Cal Poly Humboldt FOUNDATION

Gift Acceptance Policy

Revised Sept 19, 2025

This revised Gift Acceptance Policy, dated 9/19/25 was accepted by the Cal Poly Humboldt Foundation Board of Directors Executive Committee during their September 19, 2025 meeting.

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Gift Acceptance Policy

The division of University Advancement (UA) and the Cal Poly Humboldt Foundation are responsible for raising and managing charitable funds for Cal Poly Humboldt. UA provides specialized fundraising support services, including an annual giving program, major gifts, donor and alumni relations, special events, planned giving, prospect research, and donor and alumni information systems.

Cal Poly Humboldt Foundation is organized and operated exclusively as a nonprofit public benefit corporation and is not organized for the private gain of any purpose; it is exempt from income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code. The specific purpose of this corporation is to promote and assist Cal Poly Humboldt to receive gifts and property, and to manage these resources - making them available to the University to further its educational mission and objectives.

UA and Cal Poly Humboldt Foundation responsibilities include the management and administration of contributions received on behalf of the University and its related organizations. They are responsible for: (a) the management and administration of all bequests, estates, trust arrangements and endowments in which the University is the intended beneficiary; (b) investment of all funds and securities; (c) accounting and reporting for individual gift accounts; (d) valuation of gifts for Internal Revenue Service and State of California reporting purposes; (e) compliance with Federal and State laws and regulations regarding said contributions; and (f) acceptance, management, and sale of gifts of real and personal property.

Cal Poly Humboldt Foundation provides policies and procedures to ensure that all gifts and earnings are used according to donor intentions. Donor stewardship programs are managed through UA.

Policy Statement

Cal Poly Humboldt strongly encourages the solicitation and acceptance of private gifts and grants, which enable it to fulfill its purpose of teaching, scholarship, and community service.

Gifts may be sought from individuals, corporations, and foundations. They may be sought only for purposes, positions, and programs that have appropriate academic or administrative approval.

Cal Poly Humboldt values and will protect its integrity, its independence, and the academic freedom of the University community. Gifts that may expose Cal Poly Humboldt to adverse publicity, require expenditures beyond University resources, or involve Cal Poly Humboldt in unexpected responsibilities because of their source, condition, or purposes, or are not consistent with the purpose of Cal Poly Humboldt will not be accepted.

The Cal Poly Humboldt Foundation is unable to accept gifts that are too restrictive in purpose or inconsistent with its stated academic purpose and priorities. Cal Poly Humboldt cannot accept gifts that involve unlawful discrimination based upon race, sex, age, national origin, color, disability, or any other basis prohibited by federal, state, and local laws and regulations. Nor can Cal Poly Humboldt accept gifts that obligate it to violate any other applicable law or regulation.

Gifts are recorded and reported according to CSU guidelines and CASE Standards, which provide operational guidelines and specific details on how to record and report gifts. Please refer to these and University Advancement procedures and guidelines for more information on steps that need to be taken to accept and acknowledge these various types of gifts.

Cal Poly Humboldt encourages philanthropic creativity; therefore, this policy is to be interpreted liberally so that prospective donors may enjoy the greatest freedom possible in formulating their gifts.

Gift Defined

A gift is defined as any contribution received by the Cal Poly Humboldt Foundation for either unrestricted or restricted use in the furtherance of Cal Poly Humboldt's purpose for which no commitment of resources or services exists, other than, possibly, committing to use the gift as the donor specifies.

Gifts may include cash, securities, real estate, tangible personal property, or grants.

Gifts to support Cal Poly Humboldt may be made in several forms, including:

1) Outright

2) Conveyance of a gift in such a way that the donor or the donor's designees retain(s) income from it for a term of years or his/her lifetime(s)

3) A bequest through the donor's will or trust

4) Conveyance of the income from an asset placed in trust for a period of years

5) Conveyance of real property, while maintaining the right to occupy it for the lifetime of the donor

Gift Acknowledgement and Recording

Gifts are accepted into and an acknowledgement comes from the Foundation, which provides the donor with a receipt for tax purposes. University Advancement maintains a complete record of all donor contributions and maintains the system of record for all charitable contributions.

