

## **NAUF FUNDRAISING POLICY STATEMENT**

The Office of University Advancement, the fundraising arm of Northern Arizona University (NAU), is managed by the Vice President of University Advancement, who serves as the President of the Northern Arizona University Foundation, Inc. (NAUF). S/he is the chief fundraising officer and reports to the President of the University. The Vice President is responsible for the coordination of all fundraising activities, including the overall supervision and management of fundraising programs, administration of staff, and management of the cultivation, solicitation and proper stewardship of all donors on behalf of the University. All development officers (DO) and gift planning officers soliciting gifts on behalf of NAU or its units report through the Office of University Advancement.

NAUF is NAU's official, not-for-profit, 501(c)(3) entity responsible for raising, receiving and administering and investing gifts on behalf of the University. Gifts are outright or deferred contributions received from private contributors (individuals, partnerships, corporations, foundations, trusts, and other organizations, sometimes referred to in this policy as "donors") in which neither goods nor services (other than general reports and fulfillment of donor intent) are expected, implied or forthcoming for the donor. (Such contributions are sometimes called "grants" by foundations and corporations.) All gifts, whether for current use or endowment, solicited in the name of and treated as a gift to any part of the University, must be received and expended by NAUF or, in accordance with specific exceptions delineated in written agreements, with the other Foundations associated with NAU or other affiliated organizations of NAU.

The fundraising program of NAU encompasses all gift solicitations on behalf of the University and its units. The fundraising program generally supports and encourages both unrestricted gifts and designated gifts to constituent colleges and units of the donor's choice.

The Board of Directors of NAUF hereby establishes the following policies which officially commit the organization to a position which will protect: (1) the best interests of the donor, (2) the official representatives of the Foundation, (3) the welfare of the Foundation itself, and (4) the administrators charged with management of all donated funds.

### **Donor/Foundation Conflict of Interest**

The interests of the donor shall come before those of the Foundation. No program, agreement, trust, contract or commitment shall knowingly be urged upon any prospective donor which would benefit the Foundation at the expense of the donor's known interests and welfare.

Further, the Foundation may inform donors about any previously completed contributions or gift plans which, in the Foundation's opinion, jeopardize the donor's known interests and welfare.

No agreement shall be made between the Foundation and any agency, person, company or organization on any matter related to investments, management, or otherwise, which would knowingly jeopardize the donor's known interests and welfare.

### **Legal/Financial Counsel**

Prospective donors shall be advised to consult with counsel of their choice for all matters related to charitable contributions, such as drafting of wills, trusts, agreements, or other contracts. They shall be advised to consult with their financial or legal advisors on matters related to the tax implications and estate planning aspects of charitable contributions.

If, at the donor's request, a representative of the Foundation makes referrals to financial or legal advisors, it shall be understood that the advisor is retained to represent the donor/client's interests.

The Foundation shall consult with its legal counsel in all matters pertaining to its receipt of charitable contributions and shall execute no agreement, contract, trust or other legal document with any donor without the advice of its legal counsel.

## **Influence**

A representative of the Foundation shall exercise extreme caution to avoid pressure, persuasion or undue influence when the representative informs and assists the donor with gift planning concerns, which includes the exercise of prudent considerations of the donor's stated personal interests as well as charitable objectives.

All Foundation agents authorized to contact prospective donors or to promote charitable giving shall be paid a salary or fixed wage, but shall not receive commissions which could give such agent a direct beneficial interest in any agreement.

No Foundation agent shall knowingly promote, urge, or assist in acts of self-dealing or secure personal financial gain from prospective or actual donors.

The Foundation has adopted the "Model Standards of Practice for the Charitable Gift Planner" established by the National Committee of Gift Planning. A copy of the model standards is attached as Appendix A.

## **Scope of Service**

Foundation agents may help donors facilitate whatever other charitable interests they may have, in addition to those of the Foundation.

## **Confidential Information**

All information concerning current and prospective donors including names and addresses, names of beneficiaries, nature and worth of estates, amounts of provisions, etc., shall be kept in strict confidence by the Foundation and its authorized agent, unless the donors grant permission to use selected information for purposes of referral, testimonial, or example, or if disclosure is required by law.

## **Authorization for Negotiation**

The Board of Directors shall identify, by resolution, agents authorized to negotiate on behalf of the Foundation with any prospective donor with respect to gift annuities, trusts, life income agreements, and other charitable agreements that fall within the official policies adopted by the Board of Directors. Such identification may be personal or ex officio. Any agreements that involve a legal obligation on the part of the Foundation or any of its agents that do not fall within the official policies adopted by the Board of Directors, or special agreements of any kind, require the express approval of the Executive committee or the Board of Directors.

The gift acceptance committee shall review and approve any real estate, real property or hard-to-value assets offered as a contribution in connection with an agreement of any kind, before acceptance. If it is determined the Foundation will not accept a proposed contribution, the Foundation will so notify the prospective donor within a reasonable amount of time.

## **Limitations**

The Foundation shall not enter into agreements for charitable gift annuities or deferred payment charitable gift annuities, nor shall it serve as trustee of any trusts which do not comply with the official policies of the Board of Directors, unless specific approval is granted by the Executive committee or the Board of Directors.

## **Minimum Endowment Amount**

No endowment shall be established for less than the minimum contribution amount mandated by the official policies of the Foundation, without the specific approval of the Foundation President.

## **Investment of Gift Annuity Funds**

Funds received in exchange for a gift annuity and funds placed in trusts administered by the Foundation or any of its appointed agencies shall be managed under the jurisdiction of the Board of Directors. Investment practices shall comply with guidelines established and approved by the Board of Directors, and which best achieve the objectives of both the non-charitable and charitable beneficiaries equally. All funds received for gift annuity agreements shall be invested and retained until the demise of the last life income beneficiary. Invested funds which are obligated to a life income beneficiary shall not be used for any other purpose.

### **Payments**

Generally, payments on life income obligations shall be made quarterly, semi-annually, or annually at the donor's request. Payments shall be made and reported to the income beneficiaries in the manner prescribed by the Internal Revenue Service regulations.

### **Use and Restrictions of Funds**

The Foundation shall use contributed funds in the manner designated by the donor as long as it is legal to do so and ethically acceptable to the Foundation. A "Letter of Understanding," a sample of which is in Appendix B, should evidence any limitations.

### **Changing Restrictions on Gift Funds**

The use of donated funds for a purpose other than that stipulated by the donor is prohibited. If another use is deemed necessary, consent for using the funds in a different manner may be sought from the donor (initiator of the fund) or may be altered in accordance with the terms of the gift agreement. If the use becomes impossible or unlawful, court approval may be sought to alter the use. Similarly, for a donor to change the originally stated use of donated funds, appropriate Foundation and University officials must first agree to the change in writing.

### **Violation of Policy**

Agents who violate this policy are subject to dismissal.