



GIFT ACCEPTANCE POLICY

The Montana State University Alumni Foundation (“MSU Alumni Foundation”) is a not for profit organization under the laws of the State of Montana that is charged with managing Montana State University’s (“University” or “MSU”) fundraising efforts. The MSU Alumni Foundation solicits and accepts philanthropic gifts to support Montana State University in accordance with the policies set forth herein.

The Gift Acceptance Policy is approved by the MSU Alumni Foundation Board of Governors.

1.0 STATEMENT OF PURPOSE

The MSU Alumni Foundation offers a variety of gift options designed to meet the financial and personal circumstances of donors, with particular focus on securing significant gifts during a donor’s lifetime or as part of an estate plan.

The gift policies in this document help ensure that:

- Gifts are used consistent with the desire of donors and generate maximum impact within the University; and
- Donors, the MSU Alumni Foundation, and the University are protected by adherence to all state and federal laws.

After the acceptance of a gift in accordance with MSU Alumni Foundation policies, the gift shall be processed in accordance with the MSU Alumni Foundation’s internal compliance policies applicable to the specific type of gift.

2.0 MSU ALUMNI FOUNDATION MISSION

“We cultivate lifelong relationships and secure private support to advance Montana State University.”

3.0 GENERAL POLICIES

The following general policies apply to the acceptance of all gifts and pledges.

- 3.1 The MSU Alumni Foundation does not accept gifts or pledges that are discriminatory based on sex, race, religion, or other impermissible restrictions.
- 3.2 For a gift or pledge to be accepted, it must be: 1) designated by the donor as outright or permanently endowed; and/or 2) appropriately restricted; and 3) for a campaign priority or other identified University priority; and/or 4) reviewed and deemed acceptable by the appropriate University administrator. Gifts that establish a new fund are documented by a gift agreement, deferred gift agreement, or terms of fund

(hereinafter referred to as “gift agreement documents”) and, as appropriate, are signed by the donor, the MSU Alumni Foundation President & CEO and/or campus representative.

- 3.3. The MSU Alumni Foundation does not accept gifts or pledges that provide little or no financial benefit, risk the assets or reputation of the University or the MSU Alumni Foundation, or violate the law.
- 3.4. The MSU Alumni Foundation does not accept gifts or pledges that are inconsistent with the University’s education, research, and outreach missions.
- 3.5. The MSU Alumni Foundation does not accept gifts or pledges that are so restrictive as to make it impossible or impractical to utilize.
- 3.6. The MSU Alumni Foundation does not accept gifts or pledges that impose overly burdensome administrative oversight or other costs, or financial risks, including market risks.
- 3.7. The MSU Alumni Foundation encourages solicitations with unrestricted or loosely restricted giving. The solicitation of highly restricted gifts should be reserved for individualized major and principal level fundraising.
- 3.8. Neither the MSU Alumni Foundation nor any MSU Alumni Foundation staff member will serve in the role of personal representative or executor of an estate or trustee of a revocable trust to benefit the MSU Alumni Foundation without approval in advance by the Gift Acceptance Committee in consultation with the MSU Alumni Foundation Board Chair.

Appendix A provides a Definitions of Terms found in this policy.

Appendix B summarizes Gift Acceptance and Scholarship Restrictions Referencing Protected Classes and provides a list of allowable restrictions.

4.0 GIFT AGREEMENT DOCUMENTS

Gift agreement documents are prepared in a variety of situations to record the expectations of both the donor and the MSU Alumni Foundation. Gift agreement documents are created for all new funds to create a record of the expectations for both the donor and the MSU Alumni Foundation for management of the fund. Gift agreement documents typically designate the gift as outright or permanently endowed and may further restrict the gift to allowable criteria including, but not limited to, scholarship, program, faculty support or discipline. Types of gift agreement documents include:

- 4.1. Gift Agreement –Any gift that reaches the minimum level to establish a named endowment as defined by the MSU Alumni Foundation Minimum Named Endowment and Fund Levels Policy will have a gift agreement completed and signed. In some cases, significant outright gifts are guided by a gift agreement.
- 4.2. Deferred Gift Agreement – A Deferred Gift Agreement documents the donor’s intent to leave a future gift and provides detail regarding designation and restrictions for the future gift. A Deferred Gift Agreement is not a binding commitment upon a donor’s estate but rather provides guidance to the MSU Alumni Foundation upon

receipt of a matured bequest or expectancy of where to apply the gift when received.