The Vice President (VP) for UA is delegated authority by the President to accept all gifts to Cal Poly Humboldt and its auxiliaries. This delegation is a requirement of the California State University system.

The VP for UA, under the authority delegated by the President, further delegates the authority to accept gifts, subject to the policies and procedures contained in this policy, to UA and the Cal Poly Humboldt Foundation.

Gift Acceptance Committee

Cal Poly Humboldt Foundation and the University are legally obligated to adhere to the terms and conditions of every gift. For this reason, the terms of each gift must be considered with the utmost care to be sure they are feasible, do not unduly hamper the usefulness and desirability of the gift, and conform with Cal Poly Humboldt policy.

Gifts that may result in current or future financial obligations for Cal Poly Humboldt or impact University facilities and grounds will require prior approval of the VP for UA, who will consult with appropriate University officials when necessary. Gifts that involve alternatives to or naming of a campus facility or placement of physical structures on the University grounds may also require review by the appropriate campus official or committee.

The VP for UA will convene the Gift Acceptance Committee of the Cal Poly Humboldt Foundation when the circumstances surrounding a specific gift raise significant institutional issues. The suggested minimum members of the committee are: the Executive Director of the Foundation/VP of UA, the Foundation Board Chair or their designee, and the Campus Controller or their designee. Additional members should be added based on the area of expertise needed.

The Gift Acceptance Committee at the request of the VP for UA is responsible for reviewing and making recommendations regarding gifts in which present or future encumbrances may be incurred and in cases involving certain types of unusual non-cash gifts. Meeting notes, including a log of dates and discussion items, should be kept to detail the acceptance or rejection of the gifts being considered.

Review Examples

Types of gifts reviewed by the committee may include, but are not limited to:

- Gifts of real property or any interest therein
- Gifts of closely-held securities, promissory notes, partnership interests, stock options, or other negotiable instruments
- Gifts of undivided interest or future interests
- Cryptocurrency
- Bargain sales or gifts subject to any encumbrance
- Gifts of tangible personal property, such as paintings, sculpture, furniture, or other works of art, or collections of such or other tangible assets, if made on the condition or expectation that the items will be permanently exhibited, that the collections will be maintained and shown as such, or restricted in use
- Gifts that, because of their unusual nature, present questions as to whether they are appropriate to the purpose of Cal Poly Humboldt
- Gifts that, because of their size or nature, present questions as to the impact on Cal Poly Humboldt, or a particular program or area
- Gifts that might raise questions about Cal Poly Humboldt's integrity, independence, or academic freedom, or potentially expose the University to adverse publicity, financial risk, or litigation

- Gifts that present the potential for an obligation to Cal Poly Humboldt or Cal Poly Humboldt Foundation under local, state, or federal law that either may be unwilling or unable to assume

Use of Gifts

Outright Gifts

Outright gifts are those placed at the immediate disposal of Cal Poly Humboldt and in which the donor retains no interest. They may be either restricted or unrestricted in purpose.

Endowments

Cal Poly Humboldt Foundation has been delegated the responsibility for implementing policies for endowments to benefit HSU.

Every endowment shall have specific guidelines detailing the purpose of the endowment. Unrestricted endowments will be encouraged.

In addition to the use of earnings, these guidelines should include the following:

Donors are encouraged to recognize that over the many years following the establishment of an endowment, the needs, policies and circumstances of Cal Poly Humboldt Foundation may change in unforeseen ways. A flexibility clause similar to the "Change of Conditions" clause below will be included in endowment authorization documents.

Change of Conditions Clause Example

Suppose the Board of Directors of the Cal Poly Humboldt Foundation and/or the President of Cal Poly Humboldt Foundation determine that the specific purposes for which this fund was established no longer pertain, or the programs benefiting from these funds no longer exist. In that case, the Board and/or President may designate that the funds be used for those purposes and programs at Cal Poly Humboldt Foundation which are most closely aligned with the original intent. Reasonable effort will be made by the University to contact the donor(s) before any change in fund purpose. Such re-designation of funds would be allowed only to the extent permitted by California law and the policies and procedures of Cal Poly Humboldt Foundation.

