KEAN UNIVERSITY
FOUNDATION

Gift Policies & Guidelines

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GIFT POLICIES & GUIDELINES

FISCAL YEAR 2019 - 2020

INTRODUCTION

This Gift Policies and Guidelines Statement is presented to give guidance and counsel to those individuals within the Kean University community concerned with the planning, promotion, solicitation, receipt, acceptance, application, and disposition of philanthropic gifts made to the Kean University Foundation. In presenting these guidelines, it is evident that they must be viewed as flexible and realistic in order to accommodate unpredictable situations as well as donor expectations as long as those situations and expectations are consistent with the University's mission and policies. Therefore, these policies and guidelines require that the appropriate officers consider the merits of a particular gift along with involved members of the University community, including legal counsel and Trustees, if necessary.

The Foundation's Board of Directors are responsible for approving the gift policies of the Foundation. This responsibility cannot be delegated or waived. The employees of the Foundation, in conjunction with the Foundation's Board of Directors, are responsible for implementing these policies, including the solicitation and/or approving the solicitation of all gifts.

EXECUTIVE SUMMARY & GENERAL GIVING POLICIES & GUIDELINES

- Employees of the Kean University Foundation, faculty, staff and administrators, as well as, volunteers, on behalf of the Foundation Board of Directors, shall accept philanthropy designated to support the University.
- Members of the Foundation team shall determine which gifts and grants to the Foundation are evidence of philanthropic intent, and that the donor's philanthropy is in accord with the stated mission and goals of the University.
- The Foundation's Board of Directors, in concert with the Chief Executive Officer, shall endeavor to ensure that all philanthropic promotions and solicitations are ethical as defined by the Association of Fundraising Professionals Code of Ethical Standards.
- The Kean University Foundation will pay no fees to any person in consideration of directing a gift or completion of a gift instrument to the University and/or its Foundation.
- The Foundation must be sensitive to the interests and capabilities of its donors and donor prospects and must not burden them with excessive or inappropriate solicitations. On the other hand, with the increasing competition for contributions in higher education, it is essential that the Foundation make every contact with prospective donors meaningful and appropriate.
- All gifts and signed commitments for approved goals to the Kean University Foundation shall be counted in the fiscal year in which they were received. This will include the total of both deferred (future) commitments, reported at face value, and the total of deferred (future) commitments, discounted to present value.
- Multi-year pledges may be paid on a schedule established by the donor, preferably over a three- to five-year period. Exceptions may be made upon the approval of the Foundation's Executive Committee.
- The Kean University Foundation endeavors to secure gifts and pledges that can be made available immediately for use. Gifts and pledged commitments are encouraged for use wherever the need is greatest with respect to the Foundation's funding priorities. However, annual gifts and commitments of $10,000 or more may be earmarked for one of the Foundation's priorities or given without restriction.
- All net revenues from events and sales of merchandise designated to Foundation-related projects shall be credited in the fiscal year they are received.
- All gifts accepted by the Foundation for the University will utilize charitable gift making methods that conform to federal and state tax regulations.
- All gifts credited to the Foundation will be recorded according to national standards recommended by the Council for the Advancement and Support of Education (CASE) and the National Association of College and University Business Officers (NACUBO).
- The Executive Committee of the Foundation shall review these gift policies and guidelines on a regular basis or as circumstances warrant.

METHODS OF GIVING TO THE FOUNDATION — CREDITING AND POTENTIAL ADVANTAGES

The Foundation seeks one-time donations as well as pledged commitments over a multi-year period. Gifts of cash or liquid securities are the preferred methods of giving to the Foundation. Other forms of giving, such as planned gifts, are acceptable and may offer qualified donors an attractive alternative, enabling them to significantly increase the level of their gifts, while taking advantage of some meaningful commemorative or named gift opportunities. Donors should consult their tax advisors concerning the treatment of these specialized gift techniques in their individual circumstances. Gifts shall be valued on the date the donor(s) relinquish control of the assets in favor of the Foundation. In cases in which gifts are made with assets other than cash, the policy is explained in the specific section(s) covering that certain type of gift.

GIFTS OF CASH

An outright gift of cash by a donor, for which the donor receives an income tax deduction as prescribed by current law. Pledging a gift over a multi-year period may allow a donor to make a more substantial gift while affording him/her the opportunity to adjust the timing and amount of each payment to achieve the most beneficial tax treatment.

GIFTS OF APPRECIATED PUBLICLY TRADED SECURITIES

A gift of stocks or bonds which are (or will be) readily marketable. Marketable publicly-traded securities will be receipted at the average of the high and low market value on the date the donor relinquishes control of the assets in favor of the Foundation or other valuation techniques approved by the Internal Revenue Service (IRS). The deduction for outright gifts of appreciated long-term securities (held more than 12 months) is equal to the fair market value of the securities on the date the donor relinquishes control of the assets to the Kean University Foundation. None of the appreciation is taxable for capital gains purposes. Caution: donors should not sell the stock; donors should transfer it to the Foundation to achieve the most advantageous tax treatment.