- 4.3 Terms of Funds or Terms of Endowed Funds – Funds comprised of gifts given by multiple donors are typically guided by a Terms of Fund document.

The MSUAF President and CEO authorizes and signs Gift Agreement documents.

5.0 AMENDED GIFT AGREEMENTS AND TERMS OF FUNDS

The designation and restrictions of existing gift agreement documents may be amended by the original donor(s). Significant changes to the gift agreement intentions may require review and approval of the MSU Alumni Foundation Gift Acceptance Committee and/or MSU Alumni Foundation Board of Governors. In those cases where the changes are straightforward (e.g., name changes, change within the same College or Department, updates to expand criteria and/or add preferences so award can more easily be made, change because degree is no longer offered, adding funds to change from current use to endowed fund, and increasing the value and/or number of awards made), the gift agreement amendment may be authorized by the MSU Alumni Foundation President and CEO.

If conditions change and the original donor is not able to authorize an amendment, and the fund cannot be used as described, or the fund is of insufficient size to support its purpose, then the MSU Alumni Foundation Board of Governors may redirect the fund for such purposes that most closely reflect the original intent of the donor.

6.0 STAFF AND VOLUNTEER RESPONSIBILITIES

MSU Alumni Foundation staff and volunteers are committed to complying with the Statement of Ethics issued by the Council for Advancement and Support of Education and the Model Standards of Practice for the Charitable Gift Planner issued by the Partnership for Philanthropic Planning (see Appendix C).

- 6.1 In all gift negotiations, MSU Alumni Foundation representatives will reflect the mission and values of the University and the MSU Alumni Foundation and conduct themselves in a professional, ethical, and fair manner.
- 6.2 The MSU Alumni Foundation and its volunteer and staff representatives will seek to align the interests of the University and the MSU Alumni Foundation with the philanthropic and financial goals/situation of prospective donors.
- 6.3 MSU Alumni Foundation staff will not promote gifts solely on the basis of income, estate, or gift tax benefits nor as investment products.
- 6.4 Prospective donors will be advised to seek the advice of independent legal, financial and/or tax counsel when planning a gift.
- 6.5 All gifts are subject to applicable MSU Alumni Foundation policies and procedures including the MSU Alumni Foundation Fee Administration Policy.

7.0 VALUATION / APPRAISALS

The following general policies apply to the valuation and appraising of all gifts and pledges:

- 7.1 For in-kind gifts (such as equipment), the MSU Alumni Foundation may use public price lists, invoices, or similar sources to determine fair market value. Gifts of tangible personal property valued at \$5,000 or more should be accompanied by a qualified appraisal (as defined by the IRS).
- 7.2 Gifts of publicly traded securities will be valued using the average of the high and low price on the date the donor relinquishes control of the security to the MSU Alumni Foundation.
- 7.3 Donors should be made aware of the reasons to secure a qualified appraisal for donated property for which a deduction of more than \$5,000 is claimed (IRC Sec. 170(f) (11)).
- 7.4 The MSU Alumni Foundation does not pay or reimburse appraisal fees incurred for the donor's benefit, except by special exception authorized by the Gift Acceptance Committee.
- 7.5 If the Gift Acceptance Committee believes the donor's appraisal to be inconsistent with fair market value, they may commission an appraisal or market assessment at MSU Alumni Foundation expense before accepting the gift. In such cases, the appraisal commissioned by the MSU Alumni Foundation may not be used by the donor for purposes of supporting an income tax, estate tax, or gift tax deduction.

8.0 AUTHORITY TO ACCEPT GIFTS & PLEDGES: COMMITTEE ROLES & RESPONSIBILITIES

8.1 Gift Acceptance

The MSU Alumni Foundation Board of Governors has delegated authority for gift acceptance as outlined in these policies.

