

**Simmons College  
Gift Acceptance Policy  
Effective August 15, 2018**

The policies set forth in this document are intended to apply to gifts to Simmons College. By their nature and by necessity, they may not anticipate all circumstances that will arise in a specific situation. Simmons College reserves the right to alter or supplement the policies stated in this document to take account of specific situations, as well as to change the policies at any time.

**I. Purpose and Principles**

A. Purpose of the Gift Acceptance Policy

Simmons College has achieved its current distinction thanks in significant part to the gifts of alumni, parents, foundations, corporations, and other contributors in support of its educational mission. This document describes the policies and processes adopted and refined by the College over the years to ensure that such gifts are appropriately solicited, used, and stewarded. Its purpose is to protect the interests of the College and its supporters by clarifying the types of gifts that are and are not acceptable to the College and the conditions under which gifts may be solicited and accepted.

B. Principles

Simmons' fund-raising activities are guided by the following principles:

1. All fund-raising efforts conducted in the name of Simmons College must comply with the College's Fundraising Policy, dated November 2015. Responsibility for granting this approval is delegated to the Vice President for Advancement, within the provisions of the board approved gift acceptance policies and procedures.
2. Simmons College staff and volunteers solicit and accept gifts in support of Simmons' educational mission. Gifts that result in the diversion of institutional resources from the mission of the College are not accepted without compelling reasons to make an exception to this rule and with the approval of the Gift Priorities Committee.
3. Simmons College does not seek or accept gifts that provide insufficient financial benefit to the College. Moreover, Simmons College will not accept gifts that might reasonably harm the reputation or assets of the College, that violate College policies, or that are prohibited by law. For current use gifts, any gifts other than those for budgeted priorities will require approval by the Vice President for Advancement in consultation with the Simmons College Gift Priorities Committee. For gifts to endowment, all proposed gift conversations, strategies and proposals must first be reviewed and approved by the Vice President for Advancement, and where necessary, the Gift Priorities Committee.

4. Volunteer and staff solicitors should bear in mind that the most useful gifts are those with fewest restrictions and that in many cases the College will not accept temporarily or permanently restricted gifts that would require the creation of a new fund. Gifts restricted for a particular purpose are subject to applicable threshold minimums. In many cases the College may not accept gifts which require the expenditure of College resources not already budgeted for this purpose.
5. Although the College may wish to consult with donors in the administration of some gifts, Simmons College will not accept gifts that compromise academic freedom or the institution's authority over admissions, faculty appointments, teaching, research, or its other activities. Volunteer or staff solicitors who have any doubt as to whether a gift meets this criterion are expected to consult with the Vice President for Advancement before any substantive discussion with a prospective donor.
6. With few exceptions, Simmons College does not count commitments of \$25,000 or above as pledges without written documentation from the donor. Pledges of less than \$25,000 are accepted with confirmation of the commitment in writing, through an email, or from a documented verbal commitment.
7. Donors should be clearly informed about the intended use of their gifts. Simmons College staff and volunteers will represent the expected use and impact of proposed gifts accurately, while striving to maintain flexibility in the College's commitment to donors so that assets can be effectively used by the College over time.
8. Prospective donors of life income plans will be provided, in advance, with essential disclosure statements and information about the College's investment practices and performance. Furthermore, the College will seek to ensure that donors' spouses are aware of and accept the terms of the proposed life income gift (spousal approval of life income plans is a legal requirement in some states).
9. The College recognizes that it is obliged both by good manners and good business practices to provide appropriate, cost-effective stewardship to its donors.

## **II. Responsibility**

### **A. Establishing Fund-Raising Priorities**

The College's fund-raising priorities are established by the full Board of Trustees and the Gifts Priorities Committee, in consultation with the senior leadership team of the College. The Vice President for Advancement bears primary responsibility for developing fund-raising plans and for translating fund-raising priorities into specific marketable gift opportunities, though these activities are conducted in the context of broad consultation with the Gifts Priorities Committee, members of the Advancement staff, and the Advancement Committee of the Board of Trustees.

### **B. Foundation, Corporate and Government Proposals**

Simmons College regularly submits grant proposals in support of institutional priorities to various charitable foundations. The Provost also encourages faculty members to seek grants from corporations, foundations, and federal and state granting agencies. However, whenever such grants incur an obligation on the part of the College to match or supplement grant expenditures, such pre-proposals and proposals must receive the written approval of the Senior Vice President for Finance, prior to submission. Additionally, signatures from the Co-Chairs of the Institutional Review Board and Chief Information Officer are required as appropriate.

