

TOPIC: Revision of BOR IX-3.00 - Policy on Private Fundraising and Stewardship

COMMITTEE: Advancement Committee

DATE OF MEETING: February 8, 2017

SUMMARY: This is a revision of a policy last updated in 1990. The revised policy better reflects the role of institutions and affiliated foundations in fundraising, defines the USM Office's role in supporting fundraising activities and capacity, and updates best practices regarding the solicitation and acceptance of gifts.

ALTERNATIVE(S):

FISCAL IMPACT:

CHANCELLOR'S RECOMMENDATION:

COMMITTEE ACTION: Recommend approval DATE: 2.8.17

BOARD ACTION: DATE:

SUBMITTED BY: Leonard Raley, Vice Chancellor for Advancement, rale@usmd.edu
301-445-1941

307.0 IX-3.00 - POLICY ON PRIVATE FUND RAISING AND STEWARDSHIP
(Approved by the Board of Regents,)

Deleted: June 21, 1990

The Board of Regents of the University System of Maryland recognizes the importance of voluntary private support and encourages grants and contributions for the benefit of the University System, its constituent institutions and components and regional centers, or for any or all of the educational, research, innovation and engagement activities that support the USM's mission and vision.

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Each institution and regional center of the University System of Maryland is charged with engaging in fundraising for private support. The USM Office will support, assist, and monitor the fundraising progress of each institution and regional centers.

I. Definitions

A. Gift: A contribution for which the donor receives no direct benefit and requires nothing in exchange beyond an assurance that the intent of the contribution will be honored. A gift may also include a "quid pro quo contribution" within the meaning of IRC Section 6115 where goods or services may be provided to the donor in recognition of the consideration given by the donor. Where there is a "quid pro quo contribution" the disclosure requirement of the IRC will be met.

Generally, gifts take the form of outright gifts, pledges, or planned gifts. Gifts may be made in cash, personal or real property, or stocks.

B. Affiliated foundation: A non-stock corporation that is legally separate from the System and is recognized as a 501 (c) (3) public charity by the Internal Revenue Service. As outlined in policy...an affiliated foundation must be recognized by the Board of Regents and have as all or part of its mission to facilitate fundraising programs and contributions from private sources; to manage and invest private gifts and/or property for the benefit of the System or one of its components; or to promote, sponsor, and implement educational, scientific, research, charitable or cultural activities for the benefit of the System or one of its components and to engage in activities to enhance further the educational research or service mission of the System.

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C. Associated organizations: Any other organization authorized to receive gifts on behalf of a USM institution or regional center, such as an independent alumni association.

II. Delegation of Authority

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The Board of Regents delegates to the Chancellor the responsibility for overseeing and supporting fundraising activities for the University System of Maryland.

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A. The Chancellor shall accept gifts and grants on behalf of the Board of Regents; recommend fund raising campaigns for special purposes as well as systemwide campaigns, and report periodically to the Board on progress toward fundraising goals.

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B. The Chancellor shall maintain a System Advancement Office to serve as a resource to all institutions and regional centers by providing technical services, supporting fundraising planning and special campaigns, and engaging in fundraising activities to achieve systemwide objectives.

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C. The Presidents and regional center executive directors shall establish procedures and standards for the solicitation of gifts, shall be responsible for planning and implementing fundraising activities and programs at their respective institutions, and shall be accountable to the Board for the management and stewardship of funds so collected. The Chancellor shall establish procedures and standards for the solicitation of gifts on behalf of the USM Office.

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D. The Chancellor and all presidents and executive directors shall comply with Policy IX - 2.00. Relationship with Affiliated Foundations.

III. Solicitation and Acceptance of Gifts and Grants

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The Board of Regents encourages the use of affiliated foundations in acceptance of private gifts, as outlined in Policy IX - 2.00. Relationship with Affiliated Foundations. Each USM institution, affiliated foundation or other organization authorized to accept gifts shall develop and enforce a gift acceptance policy, and comply with relevant gift counting standards established systemwide.

Deleted: No faculty member or other employee of the University of Maryland System may solicit gifts and grants on behalf of an institution, center, or the System without the prior knowledge and approval of the President or director or Chancellor, as appropriate. Informal exploratory inquiries to locate possible outside sources of support do not require such prior approval.¶¶

A. Gifts that conflict with policies established by the Board or Chancellor shall not be accepted. Gifts that are inconsistent with the mission or strategic goals of the USM or an institution shall not be accepted.

B. Gifts that create a need for significant institutional or USM expenditures must undergo a careful review and be approved by the President or Chancellor, as appropriate, before acceptance.

Deleted: This is particularly important when gift offers might require institution or center of System expenditures or new programs and projects which would also require expenditures.

C. Gifts and grants with a value of \$100,000 or more (including cash, securities, land, buildings, materials and supplies, equipment, livestock, books, historical documents, art objects, etc.) from individuals, corporations, foundations, associations, etc., will require the official acceptance of the President or Chancellor or designee, as appropriate.

D. No faculty member or other employee, alumnus or student of the University System of Maryland may solicit gifts and grants on behalf of an institution, or the System without the prior knowledge and approval of the President or

Chancellor, as appropriate. Informal exploratory inquiries to locate possible outside sources of support do not require such prior approval.

IV. Memoranda of Understanding

Whenever a donor wishes to restrict the purpose for which a gift is used, the accepting entity (i.e., affiliated foundation or institution) shall enter into a written agreement (gift agreement or memorandum of understanding) with the donor that clearly sets forth the expectations and commitments of the parties. A Memorandum for the creation of endowments or programs for the benefit of more than one institution shall also require the signature of the Chancellor.

Memoranda of Understanding should be maintained on file at each institution, regional center, and/or affiliated foundation as appropriate.

V. Stewardship

The Board of Regents acknowledges that stewardship is an essential component of an effective fundraising program, and as such, institutions and regional centers shall develop a stewardship plan and policy. At all institutions and regional centers:

- A. Restricted gifts must be used in keeping with donor wishes.
- B. Spendable income should be used in a timely manner whenever possible.
- C. If the original purpose of the gift becomes impossible to fulfill, an alternative as close as possible to original purpose will be found and the appropriate legal action or notification will be taken to enact the change.
- D. Funds should be invested and managed prudently so as to actualize the donor's intent.

VI. Relationship with Affiliated Foundations

Gifts and grants to affiliated foundations of the University System of Maryland are encouraged, as specified in Policy IX - 2.00 and Policy IX - 2.01.

VII. Reporting

The Chancellor shall prepare an annual report for the Board of Regents, to include detailed information on all private support to System institutions and centers, their affiliated foundations and to the System.

Replacements for: BOR IV - 1.00, IV - 1.01
BOT XII - A, Appendix I

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Deleted: Before establishing permanently-name restricted funds, whether through endowment or through continuing gifts for a specific purpose (e.g., lectureships, scholarships, academic achievement awards, etc.), the wishes of donors and the commitments of the institution, center or System must be set forth in writing in a Memorandum of Understanding, which will set forth the details of funding and stewardship of the gift. Each Memorandum must be signed by the donors and by appropriate institution, center, or System officers.

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Copies of bequests, trust agreements or other planned giving devices shall also be retained by the System Development Office.¶

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