A. The Gift Acceptance Committee is an internal committee constituted to review and accept or decline proposed gifts and pledges as set forth in this document. The Committee reviews gift proposals on a timely basis, normally within five (5) working days of submission to the Committee. The Gift Acceptance Committee includes, but is not limited to, the following members:

- MSU Alumni Foundation President & CEO
- MSU Alumni Foundation Vice President for Estate, Trust, and Gift Planning, who serves as chair of the Committee
- MSU Alumni Foundation Vice President of Development
- MSU Alumni Foundation Vice President of Finance
- Chair of MSU Alumni Foundation Board of Governors' Finance Committee, or designee
- University Vice President for Administration and Finance
- University Director of Campus Planning, Design & Construction, or designee
- Up to 3 members appointed by the chair of the Gift Acceptance Committee

The University Legal Counsel may serve as an advisor to the Committee for gifts that directly impact the operations of the University. The Gift Acceptance Committee shall also receive support from professionals who bring legal, real estate, financial, or other expertise as appropriate. The gifts accepted by the MSU

Alumni Foundation may be reviewed periodically by the MSU Alumni Foundation Board of Governors, its Executive Committee, or its Investment Committee.

- B. The Investment Committee of the MSU Alumni Foundation Board of Governors oversees the investment strategy and monitors investment performance for planned gifts managed by the MSU Alumni Foundation and determines the acceptable payout rates and investment performance assumptions for new charitable remainder trusts that fall outside of normal 5% to 8% payment rates.

8.2 **Review of Policies and Guidelines**

The Gift Acceptance Committee will review applicable policies and guidelines periodically. Policy changes are subject to approval by the MSU Alumni Foundation Board of Governors.

9.0 **GIFTS AND PLEDGES AUTHORIZED BY THE BOARD OF GOVERNORS AS PREAPPROVED**

9.1 **Cash and Securities**

- Gifts of cash and cash equivalents designated as outright or permanently endowed such as checks and credit card payments.
- Gifts of publicly traded securities and mutual funds designated as outright or permanently endowed. All marketable securities and mutual funds will be sold upon receipt unless otherwise approved by the MSU Alumni Foundation Investment Committee.

9.2 **Pledges**

Pledges are a commitment to give a specific dollar amount to one or more funds within a specific period of time.

- A. Pledges are pre-approved for acceptance, subject to the following requirements:
- A written pledge or gift agreement signed by the donor and if appropriate, the MSU Alumni Foundation President & CEO. The pledge or gift agreement shall designate the pledge as an outright or endowed gift and may include appropriate donor restrictions;
 - A clearly defined payment schedule of five years or less with the date of the first payment included and the frequency of payments;
 - Any contingencies or conditions must be approved in advance by the Gift Acceptance Committee.
- B. Changes to pledge agreements must be approved by the Gift Acceptance Committee and must be documented in writing and signed by the donor.

9.3 **Distributions from Retirement Assets**

Testamentary distributions received as beneficiary of a retirement account (such as an IRA, 401(k), or 403(b) account) are pre-approved for acceptance.

9.4 **Distributions from a Life Insurance Policy**

Proceeds received as beneficiary of a life insurance policy or an annuity policy are pre-approved for acceptance.

9.5 **Designation and Restriction of Gifts**

Unless designated as a permanent endowment by the donor, gifts received by the MSU Alumni Foundation as a result of being named beneficiary in a will or living trust, or as beneficiary of financial or brokerage accounts, are considered outright gifts and are pre-approved provided the gift is cash or marketable securities. Gifts of other assets are subject to the approval process set forth in this policy.

