

GIFT ACCEPTANCE POLICIES

The mission of the Capstone Group (the “Corporation”) is to support HU students, faculty, and staff while advocating for a culture of accountability and transparency in all management decisions and operating initiatives thus ensuring sustainability of the university’s historic legacy. The purpose of the Corporation’s Gift Acceptance Policy (the “Policy”) is to govern the solicitation, acceptance, and refusal of proposed gifts and to provide guidance to donors and their professional advisers. All gifts are to be considered for acceptance in accordance with the policies set forth herein, together with any other applicable policies or procedures established by the Corporation.

I. Tax-Exempt Status

The Corporation is exempt from federal income taxation under Section 501(a) of the Internal Revenue Code of 1986, as amended (the “Code”) as an organization described in Section 501(c)(3) of the Code and is not a “private foundation” as defined in Section 509(a) of the Code. The Corporation encourages the solicitation and acceptance of gifts to the Corporation for purposes that will help the Corporation fulfill its charitable mission (as defined in the Mission Statement). The following policies govern the solicitation and acceptance of gifts made to the Corporation.

II. Use of Legal Counsel

The Corporation will seek the advice of legal counsel in connection with the acceptance of gifts when and as appropriate. It is the donor’s responsibility to retain appropriate independent tax and/or legal counsel before making gifts to the Corporation.

III. Gift Definition

A gift is defined as a voluntary transfer of assets from a person or organization to the Corporation. Gifts are often, but not always, in the form of cash, securities, real property, or personal property. The Corporation has the right to accept or decline any gift. Gifts are often associated with the following criteria:

- Gifts are motivated by charitable intent.
- Gifts are irrevocable transfers of assets.
- Gifts are not typically subject to an exchange of consideration or contractual duties between the Corporation and the donor, although objectives may be stated and funds may be restricted to a specific-purpose.
- Donors are not entitled to receive formal financial accountings. However, a general report to the donor describing the use or impact of the gift may be appropriate.

- A gift is not completed until it has been accepted by the Corporation. The Corporation reserves the right to decline any gift.

IV. Types of Gifts

A. Outright Gifts

An outright gift occurs when a donor voluntarily and intentionally transfers assets to the Corporation with no expectation of receiving a benefit related to the value of such transfer. The donor has the right to place restrictions on the use of the gift; however, the donor cannot retain control over the transferred assets. Examples of outright gifts include cash and cash equivalents, securities, tangible personal property, and certain real property.

(1) Cash and Cash Equivalents

Cash and cash-equivalents will often, but not always, be accepted by the Corporation regardless of amount and without further consideration.

(2) Securities

Securities that are actively traded on recognized stock exchanges in the United States will be accepted as gifts to the Corporation in accordance with the policies described below. Securities traded on other stock exchanges, and other readily marketable securities, will be evaluated and accepted if the Corporation determines that acceptance is in the best interests of the Corporation.

(a) Publicly Traded Securities

The value of a gift of a publicly traded security is the average of the high and low of the stock(s) or bond(s) on the day the securities are received in the Corporation's brokerage account. The value of securities that are less actively traded is determined in accordance with the rules set forth in IRS Publication 561.

(b) Mutual Fund Shares

Mutual fund shares can usually be accepted by the Corporation's brokerage account. However, this is not always the case. The Corporation reserves the right to decline any gift of mutual fund shares if the administrative costs exceed the fair market value of the gift. The fair market value of mutual fund shares is determined by the public redemption prices of the shares on the date such shares are received into the Corporation's brokerage account. If such a price is not readily available, the value will be determined as if the shares were non-publicly traded securities in accordance with the rules set forth in IRS Publication 561.

(c) Closely Held Securities

The Corporation shall not accept a gift of closely held or non-publicly traded securities unless and until the gift has been reviewed and approved by the Executive Committee. The Corporation will not consider gifts of closely held securities unless the following documentation has been provided in connection therewith:

- A qualified independent appraisal, as defined in the Code and IRS Publication 561.
- Copies of any shareholder, member, owner, or buy-sell agreements.
- Copies of any restrictions on the transfer of securities contained in the bylaws or reflected on the share certificates.