### C. Acceptance of Gifts

Although the ultimate responsibility for gift acceptance belongs to the President and the full Board of Trustees, in practice this responsibility is generally delegated to appropriate members of the Advancement staff. The vast majority of charitable gifts made to Simmons College are directed by donors to pre-approved College priorities and fund-raising objectives. Acceptance of such gifts is typically routine, and is conducted by the appropriate Advancement staff in coordination with the business office. Certain types of gifts (trusts, real estate, and certain gifts of real property) require consultation among the Senior Vice President for Finance, the Gifts Priorities Committee, the President, and/or the Trustees. These gifts and procedures for their acceptance are described in more detail below. A gift that requires a commitment/match of money from the College must be presented to the Gifts Priorities Committee. The committee will recommend, if necessary, a review of the commitment by the full Board of Trustees for approval. When the need for a timely decision makes it impractical to wait for a meeting of the full Board of Trustees, the executive committee of the board may decide on behalf of the board.

When prospective donors propose restricted major gifts not covered by the College's fund-raising priorities, or that do not clearly replace expenditures already being made from the College's unrestricted funds, Advancement officers or volunteer solicitors must seek the advice of the Vice President for Advancement and Senior Vice President for Finance who will obtain the agreement of the President and/or full Board of Trustees before authorizing acceptance of the gift.

### **Valuation of Gifts**

Gifts will be valued in accordance to accounting principles generally accepted in the United States of America as codified in FASB ASC topic 958.

### **III. Types of Gifts**

#### A. Outright Gifts

1. Gifts of cash, checks, marketable securities, wire transfers, credit card gifts, and payroll deductions are acceptable. Checks should be made payable to "Simmons College." Such gifts are normally accompanied by information from the donor as to the intended use of the gift, if any.

2. In the absence of explicit instructions from the donor that the gift should be used for a specific purpose, the gift will be classified as unrestricted. For gifts of \$50,000 or above, the Advancement office will contact the donor to ensure they did not intend the gift to be used for a specific purpose. If for a specific purpose, the Advancement office will get appropriate documentation from the donor for the designation. This can be in the form of email or letter. For gifts under \$50,000, when there is no indication from the donor with the gift, however the donor has verbally stated or emailed their intentions for the purpose, the acknowledgement letter/receipt will serve as confirmation of the intended use. When the gift is submitted for processing, specifics of the intention (date of conversation, copy of email) should be included as appropriate documentation.
3. When a donor makes an unsolicited outright gift for an intended use that is not acceptable to the College, the Vice President for Advancement (or his/her designee) will contact the donor to negotiate an acceptable use of the gift. If a mutually agreeable use for the gift cannot be determined, the gift will be returned.

#### B. Pledges

1. Simmons College does not count commitments of \$25,000 or above as pledges without written documentation either using a standard College pledge form, or in the form of a letter or email from the donor, a contract with the donor, a will, or a trust document. Exceptions to this requirement must be approved by the Vice President for Advancement and the Senior Vice President for Finance. Written commitments should include the amount, date, payment schedule and purpose, if any, and (if applicable) the official name of a newly created fund.
2. Pledges of less than \$25,000 are accepted with confirmation of the commitment in writing, through an email, or from a documented verbal agreement. These commitments should also include the amount, date, payment schedule, and purpose, if any, and (if applicable) the official name of a newly created fund.
3. Single year pledges are payable within the fiscal year that the pledge is recorded (June 30). Multi-year annual fund pledges are payable in annual installments over the life of the pledge.

#### C. Gifts of Marketable Securities

1. Marketable bonds or other securities that will mature are acceptable as gifts regardless of maturity date. The Senior Vice President for Finance shall decide the acceptance of non-liquid securities.
2. The College usually sells marketable securities immediately. Gifts of stock or other investment instruments which donors expect the College to retain must be approved in advance by the Senior Vice President for Finance.

3. The donor may inform an Advancement officer of his or her intent to make a gift of securities via electronic transfer. The following steps are required to execute an electronic transfer:
  - a) The donor contacts his or her broker to inform the broker s/he intends to make a gift.
  - b) The Advancement officer, or member of the College's business office, will ask the donor (or his or her broker) to provide the issue and number of shares of the security being transferred for identification purposes.
  - c) Upon the transfer's arrival at the College, the Advancement office will identify the transfer with the appropriate donor. The Gift Recorder will determine and record the issue and number of shares of the security, date of record, and its mean value on the day the shares arrive in Simmons' brokerage account.
  - d) The gift will be recorded, acknowledged, and receipted. The acknowledgement letter will confirm the designation of the gift, if any.
  - e) The following are instructions Advancement staff should use in communicating to donors the procedure for making a gift of securities to Simmons College through a broker:

**IMPORTANT:** Before the transfer takes place, please contact the Advancement Office at either 617-521-2329, 800-831-4284, or by email at [advgifts@simmons.edu](mailto:advgifts@simmons.edu) to inform us of your gift.