- **Restricted Gifts:** The MSU Alumni Foundation will attempt to honor the donor's intended restrictions; however, where it is impossible, not legal or impractical to do so, the MSU Alumni Foundation Board of Governors may apply the *cy-pres doctrine* and identify an alternate gift restriction that most closely aligns with the original donor intent.
- **Unrestricted Gifts:** Proceeds of unrestricted gifts will be utilized as follows, net of MSU Alumni Foundation gift fees:
 - Unrestricted gifts less than \$25,000. The gift will be deposited in the President's Excellence Fund.
 - Unrestricted gifts of \$25,000 to \$250,000. The MSU Alumni Foundation President and CEO, after consulting with all MSU Alumni Foundation Vice Presidents (Leadership Team), shall approve creation of a current use fund(s) restricted to support scholarships or programs most closely aligned with the donor's giving history and alumni record, and with MSU priorities. The fund(s) may be named as appropriate to commemorate the donor gift.
 - Unrestricted gifts greater than \$250,000. The MSU Alumni Foundation President and CEO, after consulting with all MSU Alumni Foundation Vice Presidents and in consultation with the MSU President, shall approve creation of a current use fund(s) restricted to support scholarships or programs most closely aligned with the donor's giving history and alumni record, and with MSU priorities. The fund(s) may be named as appropriate to commemorate the donor gift.

9.6 **Distributions from Planned Gifts**

Distributions from planned gift agreements not managed by the MSU Alumni Foundation are preapproved, provided the distribution is cash or marketable securities. Distributions of other assets are subject to the approval processes set forth in this policy. The MSU Alumni Foundation will honor the donor's intended designation; however, where it is impossible or impractical to do so the MSU Alumni Foundation Board of Governors has authority to apply *cy-pres doctrine* and identify an alternate gift restriction that most closely aligns with the original donor intent.

10.0 GIFTS AND PLEDGES THAT REQUIRE REVIEW AND APPROVAL

The following gifts and pledges are subject to review and approval by the Gift Acceptance Committee unless otherwise excepted below, and by other MSU Alumni Foundation Committees as specified.

10.1 Real Property

- Gift Acceptance Committee approval is required for acceptance and disposition of all real property valued under \$1,000,000.
- Gift Acceptance Committee and MSU Alumni Foundation Board of Governors Executive Committee approval are required for acceptance and disposition of gifts of all real property valued at more than \$1,000,000.
- Unless the property's use relates to the mission of the University and can be used by the University without undue burden or is approved by the Executive Committee of the Board of Governors to stay in the MSU Alumni Foundation's portfolio as an investment, property will be sold upon receipt.

10.2 Tangible Personal Property

- Gifts of in-kind items must be reviewed by the appropriate University Vice President or Dean. If accepted by the Vice President or Dean, the MSU Alumni Foundation will assist with gift acknowledgement.
 - In-kind gifts must align with the educational purpose of MSU;
 - In cases where donor desires to take a charitable tax deduction, then in-kind gifts with a value exceeding \$5,000 will require IRS Form 8283 to be completed by the donor.
 - Gifts of art, collections and artifacts must be approved by the MSU Public Art Committee, a standing committee of the University Facilities Planning Board and shall comply with applicable MSU Alumni Foundation processes regarding acknowledgement and use of such gifts. Donors wishing to make a gift of art, collections or artifacts shall be directed to contact MSU Campus Planning Design and Construction.

10.3 Closely Held Stock

- Gift Acceptance Committee approval is required for acceptance and disposition of gifts and pledges of non-publicly traded securities valued up to \$100,000.
- Gift Acceptance Committee approval and Executive Committee approval are required for acceptance and disposition of gifts and pledges of non-publicly traded securities exceeding \$100,000.

10.4 **Bargain Sale**

All bargain sale transactions must be approved by the Gift Acceptance Committee, the Investment Committee and the Executive Committee.

10.5 **Retained Life Estate**

Gift Acceptance Committee approval is required for all retained life estate gifts subject to the following guidelines:

- A written contract must govern the respective responsibilities of all parties to the retained life estate (i.e., MSU Alumni Foundation and the donor);
- The individual(s) with the retained interest in the life estate must agree to bear all costs and liabilities of owning and maintaining the property, including property taxes, insurance, assessments, maintenance, and adequate insurance; exceptions expected to result in expenses to the MSU Alumni Foundation in excess of \$25,000 per year must be approved by the Executive Committee; and
- No person with an interest in the property shall be able to compel the MSU Alumni Foundation to make capital improvements, assume risk, or take other action regarding the property.

The MSU Alumni Foundation may also accept a gift of an existing life estate interest subject to the conditions in this document.

