference Rooms, Administrative Suites, Faculty Suites, Study Rooms, etc.	≤ 300 sq. ft.	$20,000

For naming faculty and student support endowments:*

Naming Opportunity	Description	Suggested Minimum
Presidential Endowment	Supports projects determined by the President and related to institutionally defined priorities.	$3 million
Endowed Deanship	To be occupied by an individual serving as Dean of a school or college.	$2.5 million

Eminent Scholars Chair	To be occupied by an individual with the rank of full professor.	$2 million
Chair	To be occupied by an individual with the rank of full professor.	$1.5 million
Distinguished Professorship	To be occupied by an individual with the rank of full professor.	$750,000
Faculty Fellowship	To be utilized by a dean to attract and retain a faculty member in high demand or needed academic program area.	$500,000
Distinguished Visiting Professorship	To be occupied by a prominent scholar or executive on a rotating basis generally not to exceed one year in duration	$500,000

Professorship/ Lectureship	Awarded the position of professor with such responsibilities, i.e. lecture series, more than one lesson taught, etc.	$250,000
Presidential Endowed Scholarship	Awarded to an undergraduate or graduate student on the basis of need and or academic merit.	$250,000
Graduate Fellowship	Awarded to a student who is working toward an advanced degree in any graduate program including an assistantship, for which the student may perform teaching or research duties.	$250,000
Research Fund	To support program efforts, technology enhancements, research and publication or presentation expenses.	$150,000
Scholarship	Awarded to an undergraduate, graduate or a professional school student on the basis of need and/ or academic merit.	$25,000

Student Support Fund	Awarded to areas that give our students the most opportunities to excel and ensure that we have the skills and knowledge to continue to serve and support our students at the highest level, i.e. student services, student activities, advisors, etc.	$25,000
General Endowment Minimum	Includes program and lecture endowments.	$25,000

For naming faculty and student support accounts (non-endowed):

Naming Opportunity	Description	Suggested Minimum
Faculty or Post-Doctoral Fellowships	Awarded to a faculty member or a post-doctoral student for meritorious work on research	$50,000

Program	Awarded to an undergraduate, or professional school student on the basis of need and/or academic merit; university programs and activities may include, but are not limited to, employment, admissions, recruitment, financial aid, academic programs, student treatment and services, counseling and guidance, discipline, classroom assignment, grading, recreation, athletics, etc.	$15,000
Presidential Scholarship	Awarded to an undergraduate or graduate student on the basis of need and/or academic merit.	$10,000
Scholarship	Awarded to an undergraduate, graduate or professional school student on the basis of need and/or academic merit	$5,000

*** To convert an endowment, an estate gift commitment can be used as the vehicle to establish the endowment.**