The following information is required by your broker to make the transfer:

**Simmons College Brokerage Account**  
Simmons College Tax ID # 04-2103629

UBS Investment Center  
499 Washington Blvd, 10th Floor  
Jersey City, NJ 07310  
(877) 827-7870

DTC # 0221  
f/b/o Simmons College  
Account # 1B – D4815

Though your broker will be making the transfer, we need you to provide the following information to the Simmons College Development Office as soon as possible. This will ensure proper designation and acknowledgement of your gift.

- Your broker's name and telephone number
- The name of the stock being transferred
- The number of shares being delivered
- The designation of your gift

We will provide the broker with the above information so that they can identify the shares being transferred into the Simmons account. It is very important that we know who is making the gift. Occasionally, shares are transferred into the account and we have no knowledge of the source. This could cause a delay in crediting and acknowledging your gift.

Office of Advancement  
300 The Fenway  
Boston, MA 02115  
(800) 831-4284  
[advgifts@simmons.edu](mailto:advgifts@simmons.edu)

4. If the donor possesses the certificates and the security is in his or her name:
  - a) The donor should send the unendorsed certificates via certified mail to:

Vice President, Advancement  
Simmons College  
300 The Fenway  
Boston, MA 02115
  - b) The donor should include a letter of transmittal with the certificates stating the designation of the gift, if any.
  - c) Under separate cover to the same address, the donor should send an irrevocable stock/bond power (“assignment separate from certificate”). The donor should sign the stock power (leaving the remainder blank) and have his or her signature guaranteed. The donor should include a copy of the letter of transmittal which was enclosed with the certificates.
  - d) If certificates have been endorsed, they should be delivered by courier or by hand to the address above. They should not be placed in the mail.
5. If the donor of a gift of stock received electronically is not identified, then the following steps shall be taken:
  - a) The Comptroller’s office shall make every reasonable effort to trace the transfer to the brokerage firm that sent it.
  - b) If that effort is unsuccessful, the Comptroller’s office will send a query to development staff asking for input in identifying the donor(s) of the security.
  - c) If the donor of the securities cannot be identified after thoroughly researched by the Advancement office and UBS Investment Center, the gift will be recorded as anonymous and, if no indication of purpose, classified as undesignated.
6. Stock gifts are valued in accordance with IRS guidelines at the mean average on the day in which the stock was transferred to Simmons College. Per IRS guidelines, “If you deliver, without any conditions, a properly endorsed stock certificate to a qualified organization or to an agent of the organization, the date of the contribution is the date of delivery. If the certificate is mailed and received through the regular

mail, it is the date of mailing. If you deliver the certificate to a bank or broker acting as your agent or to the issuing corporation or its agent, for transfer into the name of the organization, the date of the contribution is the date the stock is transferred on the books of the corporation.”

7. Certain restricted securities, or other securities whose sale and disposition is delayed by SEC regulation or other considerations, will be receipted and the donor given gift credit according to applicable IRS regulations. However, in cases where donors designate such gifts for endowment or other restricted accounts, the gift agreement will contain the provision that the designated account will only be credited with the proceeds of sale, net of expenses, rather than the market value measured as of the contribution date. Therefore, donors may be required to make other or additional contributions to meet endowment or other funding minimums.

#### D. Wire Transfers

1. Donors seeking to make gifts via wire transfer should be given the appropriate wiring instructions by Advancement only after the gift designation is received, following guidelines as noted in Types of Gifts section A of this document. The Manager of Financial Reporting should then be notified of the expected amount of the wire transfer and will then communicate receipt of the wire transfer to the appropriate Advancement officer for gift recording. Advancement will obtain verification of designation, if any, for wire transfers sent without appropriate documentation.
2. Whenever possible, wire transfers should be in U.S. currency. When this is not possible, gifts by wire transfer will be valued as described below (Gifts of Foreign Currency).
3. Wire transfers should be directed to:

Bank of America  
100 West 33<sup>rd</sup> Street  
New York, New York 10001

Account: Simmons College  
Account Number: 460-529-4123  
Tax ID#: 04-2103629

**ACH (Automated Clearing House)**  
ABA Routing Number: 011-000-138

**International Wires**  
SWIFT Number: BOFAUS3N

**Federal Wires**  
ABA Routing Number: 026-009-593

#### E. Gifts of Foreign Currency

1. Gifts made in foreign currency will be valued at the U.S. dollar equivalent on the date the gift is received by the College.
2. The Comptroller's Office is responsible for currency valuation and for informing the Advancement office of the U.S. dollar equivalent of the gift.
3. Any transaction fees resulting from converting foreign currency to U.S. dollars will be borne by the College to ensure that the full amount of the gift is applied to the purpose designated by the donor.