10.6 **Charitable Gift Annuity**

The MSU Alumni Foundation offers current, deferred, and flexible-deferred gift annuities based on then current rate schedule published by the American Council on Gift Annuities (ACGA). The ACGA rate is the maximum rate that will be offered, although a donor and the MSU Alumni Foundation may negotiate a lower rate. The MSU Alumni Foundation must be authorized to offer gift annuities in the state in which the donor resides. All charitable gift annuities must be approved by the Gift Acceptance Committee, subject to the following guidelines:

- The charitable gift annuity, regardless of type, is a minimum of \$10,000 (or a minimum of \$5,000 for a donor who has previously established a charitable gift annuity with the MSU Alumni Foundation);
- Funding assets other than cash and marketable securities must be approved as described in these gift acceptance policies.
- The minimum age at which the youngest annuitant begins, or can elect to begin, receiving payments is 65. Any exceptions must be approved in advance by the Investment Committee.
- Investment Committee approval is required for an annuity (or cumulative annuities from one donor) that exceeds \$1,000,000 or 10% of the total value of the MSU Alumni Foundation's gift annuity pool.

- If the gift annuity is funded with cash or marketable securities and fits all ACGA and MSUAF regulations, it is authorized by Board of Governors and/or Gift Acceptance Committee as preapproved.

10.7 **Charitable Remainder Unitrusts and Charitable Remainder Annuity Trusts**

All charitable remainder trusts where the MSU Alumni Foundation will serve as trustee must be approved by the Gift Acceptance Committee, subject to the following guidelines:

- The minimum fair market value of the funding asset must be at least \$100,000;
- The gift is funded with cash or marketable securities. Other funding assets require approval as described in these gift acceptance policies; The payout percentage or amount is within the range established by the Investment Committee;
- The MSU Alumni Foundation is named as irrevocable beneficiary of 51% or more of the trust remainder;
- The MSU Alumni Foundation's net present value remainder interest in the trust is at least 50%, using investment assumptions approved by the Investment Committee; and
- The trust terms, conditions, and funding assets otherwise meet all the conditions and guidelines in this document.

10.8 **Charitable Lead Trust**

All charitable lead trusts must be approved by the Gift Acceptance Committee, subject to the following guidelines:

- The minimum fair market value of the funding asset must be at least \$100,000;
- The MSU Alumni Foundation must be the irrevocable beneficiary of greater than 50% of the trust payments, and the net present value of the income interest to the MSU Alumni Foundation must be at least \$50,000;
- Funding assets other than cash or marketable securities must be approved in accordance with these gift acceptance policies;
- The MSU Alumni Foundation shall not serve as Trustee of a charitable lead trust without approval by the Executive Committee.

10.9 **Business Interests**

The Gift Acceptance Committee and the Investment Committee will review all gifts and pledges of business interests and recommend to the Executive Committee for approval, subject to the following guidelines:

- The donor has provided Articles of Incorporation, Articles of Organization partnership agreements, operating agreements, shareholder agreements, financial statements, tax returns, appraisals, and other documents as requested;

- There is a reasonable expectation that the business interest donated to the MSU Alumni Foundation can be readily sold at fair market value or continue to be operated in a profitable manner by the MSU Alumni Foundation, using staff or appropriate agents; and
- The gift meets all relevant terms and conditions in this document.

10.10 **Other Intangible Property**

All gifts of other types of intangible property such as patents, trademarks, and similar intellectual property must be approved by the Gift Acceptance Committee. Royalty interests in oil and gas or mineral rights may be accepted, but gifts of operating oil and gas or mineral interests may be accepted only with approval by the MSU Alumni Foundation Board of Governors Executive Committee.

10.11 **Life Insurance**

Gifts of life insurance policies during the lifetime of the insured must be approved by the Gift Acceptance Committee, subject to the following guidelines:

- The MSU Alumni Foundation must receive a signed copy of the life insurance policy from the donor prior to accepting the gift;
- The MSU Alumni Foundation must be named as both owner and beneficiary;
- A whole life or universal insurance policy requiring additional premium payments must be maintained through regular donations from the donor until the policy becomes self-supporting;
- If the donor fails to make remaining payments on a policy, the Gift Acceptance Committee may elect to continue paying premiums, surrender the policy for its cash value, or convert it to a paid-up policy at a reduced death benefit.

