



Gift Acceptance Policies and Procedures

Approved July 2, 2024

Mission

The mission of the Mortar Board National Foundation (MBNF) is to support Mortar Board, Inc. in furthering the ideals of scholarship, leadership and service.

Purpose

The MBNF provides sound management of funds entrusted to it in pursuit of its mission and its trustees and staff solicit current and deferred gifts to secure the future growth and mission of the MBNF. MBNF is the recipient of all philanthropic contributions to benefit MBNF and Mortar Board, Inc. programs and priorities. The purpose of these Gift Acceptance Policies and Procedures is to govern the acceptance of gifts by MBNF and provide guidance to donors and their advisors in completing gifts to the MBNF.

Gift Acceptance Policies and Procedures

I. Policy Framework

- A. The Mortar Board National Foundation may accept and account for cash, cash equivalents, marketable securities, life insurance, and tangible personal property and may be named the beneficiary or remainder interest of retirement plans, charitable gift annuities or trust instruments.
- B. Donors to the MBNF may be individuals, corporate entities and other organizations and agencies who support the Mission of the MBNF.
- C. The MBNF reserves the right to accept or reject a gift based on this policy or other considerations.
- D. The MBNF shall keep all information concerning prospective donors, including names and addresses, names of beneficiaries, nature and worth of estates, and amounts of provisions in confidence unless the donor or the donor's heirs or assigns grant permission to use this information for purposes of referral, media awareness, testimonial or example.
- E. All references to amount of cash or valuation are in United States dollars.
- F. The MBNF follows IRS rules regarding gift substantiation, and receipts gifts as close to immediately as practicable.

II. Use of Legal Counsel

The MBNF shall seek the advice of legal counsel in matters relating to the acceptance of gifts when appropriate. Review by legal counsel is recommended for:

- A. closely held stock transfers that are subject to restrictions or buy-sell agreements,
- B. any gift requiring the MBNF to assume an obligation,
- C. transactions with potential conflict of interest that may invoke IRS sanctions, and
- D. any other instance in which use of counsel is deemed appropriate by the Board of Trustees¹ (Board).

III. Conflict of Interest

- A. The MBNF urges all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences.
- B. The MBNF will observe the *Model Standards of Practice for the Charitable Gift Planner* set by the National Association of Charitable Gift Planners (Exhibit A) and the Association of Fundraising Professionals Code of Ethical Standards (Exhibit B).

IV. Endowment Funds

- A. The MBNF manages its endowment funds through an investment pool. These funds include current endowments as well as those yet to be fully funded.
- B. Endowment Criteria
 1. A minimum commitment of \$50,000, payable over a maximum of five years, is required to establish a true endowment for a named fellowship, which must be a Type C true endowment. (See Exhibit C)
 2. A minimum commitment of \$10,000, payable over a maximum of five years, is required to establish a true endowment for any other purpose.
 3. The executive director will work with the donor to execute a Fund Agreement for endowments that meet the criteria above. After execution of the Fund Agreement by the donor and the MBNF, any change to the Fund Agreement or the administrative provisions may be made only by executing an amendment to the agreement in writing. An amendment must be reviewed and approved by the Board.
 4. The MBNF shall attach the name to the fund when the fund donor's contributions to the endowment reach or exceed the threshold within five years or the period of time specified in the MBNF Fund Agreement. Investment earnings and losses do not accrue to a fund that has not reached its threshold.
 5. If the endowment threshold is not reached within five years or the period of time specified in the Fund Agreement, the MBNF may use the principal and any earnings in any manner for any purpose that the Board deems appropriate; however the Board may keep the intent of the donor in mind.
- C. True Endowment Management (See Exhibit C)
 1. The MBNF shall manage as a Type A true endowment a gift whose principal is restricted by the donor or the donor's testamentary instrument and whose

¹ In MBNF documents, the term "Board of Trustees" is used on first reference, and Board used thereafter.

earnings are unrestricted. The MBNF shall hold the principal in perpetuity, and the Board may designate how the earnings will be used.

2. The MBNF shall manage as a Type C true endowment a gift whose principal is restricted by the donor or the donor's testamentary instrument and whose earnings are donor-restricted. The MBNF shall hold the principal in perpetuity, and the Board shall use the earnings as directed by the donor.