F. Gifts of Insurance Policies

1. Simmons College is prepared to accept gifts of life insurance provided the policy has cash value and is other than term insurance.
2. Gift credit and a contemporaneous acknowledgement (receipt) may only be provided when Simmons College is identified as both the owner and beneficiary of the policy. The contemporary acknowledgement (receipt) and gift crediting will be provided as follows:
  - a) In the case of paid up policies, gift credit will be given for the cash surrender value of the policy. The contemporary acknowledgement, however, will follow the Gifts in Kind model in that only a letter acknowledging receipt of the policy will be provided; it will be the donor's responsibility to determine and document the value of said policy for purposes of claiming a tax deduction.
  - b) In the case of new policies, only the value of those gifts made to cover the cost of premiums will be credited and will be receipted as any other outright gift.
3. In the case of paid up life insurance policies, it will be the policy of the College to immediately cash in the policy in the absence of a compelling donor relations argument to the contrary.
4. Gifts of new policies may be accepted in rare cases. Such gifts require the continued regular payment of premiums. It is the responsibility of the donor to provide the necessary gifts and matching gift paperwork, if applicable, before the premium is due. The College will not advance the funds necessary to make the premium payment absent some compelling donor relations argument to the contrary. If the gift to cover a premium payment is not received by the deadline set by the insurance company for the premium to be paid, the policy may be cashed in or the College may continue to pay the premiums in its sole discretion.

G. Gifts of Tangible Personal Property and Gifts in Kind

1. CASE differentiates between Gifts of Tangible Personal Property and Gifts in Kind. Gifts of Tangible Personal Property are defined as non-cash donations that do not serve the purpose or mission of the College and thus are to be converted into cash.



Gifts in Kind are defined as non-cash donations of material or long-lived assets that serve the purpose or mission of the College.

2. Tangible Personal Property and Gifts in Kind (GIK) may include, but are not limited to, such items as:

Books	Computer Equipment
Jewelry	Animals
Automobiles	Furniture
Boats	Works of Art
Manuscripts and Archival Material	Simmons College Memorabilia
Collections	Software
Printing	

3. It is important that Advancement Officers who anticipate a gift of tangible personal property or a GIK inform the Vice President for Advancement before conducting any significant discussion or negotiation. Additionally, the GIK acceptance form must be completed and approved by the Advancement Office and the accepting department.
4. If proposed gifts are of scholarly interest, of significant artistic value, or related in other ways to the mission of the College, they may be retained. Gifts of little artistic or monetary value, or those lacking scholarly interest should be discouraged. Marketability of the gift may be a criterion for gift acceptance.
5. Gifts of art must be approved by Simmons College Art Acceptance Committee before they can be accepted. Gifts of books must be approved by the appropriate librarian before they can be accepted. Gifts of other items are accepted after consultation with the Vice President for Advancement and any appropriate members of the faculty or administration.
6. The minimum value of a gift of tangible personal property that is intended to be sold shall be \$10,000. When the estimated value of the item is less than \$10,000, the donor should be encouraged to sell the property and donate the proceeds.
7. Once accepted, GIKs and/or gifts of Tangible Personal Property are to be accepted as follows. The Vice President for Advancement (or his/her designee) will:
  - a) Book gifts valued at more than \$5,000 only with a qualified appraisal, from the donor; or
  - b) Book gifts valued at less than \$5,000 per supporting documentation verifying the estimated value. In both cases, we will send the donor an acknowledgement letter which includes information about IRS requirements concerning filing and include a Form 8283. No formal gift receipt is sent to the donor.