10.12 **Distributions from retirement plans, life insurance policies, bequests and life income agreements**, other than cash and marketable securities, are subject to review as described in this policy.

10.13 **Gifts in Kind of Services and Price Discounts**

Gifts of services or price discounts toward projects undertaken by the University may be recognized by the MSU Alumni Foundation in donor rolls and donor gift totals. University is responsible for accepting these services or discounts subject to its vetting processes. The appropriate University authority will determine whether or not to accept services and discounts.

Capital construction related in-kind gifts warrant special consideration as they have the potential to provide significant savings to MSU. Conversely, in-kind gifts can introduce project management complexity and should not increase project costs, delay completion, or compromise the quality and ethical standards established by the MSU Campus Planning, Design & Construction Division of University Services.

Acceptance may be made only after thorough examination of the following criteria:

- Property use in light of the MSU Alumni Foundation mission;
- Carrying costs incurred by MSU or the MSU Alumni Foundation if in-kind gift is accepted;
- Cost to purchase goods or services;
- Willingness of donor to gift goods or services in entirety;
- Willingness of donor to sell goods or services at a reduced rate or cost;
- Willingness of donor to provide published specifications and pricing for the proposed goods or services; and
- Where applicable, willingness of donor to participate in public bid process requiring a professional response to a request for bid packet.

11.0 GIFTS NOT ACCEPTED

The MSU Alumni Foundation does not offer or accept the following gift instruments except as approved in advance by the MSU Alumni Foundation Board Executive Committee:

- Term Life Insurance Policies
- Management of Donor Advised Funds
- Pooled Income Fund
- Loans (permanent or otherwise) of tangible personal property. MSU's Public Art Committee may choose to accept loaned items when consistent with MSU policies.

Appendix A: Definitions of Terms

Bargain Sale: A donor who sells real property to the MSU Alumni Foundation at less than fair market value establishes an outright gift for the difference between the donor's sale price and the fair market value of the property.

Charitable Gift Annuity: A Charitable Gift Annuity is a contract between the MSU Alumni Foundation and the donor, whereby the MSU Alumni Foundation agrees to pay the donor (or other person named by the donor) an annual annuity in return for an irrevocable outright gift of cash, marketable securities, or other property.

There are several types of these annuities:

- **Current Pay Gift Annuity**—the MSU Alumni Foundation agrees to pay one or two annuitants (usually the donor or donors) a fixed amount each year for life.
- **Deferred Pay Gift Annuity**—the MSU Alumni Foundation agrees to pay one or two annuitants a fixed amount each year for life, with payments starting at least one year after the date of gift.
- **Flexible Deferred Pay Gift Annuity**—the MSU Alumni Foundation agrees to pay one or two annuitants a fixed amount each year for life, with payments starting within a range of dates beginning at least one year after the date of gift. (For example, June 30th of any year from 2008 - 2018.) The range of dates and their corresponding payment amounts must be listed in the agreement.

Charitable Lead Trust: A charitable lead trust (CLT) pays a "lead interest" to the MSU Alumni Foundation, with the remainder interest given to one or more non-charitable beneficiaries (e.g. the donor or family members). The amount paid to the MSU Alumni Foundation may be either a fixed sum (an annuity interest) or a percentage of trust assets as valued each year (a unitrust amount).

Charitable Remainder Annuity Trust: A charitable remainder annuity trust ("CRAT") pays a fixed amount for the entire trust term based on the fixed percentage (at least 5%) of the fair market value of the assets on the date the trust was funded. The annuity amount does not change, and no additional gifts can be made after the CRAT is established. The annual payout rate, shall, by law, be at least 5% and can range higher depending on the circumstances, including but not limited to: size of trust, age of donors, and beneficiary income needs. Typically, payout rates will range from 5% to 7%. These rates may change depending on the current and predicted future stock market conditions.

