

**California State University, Northridge  
University Student Union, Inc.  
Gift Acceptance Policy**

**SUBJECT:** Gift Acceptance Policy

**REFERENCE:** California State University, Northridge Policy 450 — Gifts & Endowments  
Title 5, Sections 42300, 42301, 42403(e).

**DEFINITION:** A gift is a donation of cash, securities, equipment, real or personal property  
bestowed voluntarily without expectation of any tangible compensation.

**POLICY:** Gifts to the University Student Union, Inc. are deposited and accounted for by  
the California State University, Northridge Foundation.

**Limitations**

Only the President of the University is authorized to accept gifts of real estate,  
which is permitted by the California State University, Northridge Gift Policy.

**Prohibited Transactions**

The University Student Union will not accept funds or property which will  
jeopardize its tax-exempt status or expose it to expenses for which no source  
of funds has been readily identified. Particular attention will be taken during  
the due diligence process to ensure that all property is free and clear of any  
legal, environmental, or marketability problems.

*Recommended by the Finance Committee on October 26, 2004.  
Approved by the USU Board of Directors on November 15, 2004*

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- I. Solicitation of Gifts
  - A. “Solicitation” includes, but is not limited to, all forms of gifts set forth in this policy.
  - B. The University Student Union will consult and coordinate with the Vice President of University Advancement in all efforts to solicit private funds or property in the name of the Union.
- II. Types of Gifts
  - A. Cash Gifts – Cash gifts can take the form of currency, coin, check, money orders, or bank drafts. Checks must be made payable to California State University, Northridge Foundation with a letter stating the donor’s designation of the gift. Absent explicit donor stipulation, donor contributions are unrestricted.
- III. Gifts of Securities
  - A. Gifts of Securities – Gifts of readily marketable securities (publicly traded) will be accepted. Gifts of securities not readily marketable will be accepted under the following conditions:
    - Gifts of closely held corporate stock or securities which are not readily marketable will be accepted on the condition that a qualified appraisal of the stock’s or security’s value is supplied by the donor at the time of acceptance. The stock sale can only be restricted for the length of time agreed upon by the Union and the donor at the time of the gift.
    - Gifts of bonds and other securities that require a “holding” period or have a maturity date will be accepted.
  - B. Gifts of Securities meeting the following criteria will not be accepted:
    - Securities which could create a liability to the Union, Foundation, and/or the campus.
    - Securities which by their nature, may not be assigned (such as series “E” savings bonds)
    - Securities which, upon investigation, have no apparent value
  - C. Sale of Readily Marketable Securities
    - Gifts of readily marketable securities are sold immediately upon receipt at the prevailing market price by the Foundation. The cash proceeds are invested by the Foundation’s managers with its investment company who recommend the proper asset allocation.
- IV. Gifts of Equipment and Personal Property
  - A. Gifts of equipment or personal property related to the mission of the Union and the campus are received upon written acceptance by the Executive Director based upon a reasonable plan to use, sell or convert the property or equipment to an operational asset of the USU.
  - B. It is the donor’s responsibility to provide an independent third-party appraisal of donated equipment with a value greater than \$5,000. It is the responsibility of the USU to provide appraisals for donated equipment with a value less than \$5,000. The USU may use any reasonable method to determine the value of donated equipment with a value less than \$5,000. For example, finding a replica of the donated item on an auction web site such as E-Bay.

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- C. Prior to acceptance of donations of equipment, the following information relative to the proposed donation must be provided by the donor:
- Names, addresses, and telephone numbers of all owners including those with beneficial interest or claiming any interest.
  - Description of the item.
  - General quality of the equipment.
  - Age of the equipment.
  - Original unit cost.
  - Liens, encumbrances, lease agreements, etc.
  - Cost of maintaining the equipment.
  - Other information as requested by the Foundation
  - The USU in consultation with the donor will determine the proposed use of the equipment and the area in which the equipment is to be used.
- D. Disposition of Donated Equipment
- The Union reserves the right to use, sell, or dispose of donated equipment or personal property in the best interest of the Union and the campus.
  - Any restrictions as to the use of the equipment or personal property must be agreed to in writing by the Executive Director and the Vice President for University Advancement, prior to acceptance.
  - For donated equipment or property in excess of \$5,000 that is sold, exchanged or otherwise disposed of within two years of receipt, the Foundation must be notified in writing so that an information return can be filed with the IRS by the Foundation.
  - The cash proceeds of sold donated equipment are deposited with the Foundation.
- V. Acceptance of Gifts
- A. All gifts (described herein) must be accompanied by a *Gift/Non-Gift Acceptance Summary form* supplied by the Foundation and forwarded to the Foundation.
- B. The Executive Director of the Union or designee must sign the Gift Summary Acceptance form as the *Contact Person for Questions on This Form*.
- C. The Northridge Foundation will invest gift funds on behalf of the Union until the funds are requested.
- D. The Northridge Foundation will issue a monthly Summary of Activities showing the current balance of all Union gift funds deposited with the Foundation.
- E. The Foundation will charge a one-time surcharge of 2.75% on each gift of cash deposited. The Foundation only levies surcharges on gifts of cash. The Foundation does not levy a surcharge on donated equipment. Surcharges are not levied on securities that require a holding period until they are sold.
- F. The Union must fill out a Foundation check request in order to expend gift funds. The Foundation issues a check on behalf of the Union to the payee designated by the Union on the check request.
- G. No gift income or expense will be recorded on the books of the Union. Both the receipt and expenditure of the gift are recorded on the books of the Foundation.
- VI. Acknowledgment and Recognition of Donors
- VII. A *thank you* letter, or receipt is sent to each donor by the Foundation upon acceptance of the gift by University Advancement. (This is necessary to ensure that gifts are used

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according to the donor's wishes and serve as additional verification of a tax-deductible gift for the donor.)

- VIII. Gifts over \$250 must state any financial value received in exchange for the gift.
- IX. The University Student Union may also acknowledge gifts at its discretion.