#### H. Gifts of Real Estate

1. Overall acceptance guidelines:

- a) Simmons College will accept outright gifts of real estate and outright gifts of real estate with retained life interests upon approval from the Gifts Priorities Committee.
- b) Simmons College will accept qualified charitable remainder unitrusts with assets invested in real estate if the trust is a net income unitrust.
- c) The minimum estimated value for an acceptable gift of real estate is \$250,000.
- d) The donor must be informed that the College's general practice is to sell all gifts of real estate as soon as possible and that the marketability of the property will be a significant criterion for acceptance of the gift.
- e) For outright gifts, Simmons College will not hold the real estate in a separately invested account. Upon liquidation of the real estate, the net proceeds will be invested in the endowment investment pool. For charitable remainder trusts the College will encourage the donor to serve as trustee until the property is sold from the trust in order to avoid the need for extensive environmental and other types of due diligence.
- f) The donor must understand that the College has the right to dispose of its property as it sees fit from the first day of College ownership.
- g) The donor shall be told that the College will attempt to sell the property at a reasonable price consistent with market conditions. The donor shall also be told that any sale occurring within two years of the date of the gift will be reported to the IRS, as required by law.

2. Gift proposal stage:

- a) Donor secures a "qualified" appraisal for tax purposes. (This must be accomplished 60 days prior to the date of the gift or may be secured after the gift up to the deadline for filing an income tax return for the year of the gift plus any extensions. Appraisal expenses incurred by the donor are tax deductible.
- b) The donor will provide an environmental survey (usually a Phase 1) to determine the potential for environmental liability.
- c) Donor will be required to complete the Real Property Disclosure Checklist.
- d) Simmons College may secure an additional appraisal for accounting purposes.
- e) If the gift involves a bargain sale, Simmons College will secure an additional appraisal upon which the calculation of payment to the donor will be based.
- f) Simmons College inspects the property.
- g) Simmons College analyzes the property and appraisal(s), and decides to accept or reject the gift. (If the property involves a bargain sale, the President and Senior Vice President for Finance must approve; if the bargain sale is valued at more than \$100,000, the President must approve.)

3. Property transfer stage:

- a) Donor provides a survey if deemed necessary by the College to define the property.
- b) Simmons College may require:

- Documentation of improvements.
  - Copies of insurance certificates/policies.
  - Copies of loan documents.
  - Other documentation as circumstances require.
- c) Simmons College secures local real estate attorney.
  - d) Donor transfers properly executed deed to Simmons College. (N.B. Spouses of donors should sign deeds.)
  - e) Simmons College and Donor record deed.
  - f) The donor's appraiser prepares Form 8283 which Simmons College will sign acknowledging receipt of gift.
  - g) Simmons College will prepare life income agreement, if necessary.
4. Marketing and selling the property:
    - a) Simmons College will obtain local realtor and attorney.
    - b) Simmons College will provide appraisal and ownership information to realtor.
    - c) Simmons College will require periodic progress reports from realtor.
  5. Closing the sale:
    - a) Simmons College will schedule all inspections.
    - b) Simmons College will select title company or escrow agent.
    - c) Simmons College will schedule the closing.
  6. After the closing:
    - a) Simmons College will prepare a closing file of all records for Simmons' permanent records.
    - b) Simmons College will prepare and file Form 8282, if the property is sold within two years.
  7. What must be included in a "Qualified Appraisal":
 

Because the charitable deduction can depend upon meeting the appraisal requirements, donors should exercise care in selecting an appraiser and ensuring that the appraisal meets IRS requirements. The appraisal must be prepared no more than 60 days prior to the date of the gift and no later than the due date for the tax return. It must be signed and dated by the appraiser and must include the following:

    - a) A detailed description of the property being donated.
    - b) A description of the item's physical condition in the case of tangible personal property.
    - c) The date or expected date of contribution.
    - d) The terms of any agreement or understanding that relates to the use, sale or other disposition of the donated item.
    - e) Name, address and tax I. D. number of the "qualified appraiser" who prepares the appraisal.

- f) The appraiser's qualifications, including background, experience, education, and membership (if any) in professional appraisal associations.
- g) A statement that the appraisal was prepared for federal income tax purposes.
- h) The date (or dates) the donated item was valued.
- i) The appraised FMV on the date of gift or the expected date of the gift.
- j) The method of valuation used to determine FMV.
- k) The specific basis for the valuation, such as any comparable sales transactions.
- l) A description of the fee arrangement between the donor and the appraiser.