Charitable Remainder Unitrust: A charitable remainder unitrust (CRUT) is a separately administered charitable trust established by the donor(s). It provides for payments to the donor(s), or other named beneficiaries, either for life, a term of years (not exceeding 20 years), or a combination of life and a term of years. At the end of the trust term, the remaining assets (remainder) are distributed to the MSU Alumni Foundation. Since a CRUT provides an income to the donor(s) based on a fixed percentage of the fair market value of trust assets, valued annually, the payments will vary each year as the value of assets in the CRUT changes. The donor may make additional contributions to the CRUT after it is established. The MSU Alumni Foundation offers five types of unitrust:

- The "Standard" Charitable Remainder Unitrust ("SCRUT") which pays a fixed percentage of the value of the trust assets each year, even if it is necessary to invade trust principal to do so.

- The Net-Income Charitable Remainder Unitrust (“NICRUT”) which pays the lesser of the fixed percentage or the actual trust income, so trust principal would never be invaded.
- The Net-Income with Make-Up Charitable Remainder Unitrust (“NIMCRUT”) is similar to the NICRUT except that earnings in excess of the fixed percentage in any given year can be applied to make up any shortfalls in prior years where the income was less than the fixed percentage. A NIMCRUT’s principal would never be invaded.
- The “Flip” Charitable Remainder Unitrust (“Flip CRUT”) begins as a NICRUT and then converts (flips) to a standard charitable remainder unitrust (SCRUT) at some point in the future, typically after the gifted asset has been sold and any seller related financing satisfied. This type of unitrust is recommended when the asset used to fund the trust is not readily marketable or income producing.

Retained Life Estate: A donor may make a gift of the remainder interest (that which is left after the donor’s lifetime) in a personal residence or farm while reserving a life estate (the privilege to live in the home for life).

Real and Tangible Personal Property: Real property is defined as land, its natural resources, and any permanent buildings on it. Tangible property assets can include, but are not limited to personal collections of art, books, coins, movies, cars, boats, aircraft, and animals such as livestock, equipment, software, and printed materials

Appendix B: Gift Acceptance and Scholarship Restrictions Referencing Protected Classes

The University is committed to providing an environment that emphasizes the dignity and worth of every member of the University community and that is free from discrimination based upon race, color, religion, national origin, creed, service in the uniformed services, veteran’s status, sex, age, political ideas, marital or family status, pregnancy, physical or mental disability, genetic information, gender identity, gender expression, or sexual orientation. Specific statutes under enforcement scrutiny include:

- Title VI of the Civil Rights Act of 1964 which prohibits discrimination based on race, ethnicity, and national origin in programs and activities receiving federal financial assistance, including those at educational institutions.
- Title IX of the Education Amendments of 1972 which prohibits discrimination on the basis of sex in education by institutions that receive federal financial assistance from the US Department of Education.
- Section 504 of the Rehabilitation Act of 1973 which prohibits discrimination based on handicap or disability in several contexts including education.

Donor-imposed restrictions that reference any protected class in gift agreement documents must comply with applicable laws. The table below is provided as a guide for MSU Alumni Foundation Development Officers to engage donors in crafting allowable restrictions for gift funds.

Donor Restriction	Examples	Alternative
Protected Class (general)	Scholarships restricted to a protected class are not allowed unless otherwise defined in this table.	Donors may apply allowable restrictions (academic unit, merit, etc.) and may state a preference to support students that are members of an official University Registered Student Organization as annually approved by the Office of Student Success.
Academic Discipline or Interest	Scholarships restricted to academic discipline are allowed (enrollment in a specific college or degree program)	