Types of Endowments

True Endowments

A "true" endowment is a permanent fund with provisions that prohibit spending the corpus, or principal, of that fund. Only investment income generated by the fund, which is usually defined to include capital gains, may be used to support designated activities. True endowments are gifts or bequests that contain provisions prohibiting the original principal amount from ever being spent.

Quasi-Endowments

Quasi-endowments are also called "funds functioning as endowment". These are funds that the institution's governing board may choose to treat as endowment, but the board is not subject to any legal prohibitions against spending the principal. Quasi-endowments may originate from several sources-unrestricted gifts, surplus operating funds, or unused reserves.

Types of Gifts

Cash Gifts

Cash gifts can take the form of currency, coin, checks, money orders, or bank drafts.

Securities

Publicly-traded securities, shares of stock in closely held companies, bonds, and government issues may be donated to Cal Poly Humboldt Foundation on behalf of Cal Poly Humboldt.

Publicly-Traded Securities

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

Closely-Held Securities

These are shares of stock in the entities, which have been organized for profit-making purposes, and are rarely traded on stock exchanges. Donors may give shares of closely-held corporate securities to Cal Poly Humboldt in the same manner as publicly traded securities. However, because closely-held stock is not publicly-traded, these securities present special concerns. Gifts of closely-held securities may only be accepted by the VP for UA after review and approval by the Gift Acceptance Committee.

Tangible Personal Property (Gift in Kind)

Cal Poly Humboldt welcomes and seeks gifts of equipment and software. To be eligible for a federal income tax charitable deduction, these gifts must meet the standards set by the IRS. If an independent appraisal is needed, it is the responsibility of the donor to obtain and pay for this service, unless the Foundation makes an exception.

Real Property

The Gift Acceptance Committee should review and assess whether or not acceptance of Real Property is appropriate and beneficial to Cal Poly Humboldt.

Market Value and Marketability

Cal Poly Humboldt Foundation must receive a reasonably current appraisal of the fair market value of the property and the donor's interest in the property Cal Poly Humboldt would receive if the proposed gift were approved. Typically, the Cal Poly Humboldt Foundation will attempt to sell at a reasonable price in light of current market conditions.

The existence and amount of any carrying costs, including but not limited to property owners' association dues, country club membership dues and transfer charges, taxes and insurance, must be disclosed and funded by the donor.

A copy of any title information in the possession of the donor, such as the most recent survey of the property, a title insurance policy, or an attorney's title opinion must be furnished.

Life Insurance

Gifts of life insurance may be accepted without special approval if the insurance policy is fully paid and in cases where the donor intends for the policy to be cashed in immediately for its cash surrender value. Cal Poly Humboldt Foundation must be the owner (not just beneficiary) of policy. Gift credit will be given to annual premiums made by the donor if Cal Poly Humboldt Foundation owns the policy.

Gifts of life insurance with a cash value of at least $10,000 and which are partially paid, or, on which no payments have been made at the time of gift, will be reviewed for acceptance on a case by case basis by the VP for UA. The donor is expected to make a written pledge to continue paying the premiums on the policy. If no payment is received from the donor within ninety (90) days of the premium payment due date, whole life policies will be cashed in for the cash surrender value and term life policies will be allowed to lapse.

The value of paid-up life insurance gifts will be recorded and reported in accordance with national advancement organizations' best practice guidelines such as CASE/NACUBO.

UA shall administer all gifts of life insurance policies and shall maintain records of all donor policies, contribution schedules, donor designations of death benefits, and the like. This office shall also be responsible for pledge reminders and monitoring payments of premiums.

Cal Poly Humboldt Foundation and UA shall be responsible for confirming the existence and cash value of all policies in force at least annually and for collecting and distributing death benefits. upon receipt of death.