I. Gifts of other assets

1. Other assets include, but are not limited to, such items as:

Promissory notes  
 Assignment of promissory notes  
 Patents, royalties, trademarks, and copyrights  
 Professional practices (medical or legal)  
 Partnerships  
 Stock in closely held or private corporations

2. Advancement officers anticipating a gift of other assets must inform the Vice President for Advancement before entering any significant discussion or negotiation of such a gift.
3. The difficulty in establishing the acceptability of this class of assets places additional importance on a thorough review of such gift proposals performed by the Senior Vice President for Finance, the Vice President for Advancement and, in some cases, College counsel. In particular, the Senior Vice President for Finance will review the marketability of the gift, the potential carrying costs associated with it and the potential exposure of the College to unrelated business income tax and other possible liabilities.
4. If the gift is deemed acceptable via the process above, the Vice President for Advancement will be responsible for working with the donor (with the assistance of the Advancement Officer) to complete, value and acknowledge the gift.

J. Illiquid Assets and Legally Restricted Securities

Venture capital, buyout funds, hedge funds, and other non-marketable securities, present Simmons College with both risks and opportunities. The following guidelines are designed to encourage entrepreneurial alumni, parents, and friends to work in partnership with the College, while clarifying its position on acceptable levels of risk. In describing this policy, we use the following definitions:

Illiquid Assets: securities, closely held stock, partnership agreements, or other properties not currently traded on the open market, including pre-IPO stock that might one day be

publicly traded or that might be eventually acquired by another company via a merger. Such assets are often volatile and difficult to value.

**Legally Restricted Securities:** Legal restrictions may exist on stock that is publicly traded, as in the case where a security is subject to lock-up imposed by the SEC and cannot be sold for a period of days, weeks or months. During the lock-up period, the value of the security may rise or fall.

1. The Senior Vice President for Finance must evaluate and approve all gifts of illiquid or specially restricted assets on behalf of the College. Gift crediting will be determined in various ways depending on the nature of the commitment.
  - a) **Assets transferred but not immediately liquidated:** When donors transfer an asset, usually stock, which the College cannot sell due to legal restrictions or illiquidity, the date of gift will be the date the asset is received by the College, and donors will receive gift credit equal to their federal income tax deduction. In cases where there are legal restrictions on the stock or the asset is illiquid, donors are responsible for arranging and paying for a qualified appraisal and should follow all IRS guidelines for such gifts. Because of the volatility of these gifts, they should not be counted toward the Annual Fund. Neither can the College count such gifts toward the settlement of a formal pledge agreement, without prior approval of the Vice President for Advancement and the Senior Vice President for Finance. In some instances the donor may be asked to agree in writing to guarantee the minimum value of the gift and its timing in order to receive gift credit.
  - b) **Assets donated to a separate entity for the benefit of Simmons College:** When a donor transfers assets to another entity, such as a charitable remainder trust or lead trust of which Simmons College is not the trustee, or to a supporting organization or private foundation over which the College has no direct legal authority, gift crediting will be determined by the Senior Vice President for Finance.
  - c) **Assets promised as a future gift should be treated as a pledge.** If a donor pledges to transfer a specific number of shares of stock or other security in the future after a triggering event, such as an IPO or merger, gift credit is determined when the actual assets are donated to the College. In effect, Simmons College is accepting a non-binding promissory note that the donor will make a future gift.
2. In negotiating gifts of these types, in which asset values can be especially volatile, special care must be taken to protect Simmons' interests. Such issues must be addressed in the gift agreement and approved by the Senior Vice President for Finance. All gifts of illiquid or specially restricted assets received by the College will be managed under the established procedures and policies of the Board of Trustees.