Donor Restriction	Examples	Alternative
Age	Scholarships restricted by age are not allowed including traditional (under age 25) and non-traditional (age 25 and older).	If donor interest is in non-traditional students, direct programmatic funds to MSU's Allen Yarnell Center for Student Success Return to Learn Program.
Disability	Scholarships restricted to students with specific disabilities such as visual impairment, attention deficit disorder, or other are not allowed .	Direct programmatic funds to the Office of Disability Services for broad support of students with disabilities.
Familial Status	Scholarships restricted to single parents, students with children, or married students are not allowed .	Direct programmatic funds to the Allen Yarnell Center for Student Success with a preference to support working students who are primary caregivers.
Intercollegiate Student Athletes	Scholarships restricted to intercollegiate student athletes are allowed and may be further restricted to sport (e.g., football, women's basketball, etc.).	Note that private scholarships that fund intercollegiate athletes are authorized by Bobcat Athletics who is charged with demonstrating Title IX compliance.
Legacy Status	Scholarships restricted to legacy status (children or relation to University alumni, faculty and staff) are allowed as a preference . However, donors should be aware that alumni status is not verified when scholarships are awarded by the Financial Aid Office.	
Membership in an officially Registered Student Organization	Scholarships to students based on membership in an official Registered Student Organization are allowed as a preference .	Student scholarships are the preferred purpose for all gifts made to Registered Student Organizations.

Donor Restriction	Examples	Alternative
	<p>Unless restricted specifically for faculty support, gifts restricted for the programs and activities of an official Registered Student Organization may be accepted by the MSU Alumni Foundation and will be passed through directly to the Registered Student Organization (less gift fee) for all receipting and financial management.</p> <p>Gifts restricted to support students participating in an official Registered Student Organization must be restricted to educational purposes including, but not limited, to educational competitions, leadership training, conference attendance, training or study abroad programs, support for student research, and stipends for unpaid internships.</p>	<p>Alternately, gifts may be made directly to the Registered Student Organization.</p> <p>Spending authority for all gifts made to Registered Student Organizations and managed by the MSUAF shall be the Office of Student Success.</p>
Merit	Scholarships restricted by GPA or other academic performance or involvement <u>are allowed.</u>	The minimum GPA to award a merit scholarship is 3.25.
Race, Ethnicity and National Origin	<p>Scholarships restricted by race, ethnicity or national origin <u>are not allowed.</u></p> <p>Scholarship restrictions for enrolled members of a federally recognized American Indian/ Alaska Native tribe <u>are allowed,</u> and a donor may state a preference to support specific Tribal affiliations (i.e., Crow, Northern Cheyenne, Rocky Boy, etc.). AI/AN are sovereign nations and regulated as a political, rather than racial class.</p> <p>Scholarships restricted to citizens of the US <u>are allowed</u> as a preference.</p>	Direct programmatic gift funds to the MSU Office of International Programs or MSU's College of Engineering Empower Program.

Donor Restriction	Examples	Alternative
	Scholarships restricted to international students are allowed as a <u>preference</u> , as long as they are not restricted to specific countries.	
Religious Affiliation	Scholarships restricted by creed or religious affiliation are not allowed .	Direct donor to appropriate outside entity.
Residence	Scholarships restricted by geography are allowed . For Montana High School graduates, a donor may restrict a <u>scholarship to any graduate from the State of Montana and state a preference to support a student from a high school in a specific Montana county</u> . For out-of-state residents a donor may indicate a <u>preference</u> to support students from a particular U.S. state..	
Sex, Gender Identity or Sexual Orientation	Scholarships restricted to women or men are not allowed . Scholarships restricted to students identifying as LGBTQ are not allowed .	For women in STEM, direct programmatic gift to MSU’s College of Engineering Empower Program. For LGBTQ, direct programmatic gift funds to the Office of Diversity and Inclusion or the Diversity & Inclusion Student Commons.
Veteran Status	Scholarships restricted to past or active service in the military are allowed . Scholarships for students engaged in ROTC are allowed . Scholarships restricted to spouses, children or other familial relations to Veterans are not allowed .	Direct programmatic funds to the Office of Veteran Services.

Appendix C: Code of Conduct and Ethics

The MSU Alumni Foundation endorses the following professional standards in addition to the MSU Alumni Foundation's internal "Statement of Values & Code of Ethics":

- Model Standards of Practice for the Charitable Gift Planner issued by Partnership for Philanthropic Planning. (See www.pppnet.org)
- Statement of Ethics issued by the Council for Advancement and Support of Education. (See www.case.org.)
- Donor Bill of Rights by the Council for Advancement and Support of Education (See www.case.org).