



RESOLUTION

concerning

ACCEPTANCE OF GIFTS

February 1, 2002

WHEREAS, From time to time valuable gifts of money, real property, and personal property are offered to the universities within the Connecticut State University System and to the Connecticut State University System itself, and

WHEREAS, Section 10a-150 of the Connecticut General Statutes empowers the Trustees to accept such gifts on behalf of the Connecticut State University System or the individual universities within it, and

WHEREAS, Section 10a-150b of the Connecticut General Statutes requires that disclosure be made to the Commissioner of Higher Education of any gift from a foreign source having a value of \$100,000 or more, and

WHEREAS, Gifts to the universities or to the system can be expected to vary greatly in nature and value, and it is appropriate to establish and maintain a regular procedure for processing the acceptance of gifts, therefore, be it

RESOLVED, That BR01-59 is hereby repealed, and be it further

RESOLVED, That the Board of Trustees for the Connecticut State University System adopts the attached procedure for acceptance of gifts to the individual universities within the Connecticut State University System or to the Connecticut State University System itself.

A Certified True Copy:

William J. Cibes, Jr.
Chancellor

PROCEDURES FOR THE ACCEPTANCE OF GIFTS

Connecticut State University System

1. All gifts of money of \$25,000 or less (including all forms of negotiable instruments or securities valued by the donor or, in the absence of valuation by the donor, by the university president or CSU Chancellor at \$25,000 or less) may be accepted on behalf of the Trustees by the university president or CSU Chancellor provided that in accordance with Section 10a-150 of the General Statutes such gifts are reported to the State Treasurer with a copy to the Chancellor or Chair of the CSU Board of Trustees.
2. All gifts of money of more than \$25,000 (including all forms of negotiable instruments or securities valued by the donor or, in the absence of valuation by the donor, by a university president or the CSU Chancellor at more than \$25,000) must be submitted to the Board of Trustees for acceptance and for notification of the State Treasurer as provided in Section 10a-150 of the General Statutes.
3. Any gift of personal property valued (as provided in Sec. 5) by the donor or, in the absence of evaluation by the donor, by a university president or the CSU Chancellor at \$25,000 or less may be accepted on behalf of the Trustees by the university president or CSU Chancellor.
4. Any gift of personal property valued (as provided in Sec. 5) by the donor or, in the absence of evaluation by the donor, by a university president or the CSU Chancellor of more than \$25,000 or more shall be presented to the Trustees for acceptance.
5. In the case of gifts of personal property, pertinent to 3 & 4 above, value shall be confirmed by an appraisal by an independent and reputable appraisal organization or stipulated by the receiving university or the CSU System Office in the appropriate IRS tax document. In conformance with IRS regulations, no appraisal shall be required if the gift, as valued by the donor, is less than \$5,000. A university-generated receipt shall acknowledge the gift and the donor value.
6. All gifts of real property must be presented to the Trustees for acceptance after approval by the Commissioner of Public Works and the State Properties Review Board as required in Sections 4b-23 and 10a-150 of the General Statutes.
7. Any gift from a foreign source having a value of \$100,000 or more shall be reported by the CSU Chancellor to the Commissioner for Higher Education as required by the provisions of Section 10a-150b of the General Statutes.

ITEM

Revising the policies and procedures regarding the acceptance of gifts

BACKGROUND

Section 10a-150 of Connecticut General Statutes empowers the Board of Trustees to accept gifts of money, real property and personal property on behalf of the universities of the Connecticut State University System or the CSU System itself. In October 2001, the policy was revised to stipulate a procedure for valuing gifts of personal property and increased the level for which Board approval is required to cash gifts and personal property valued at more than \$25,000.

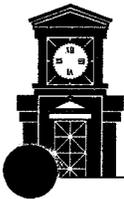
ANALYSIS

Concern was raised that the requirement in the current policy that all gifts must be confirmed as to value by an independent appraisal is more restrictive than the IRS tax code that requires no appraisal for items for which the donor will claim a deduction of \$5,000 or less. This may make it more difficult for the universities to attract items of personal property when the gift does not exceed \$5,000.

The language proposed to address this concern specifies that *"In conformance with IRS regulations, no appraisal shall be required if the gift, as valued by the donor, is less than \$5,000. A university-generated receipt shall acknowledge the gift and the donor value."*

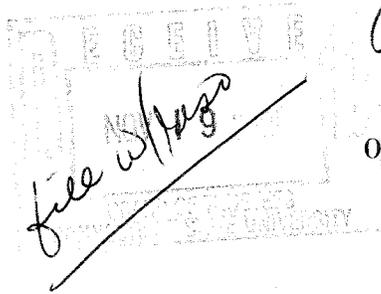
CHANCELLOR'S RECOMMENDATION

Approve the revision to the Policies and Procedures for the Acceptance of Gifts.



Eastern Connecticut State University

83 Windham Street ■ Willimantic ■ Connecticut 06226 ■ 860-465-5222



*Gone to
Alan 1/2/02*
Office of the President

November 14, 2001

Dr. William J. Cibes, Jr.
Chancellor
Connecticut State University System
39 Woodland Street
Hartford, Connecticut 06105-2337

Dear Dr. Cibes:

It has been brought to my attention that the recently passed resolution and policy governing the acceptance of gifts may make it more difficult for the University to attract items of personal property when the gifts do not exceed \$5,000.

The new policy (Enclosure A) which specifies in Section 5 that all gifts must be confirmed as to value by an independent appraisal is more restrictive than the IRS tax code which requires no appraisals for items for which the donor will claim a deduction of \$5,000 or less. (See Enclosure B, Pages 4, 8, and 9). An additional point is that the requirement to provide the appraisal should be on the donor since he/she must furnish proof of the appraisal to claim an IRS deduction. The current Board policy seems to leave the issue open as to who is responsible for the appraisal.

Enclosure C, Page 2, provides an example of the above points from the Indiana University Foundation which makes clear the demarcation line for an appraisal and rests the responsibility clearly in the hands of the donor.

To remedy the potential problem inherent in the new language, I suggest the following be considered for Section 3 of the new policy.

Add final sentence:

"Gifts valued by the donor at \$5,000 or less shall not require an appraisal. A University generated receipt shall acknowledge the gift and the donor value."



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Dr. William J. Cibes, Jr.
November 14, 2001
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I have left the rest of the language alone but recommend to my colleagues that they not accept a gift of personal property in excess of \$5,000 without the individual appraisal being done by the donor.

Sincerely,

Handwritten signature of David G. Carter in cursive script.

David G. Carter
President

DGC/cd

Enclosures

c: Dr. Michael Pernal, Executive Vice President
Mr. Dennis Hannon, Vice President for Finance and Administration
Ms. Barbara Eshoo, Vice President for Institutional Advancement