#### K. Deferred Gifts: Trusts and Estates

1. Simmons College works with donors to generate deferred gifts, including Charitable Remainder Trusts (CRTs), gifts of real estate with retained life interest, and bequests. In doing so, Simmons College development staff will encourage donors to consult with their spouses and their financial advisors and will make it clear that they represent the College and its interests and that they are not offering tax or investment advice. In the past, Simmons College has also accepted gifts in the form of Charitable Lead Trusts and gifts to Pooled Income Fund. Such gifts have become so rare that they are not covered in this policy.
2. Simmons College no longer offers CGAs at the annuity rate suggested by the American Council on Gift Annuities at the time the gift is funded. If the College proposes a lower rate than the ACGA rate, the donor will be informed of the ACGA rate in writing. Under IRS regulations, there may be no more than two annuitants.
3. Simmons College accepts and counts CRTs as gifts which are irrevocable. The College may serve as Trustee of Charitable Remainder Trusts when such trusts meet IRS requirements and certain other conditions are met, such as a minimum initial value of \$250,000, including the use of acceptable assets to fund the trust, a minimum remainder interest (see below), and an acceptable payout rate. Simmons' willingness to serve as Trustee is decided by the Senior Vice President for Finance in consultation with the Vice President for Advancement. Simmons College does not presently charge management fees for trusts of which it is trustee, but reserves the right to do so in the future.
4. Simmons College accepts remainder interests in real property, including residences, farms, and other real estate, when such gifts are approved by the Senior Vice President for Finance in consultation with the Vice President for Advancement. Donors must agree to pay costs of owning and maintaining the property (e. g. taxes, repairs, assessments, insurance, maintenance, and other expenses which may be dictated by local or state law). The College may not be compelled to make capital improvements or otherwise invest resources in the property unless exceptions are approved by the Gifts Priorities Committee.
5. Simmons College encourages donors to include the College in their estate plans for unrestricted or restricted bequests. Donors considering a bequest to Simmons College should consult with the Advancement staff to determine acceptable gift restrictions and funding levels, bearing in mind that such funding levels may increase over time. Bequests of real estate must be reviewed by the same procedure specified in the real estate gift section (III. H. ) above. Bequests of other real property or bequests with restrictions that may be of questionable value to the College will be reviewed by the Gifts Priorities Committee and, if necessary, declined by the College. Appropriate College offices (usually the Senior Vice President for Finance (Treasurer) or the Vice President for Advancement) occasionally serve as executors of estates of which Simmons College is a substantial beneficiary. Advancement officers should encourage prospective donors to discuss any such designations in advance, and should recommend, in cases where this role is to the College's benefit, that potential executors be designated by title rather than name. Donors should understand that

these responsibilities may be delegated to an appropriate staff person or legal representative of the College.

**IV.**

**V. Gift Minimums**

Simmons College values the support of all its donors and their gifts. However, the College has established minimum thresholds for certain types of gifts to ensure that they represent a net benefit, rather than a cost, to the College. Exceptions must be approved by the Vice President for Advancement and the Senior Vice President for Finance.

**A. Current Year Gifts**

1. There is no minimum established for gifts of cash, checks, marketable securities, foreign currencies, credit card gifts, paid up life insurance, or tangible personal property accepted for the College's unrestricted use or previously established restricted funds.
2. Gifts of tangible personal property which the College intends to sell must have a minimum estimated value of \$10,000.
3. Gifts of real estate which the College intends to sell must have a minimum value of \$250,000.

**B. Deferred Gifts**

1. **Charitable Gift Annuities** that meet the College's required rate of return to donors have a minimum funding of \$100,000 but an annuitant will be permitted to fund subsequent additional annuities at a minimum of \$25,000. The annuitant of an immediate annuity must be at least 70 years of age; for a two life annuity, this age applies to the younger of the two annuitants. The annuitant of a deferred annuity shall be at least 60 years of age.
2. "Charitable Remainder Trusts" may be established at a minimum funding level of \$250,000 if they meet the following criteria:
  - a) A 5% payout rate
  - b) No more than two income beneficiaries
  - c) Is a qualified Charitable Remainder Unitrust or Annuity Trust
  - d) Funded with cash or negotiable securities, and;
  - e) The College serves as Trustee.
3. For Charitable Remainder Trusts where Simmons College is to serve as trustee, the College's remainder interest must be at least 51% of the trust assets and at least \$250,000. In such cases, before accepting trusteeship, the College must obtain a written agreement with other remaindermen regarding Simmons' investment practices and indemnifying the College against legal action for its management of the trust.

## V. Endowment Funds and Facilities Gifts

### A. Endowments

1. Endowments for different purposes (e. g. professorships, scholarships, student research fellowships) generally require different funding levels which are set by the Gift Priorities Committee on a regular basis and promulgated to prospective donors in case statements, brochures, and conversations with Advancement officers and volunteers. Changes in funding levels will not affect pre-existing endowment agreements or pledges in the process of being fulfilled.
2. Simmons College does not accept endowment gifts with restrictions that violate the College's policies, values, or standards, or with restrictions that are so narrow as to compromise the usefulness of the gift. Inevitably, prospective donors will sometimes suggest restricted endowment gifts for purposes that have not been previously identified as fund raising priorities by the College. The costs and benefits of such gifts to the College must be carefully weighed before they are accepted. Generally, responsibility for this analysis and for approval of such gifts will be assigned to the Vice President for Advancement in consultation with the Senior Vice President for Finance who will consult with the Dean or Vice President in whose area of responsibility administration of the gift would fall. Such gifts must be authorized by the President on the basis of an analysis and recommendation provided by the Vice President for Advancement in consultation with the Senior Vice President for Finance. When appropriate, the President will consult with the Board of Trustees. The criteria used in deciding the suitability of such gifts will typically include, but not limited to:
  - a) Simmons' ability to administer the gift without additional staffing or other expense that would render the gift a net cost to the College;
  - b) The compatibility of the gift's purpose with Simmons' mission and values; and
  - c) The gift's potential to enhance Simmons' ability to serve its constituents and improve the overall quality of the College.
  - d) All gift agreements will include language allowing the College to adjust the use of the gift to maintain the College's ability to utilize the funds to the best of its ability in compliance with the spirit, if not the letter of the donor's stated "preference".
  - e) Except in rare cases, all restrictions will be stated as "donor preferences" for gift usage.
3. New endowment funds are never established for a commitment of less than \$100,000, payable over no more than five years. Amounts will be appropriated and available for awarding based on the board approved spending policy. Funds existing as of the 12/31 measurement date will be appropriated and available for use in accordance with the board approved spending policy beginning with the subsequent fiscal year. Advancement officers should make sure that donors understand that failure to complete a pledge bringing an endowment to the minimum level required for a