(d) Restricted Securities

Absent extraordinary circumstances, the Corporation will not accept gifts of restricted securities. In no case shall the Corporation accept a gift of restricted securities unless such gift has been reviewed and approved by the Executive Committee.

(3) Real Property

All gifts of real property must be reviewed and approved by the Executive Committee before the gift can be accepted by the Corporation. Gifts of real property must satisfy the following criteria to be eligible for consideration by the Executive Committee:

- The gift must be of sufficient value that the Corporation will realize significant benefit from the gift, in view of the legal and administrative costs likely to be incurred by the Corporation in connection with the acceptance of a gift of real property.
- The gift must be readily marketable at or near the appraised value.
- The gift must be able to be liquidated based on current market conditions.
- The gift must be free and clear of all liens, mortgages, deeds of trusts, and other encumbrances that would cause the Corporation to incur potential additional expense, risk, or liability or that would restrict the Corporation's ability to use or sell the property in the manner it deems best for furthering the charitable purposes of the Corporation.

The Executive Committee shall not consider any gifts of real property unless the following related documentation has been received by the Corporation:

- A title insurance commitment showing marketable title in the donor's name, free and clear of all encumbrances, issued by a title insurance company deemed acceptable by the Corporation in its sole discretion.
- A qualified appraisal.
- A Phase 1 environmental audit by a qualified engineer indicating that ownership will not expose the Corporation to any environmental liabilities.
- A market feasibility study for the real property.
- An American Land Title Association survey of the property certified by a registered land surveyor.
- If applicable, evidence of compliance with the Americans with Disabilities Act (as amended).
- A structural engineering report.
- A review of any leases and relating documentation.

- A disclosure statement for residential property including any mineral, oil, or gas rights.

The donor is responsible for payment of all costs incurred in transferring real property to the Corporation, including but not limited to the costs of compliance with the rules set forth above.

(4) Personal Property

The Corporation may accept gifts of tangible personal property upon review and approval by the Executive Committee. Generally, the Corporation will accept gifts of tangible personal property if they meet the Corporation's minimum gift value requirements, are readily marketable, and are free and clear of encumbrances. The value of gifts of tangible personal property must exceed the holding, maintenance, sale, and administrative costs that may be incurred by the Corporation in connection with such gift. If all other policies described herein are satisfied, the Executive Committee will consider gifts of personal property valued at \$_____ or more.

(5) In-Kind Gifts

The Corporation may in-kind gifts upon review and approval by the Executive Committee. Generally, the Corporation will accept in-kind gifts if they meet the Corporation's minimum gift value requirements, further the mission of the Corporation, and are free and clear of encumbrances.

B. Split Interest Gifts

All split-interest gifts must be reviewed and approved by the Executive Committee before the Corporation can accept the gift. Because split-interest gifts typically involve significant legal and administrative expenses, the Corporation may reject any split-interest gift without presenting it to the Executive Committee for review.

V. Purpose of Gifts; Restrictions on Gifts.

Any donations received by the Corporation will be used solely in furtherance of the Corporation's mission and for charitable purposes within the meaning of Section 501(c)(3) of the Code.

The Corporation does not accept any donations that: (i) would result in the Corporation's violation of its corporate charter, loss of its status as an organization described in Section 501(c)(3) of the Code, or loss of its tax-exempt status under Section 501(a) of the Code; (ii) are for purposes other than furthering the Corporation's mission; or (iii) would otherwise result in any undesirable consequences for the Corporation. Decisions regarding the restrictive nature of a gift, and the acceptance or refusal thereof, shall be made by the Corporation's Executive Committee, in consultation with the Executive Director of the Corporation.

VI. Gift Acknowledgement

The Corporation is not responsible for maintaining records for proof of charitable contributions and will issue receipts for gifts in compliance with applicable laws.

VII. Acknowledgement of Donors

To honor its donors, the Corporation may publish any donor's name in various publications, press releases, and publicity vehicles after receiving consent and approval from the donor.