Other Assets

The VP for UA will consider gifts of other assets including but not limited to promissory notes, assignment of promissory notes, partnership interests, and restricted or non-publicly traded securities, mineral rights, deeds of trust, stock options, cryptocurrency and other negotiable instruments, only after a thorough review and approval by the Gift Acceptance Committee.

Planned Gifts

The following guidelines govern the acceptance of planned gifts by Cal Poly Humboldt. All representatives of Cal Poly Humboldt shall use their best judgment to help donors to make appropriate planned gifts. Cal Poly Humboldt Foundation may decline gifts if it is not satisfied that the donor has received proper independent legal or financial counseling, or that the gift is not in the best interest of the donor.

Cal Poly Humboldt and Cal Poly Humboldt Foundation endorse the National Committee on Planned Giving's Model Standards of Practice for the Charitable Gift Planner and require all of its representatives to abide by them.

All planned gift agreements shall follow a standard format as approved by VP of UA. All prospective donors shall be urged to seek their own counsel in matters relating to planned gifts and tax and estate planning. Cal Poly Humboldt Foundation will seek legal counsel as it deems necessary.

Bequests

A bequest is a gift of any amount or form made to Cal Poly Humboldt Foundation on behalf of Cal Poly Humboldt in a donor’s will. Bequests may provide for a specific dollar amount in cash, specific securities, specific articles of tangible personal property, or be established as indicated in the section on "Outright Gifts."

Charitable Remainder Unitrust

A charitable remainder unitrust is a gift vehicle which irrevocably transfers the remainder interest of an asset's value to Cal Poly Humboldt upon the death of the named income beneficiaries or at the end of a specified term of not more than twenty years. The donor can name him or herself and/or others as income recipients, with payments made concurrently or consecutively.

Charitable Remainder Annuity Trust

Like the unitrust, the charitable remainder annuity trust is an income vehicle that irrevocably transfers the remainder interest upon the death of the income beneficiaries (or for a specified term of not more than 20 years) to Cal Poly Humboldt Foundation on behalf of Cal Poly Humboldt.

The concept of an annuity trust is simple and straightforward. As its name implies, it pays income beneficiary (ies) a fixed dollar amount annually.

The amount must be specified in the trust instrument as either a dollar figure or a percentage of the initial fair market value of the assets used to fund the trust. This amount may never be less than five percent (5%) of the initial contribution.

Charitable Gift Annuities

Cal Poly Humboldt currently has a memorandum of understanding with The California State University Foundation (CSUF) to participate in The California State University (CSU) System-wide Charitable Gift Annuity Program, and will follow its terms and conditions. A charitable gift annuity is a contract between the donor and CSUF.

Charitable Lead Trust

A charitable lead trust is an arrangement whereby income-generating assets may be placed in trust with Cal Poly Humboldt Foundation on behalf of Cal Poly Humboldt for a designated period of years, after which period the assets transfer to non-charitable beneficiaries named by the donor. The trust is called a "lead" trust because the income interest paid to Cal Poly Humboldt "leads" or precedes the "remainder" interest paid to the beneficiaries.

The minimum amount suggested to establish a charitable lead trust shall be $100,000, and trust terms shall not exceed 20 years unless approved by the VP for UA.

Retained Life Estate

A donor can give a personal residence, farm, or second home or vacation home to Cal Poly Humboldt Foundation on behalf of Cal Poly Humboldt and reserve the use of the property for life (or a term of years), and/or the lifetime of another resident beneficiary.

Bargain Sale

A bargain sale is a sale of property in which the amount of the sales proceeds is less than the property's fair market value. When a bargain sale is made, the excess of the fair market value of the property over the sales price becomes a charitable contribution. When the bargain sale is used as a means of charitable giving, care should be taken to record the donor's intent to contribute the fair market value of the donated property in excess of its sales proceeds. Otherwise, the contribution deduction may be lost.

Revocable Trusts

Cal Poly Humboldt Foundation will serve as trustee of a revocable trust in situations where Cal Poly Humboldt is the major beneficiary of the trust. Endowments held by Cal Poly Humboldt

Foundation may be distributed, in accordance with the donor's endowment agreement, to the appropriate campus entity.