D. Quasi-endowment management (See Exhibit C)

1. The MBNF may create and manage as a Type B quasi endowment a gift whose principal and earnings are not restricted by the donor or the donor's testamentary instrument. The Board may use the principal and earnings as it sees fit.
2. The MBNF may create as a Type D quasi endowment a gift whose principal is not restricted and whose earnings are restricted by the donor or the donor's testamentary instrument. If it creates this type of endowment, the Board shall use the earnings as directed by the donor and may use the principal so long as the use meets any restriction established by the donor.

E. Spending Policy

The MBNF makes payouts based on a 12-quarter rolling average. The "Payout Procedures for Mortar Board National Foundation Named Endowments," attached here as Exhibit D, provides directions as to how payouts will be calculated until the 12-quarter point is reached.

V. Pass-through Funds

A. Fellowship Pass-throughs

1. A one-time named fellowship may be established with a minimum gift of \$5,000. The fellowship will be awarded for the academic year following payment-in-full of the gift by the donor.
2. A bundled, named fellowship may be established by more than one donor with a minimum commitment of \$5,000 from all donors in total. The fellowship will be awarded for the academic year following the payment-in-full of all commitments.

B. Program Pass-throughs

1. Pass-through accounts may be established for current-use contributions restricted by the donors for specified programs and priorities of Mortar Board, Inc.
2. These current-use, donor-restricted gifts will be made accessible to Mortar Board, Inc. once the contributions are properly received and recorded.

VI. Gift Types and Treatment

A. Restricted Gifts

1. The MBNF will accept unrestricted gifts and gifts restricted for specific programs and purposes, provided such gifts are consistent with its stated mission, purpose and priorities. The MBNF will not accept gifts that are too restrictive in purpose. Gifts that are too restrictive are those that violate the terms of the corporate charter, that are too difficult to administer, for which the cost to the MBNF is prohibitive, or gifts that are for purposes outside the mission of the MBNF.

2. All final decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Board.

B. Securities

1. The MBNF may accept marketable securities, and these securities should be transferred to an account maintained at the MBNF investment company. The MBNF shall sell all publicly traded gifted securities as soon as practical upon receipt by the MBNF. In cases where the donor holds the stock certificate, the donor must provide the MBNF with a stock power form with a signature guarantee. See Exhibit E, *Information for Mortar Board Donors* for information about transfer of securities.
2. The Board shall make the final determination about accepting marketable securities with regulatory restrictions.
3. The MBNF may not agree to any donor restrictions on the sales of securities after they have been gifted.

C. Property

1. Upon notification by a donor desiring to make a gift of tangible personal property, the executive director shall notify the president of the Board who, along with the executive director, will consult with the vice president, secretary and treasurer to make a recommendation to the Board as to whether or not to accept the gift.
2. The MBNF evaluates all gifts of tangible personal property, except publicly traded securities, to determine whether to accept and how to dispose of them using the following criteria:
 - a. Is the property marketable?
 - b. What are the restrictions, if any, on the use, display or sale of the property?
 - c. What are the carrying costs, if any, for the property?
3. The MBNF follows all IRS regulations about determining the value of donated personal property and reporting information to the IRS and donors about the disposition of this property.

D. Cash Gifts

1. The MBNF accepts cash in any form.
2. The MBNF will accept cash gifts into existing funds unless the donor establishes a new named fund.
3. Principal-restricted cash gifts will be placed into existing MBNF funds unless the donor establishes a new named fund. These funds will be placed into either a Type A or Type C true endowment fund, depending on the donor's wishes as to use of earnings.
4. Principal-unrestricted cash gifts, including bequests, that are eligible to be a Type B quasi-endowment upon board vote, will be accepted by the MBNF in accordance with the written instruction of the donor or testamentary bequest instrument.
5. Upon notification that the MBNF is the beneficiary of a cash bequest, the executive director shall notify the president of the Board. The executive

director is authorized to sign paperwork acknowledging legal notification of the bequest.

6. The MBNF shall record a documented bequest as a gift at a value of \$1 for donor recognition and stewardship purposes until the gift is irrevocable. At that time, the MBNF may record its present value.