specific purpose may result in the funds which have been donated being added to general endowment or a temporarily restricted fund for a similar purpose.

4. Names of endowment funds may be changed by written request of the donor(s) and agreement of the College.
5. Purposes of existing endowment funds may be changed by mutual agreement between the donor(s) and the College. The Vice President for Advancement generally represents the College in such discussions, and will confer with the Senior Vice President for Finance and any departments that might be affected. Changes requiring increased administrative commitments or additional financial resources will be reviewed by the President. Any changes must be documented in writing, signed, and dated by the donor(s).

B. Memorial and Honorary Gifts/Funds

1. New endowed funds in memory or in honor of an individual may be established when a signed letter of commitment is received guaranteeing the College's threshold minimum to establish a fund. Fund minimums must be received within five years of the agreement. All written agreements must include the provision that failure to achieve the minimum funding requirements within prescribed period of time will result in the funds being added to general endowment or temporarily restricted fund for a similar purpose.
2. Gifts in honor of individuals are designated as unrestricted unless another existing fund or purpose is specified by the donor.

C. Facilities Gifts

See the College's Naming of Facilities and Programs document for specific information on gifts to name facilities.

**VI. Gift accounting, classification, and stewardship**

- A. Working collaboratively, the Vice President for Advancement and the Senior Vice President for Finance and their respective offices will ensure that gifts made to Simmons College are classified and recorded according to generally accepted accounting principles. They will also ensure that our reporting to the donors regarding the use of their gifts respects the donor's intent as well as the Financial Accounting Standards Board's (FASB) guidelines for contributions.
- B. Gift agreements and terms that have been reviewed by both the Offices of the Vice President for Advancement and the Senior Vice President for Finance and signed by the donor will be secured for each gift as per the guidelines within this document. Such terms will seek to establish with clarity and simplicity whether the donor intends the gift to be for a specific purpose (restricted) or used at the discretion of the College (unrestricted) and whether the gift is to be used immediately to satisfy the donor's intent (current-use)

or whether income only from the invested gift should be used so that the donor's intent can be supported in perpetuity (endowment).

- C. Once a gift is received, the asset (check, wire transfer information, certificate, deed, etc.) should be forwarded to the Comptroller's Office along with the proper documentation. Upon receipt of all relevant accompanying documents, the Controller's Office shall establish the appropriate accounting string that will permit to keep track of transactions related to the gift according in the proper FASB classification. The Comptroller's Office will communicate the accounting coding to all relevant stakeholders. In consultation with the Senior Vice President for Finance, the Comptroller's Office shall make appropriate disposition of the asset and the correspondingly appropriate entry in the general ledger.
- D. Budget managers who have been entrusted with spending gift funds will receive appropriate training and information. They will be trained on the importance of spending according to the gift terms. They will be provided access to the gift agreement so that they can refer to the donor's intent, if they are in doubt about the appropriateness of transactions against the gift. They will be required to produce an annual report on spending for use in gift stewardship. This report will be made to the Controller and to the VP for Advancement.
- E. On a regular basis, the Comptroller or his designee will reconcile pledges recorded in Raiser's Edge, the system used by the Office of Advancement, and those booked into the general ledger. It is understood that pledges recorded in either Raiser's Edge or the general ledger will have appropriate back-up documentation.

### **Changes to Simmons College's Gift Acceptance Policy**

Revisions to this policy may be suggested by the President, senior staff, advancement staff, or trustees, and will be evaluated by the Vice President for Advancement, the Senior Vice President for Finance and the President after appropriate consultation and discussion.