E. Life Insurance

1. If named as the beneficiary of a life insurance policy, the MBNF shall record it at a value of \$1 for donor recognition and stewardship purposes.
2. Before the MBNF may record a life insurance policy as a gift at its cash or surrender value, the MBNF must be named as both its beneficiary and irrevocable owner.
 - a. If the donor contributes future premium payments, the MBNF will include the entire amount of the additional premium payment as a gift in the year that it is made.
 - b. If the donor does not continue to make gifts to cover premium payments on the life insurance policy, The MBNF may:
 - i. continue to pay the premiums.
 - ii. convert the policy to paid-up insurance; or
 - iii. surrender the policy for its current cash value.

F. Charitable Remainder and Lead Trusts

The MBNF may be named as the beneficiary of a charitable remainder trust or as the income beneficiary of a charitable lead trust, but shall not accept appointment as trustee of either.

G. Retirement Plans

1. If named as the beneficiary of a retirement plan, the MBNF shall record it as a gift at the value of \$1 to allow donor recognition and stewardship. When the gift is irrevocable, but not due until a future date, the MBNF shall record its present value when that gift becomes irrevocable.
2. Taxpayers who have the opportunity to make minimum distributions from an IRA may transfer as much as is allowable to the MBNF, which is a qualified charity. The MBNF treats qualified charitable distributions from IRAs as outright cash gifts.

H. Cryptocurrency

1. The MBNF accepts gifts of cryptocurrency, otherwise known as natively digital assets, through a merchant processor that liquidates the assets, converting to cash acceptable for transfer to the MBNF.
2. Acceptance of this type of gift is subject to the approval of the Board.

VII. Gift Reporting

A. Internal Reporting

The executive director shall report all gifts valued at \$1,000 or more to the Board on a quarterly basis.

B. External Reporting

The executive director shall provide each donor who has established an endowment fund with an annual financial performance report after the audit (or review) is completed for the year. This report will include a brief description of the way that the gift was used in support of Mortar Board and signed by the executive director.

VIII. Miscellaneous Provisions

A. Securing appraisals and legal fees

It will be the responsibility of the donor to secure an appraisal (where required) and independent legal counsel for all gifts made to the MBNF.

B. Valuation of gifts for development purposes.

The MBNF will record a gift received by MBNF at its valuation for gift purposes on the date of gift.

C. The executive director is responsible for acknowledging all gifts in accordance with IRS regulations.

IX. Annual Review

The Board shall review this policy at least once every fiscal year.

Exhibits

- A. Model Standards of Practice for the Charitable Gift Planner (2017)
- B. Association of Fundraising Professionals Code of Ethical Standards (2014)
- C. MBNF Endowment Fund Description
- D. Payout Procedures for MBNF Named Endowments
- E. Information for Mortar Board Donors

References

1. [IRS Publication 561 Determining the Value of Donated Property](#)
2. [About Form 8282, Donee Information Return](#)
3. [IRS Publication 526 Charitable Contributions](#)

Legislative History

Approved March 8, 2011

Revised July 31, 2011

Revised and approved by the Board May 24, 2012

Reviewed without change by the Board August 4, 2013

Revised and approved by the Board July 28, 2014, by email vote, outcome announced at the Board of Trustees meeting on August 3, 2014, in Atlanta
For review by the Board of Trustees at June 22, 2015, meeting and approved unanimously

Revised and approved by the Board of Trustees on November 19, 2015

Revised and approved by the Board of Trustees on April 21, 2016

Revised and submitted to Board of Trustees for review August 26, 2017, approval of which was announced August 29, 2017

Reviewed and approved by the Board of Trustees June 18, 2018

Reviewed and approved without Exhibit D by the Board of Trustees on June 13, 2019

Exhibit D approved by the Board of Trustees on August 1, 2019

Approved by the Board of Trustees on May 28, 2020

Reviewed by the Development Committee with no changes and submitted to the Board of Trustees for review and approval on June 30, 2022.

Reviewed by the Development Committee with some changes and submitted to the Board of Trustees for review and approval on June 21, 2023.

Reviewed by the Development Committee with changes as indicated by revision bars and submitted to the Board of Trustees for review and approval on July 2, 2024.