GIFTS OF CLOSELY HELD STOCK
A gift of stock of a private or family-held corporation. The donor may avoid capital gains on appreciation of closely held stock, while attaining a tax deduction based on the stock's fair market value. Gifts of closely held stock exceeding $10,000 will be receipted at the fair market value placed on them by a qualified independent appraiser as required by the IRS for valuing stock that are not publicly traded. Gifts of less than $10,000 may be valued at the per share cash purchase price of the most recent transaction. Normally, this will be the buy-back transaction of the donor. If no buy-back is consummated during the fiscal year, a gift of closely held stock may be credited to the Foundation totals at the value determined by a qualified independent appraiser. All such gifts of closely held stock will be held until liquidated, at which time the funds will be used consistent with the gift intentions of the donor(s) and the established policies of the Foundation. As with publicly traded stock, the donor may obtain an immediate tax deduction up to a certain percentage of adjusted gross income. If the gift amount exceeds the acceptable percentage of adjusted gross income, the donor(s) should consult a tax professional.

Such securities will be conveyed to the Foundation's Business Office for sale, consistent with the established practices of the Foundation.

MUTUAL FUNDS
Mutual Fund shares are based on the closing price on the date on which the donor(s) relinquish control of the donated shares. The date the donor(s) gives up control of the mutual fund shares is not the date he/she/they instructed the broker to make the transfer. Rather, the Kean University Foundation will reference the date the shares were received. For mutual fund shares, the value is based on the closing price (net asset value) on the date in which the donor(s) lose control of the donated shares.

BEQUEST / LIVING TRUST
A gift of cash, securities, real estate, or personal property, made upon the donor's death, through provisions in his or her will or living trust. The amount of the gift is exempt from estate taxes. Realized bequests received shall be credited towards the Foundation's fiscal year totals. Irrevocable bequest intentions received by the Foundation shall be considered on a case-by-case basis and may be credited towards the fiscal year totals. Both realized bequests and irrevocable bequest instruments will be credited to the Foundation's totals only if not reported in a previous fiscal year. Such bequests will be credited, recognized, or commemorated at the value established at the time of probate and/or at the fair market value on the date of the transfer of the asset(s). If any portion of the total amount was previously entered in prior fiscal year "future" expectancies as a testamentary pledge, this amount shall be subtracted from what is credited to the "future" reports of the current fiscal year. New bequest expectancies will be credited to the Foundation's figures at the level indicated by the donor if the donor is or will be age 75 or greater by the end date of the fiscal year and has signed an official binding contract to make a will or living trust to the Kean University Foundation. Bequest expectancies from donors younger than age 75 will not be credited.

Bequest intentions, commitments of unpaid insurance policies, and other revocable deferred gifts will be recorded as future expectancies of the Foundation at the value established in writing by the donor through a bequest intention form, a deferred pledge agreement, a contract to make a will, a letter of intent, or a copy of appropriate sections of the will or the insurance or trust document, etc.

- Such revocable gift commitments will be permanently commemorated, subject to the donor's specific request and intent, only when the funds are irrevocably committed to the Foundation or when the gift matures.
- Bequest intentions for which the donor does not indicate a specific gift value and/or does not provide an estimate of a residuary bequest will not be credited.

CHARITABLE REMAINDER TRUST
An irrevocable transfer of assets to a trust, naming the Kean University Foundation as the only ultimate beneficiary or as one of several qualified charitable beneficiaries. The donor receives annually a life income of a set amount or a fixed percentage based on the wishes of the donor and the trust's value each year. A donor generally receives an immediate tax deduction and may add to the principal of a Charitable Remainder Unitrust in future years. If the donated assets consist of appreciated securities, capital gains taxes also may be avoided. Gifts made to establish charitable remainder trusts (whether administered inside or outside the Foundation) where the remainder is not subject to change or revocation should be credited as future commitments (deferred gifts) at both the discounted present value of the remainder interest allowable as a deduction by the IRS and at face (fair market) value.

Proposed charitable remainder trusts should be funded initially with assets of at least $250,000. Trusts may be established for lesser amounts if it can be determined that the charitable remainder portion of the gift is sufficient to handle the administrative costs and provide a substantial future gift to the Foundation.

Trusts should be limited to one or two income beneficiaries and to beneficiaries over 40 years of age (unless some generous outright gift is combined with the trust, in which case trusts can include younger beneficiaries).

If a charitable trust is wholly administered by an outside fiduciary (a bank, or investment house, etc.), the fair market value of the assets, or a portion of the assets, of such a trust shall be credited to the Foundation totals for the year in which the trust is established, provided that the Foundation has an irrevocable right to all or a predetermined portion of the income of the trust.

CHARITABLE GIFT ANNUITY

An irrevocable gift in exchange for a guaranteed fixed income for life, which is calculated to take account of both the size of the gift and the donor's age at the time of the gift. Upon the donor's death, the assets of the trust are passed on to the Kean University Foundation. A current charitable deduction is available based on the IRS annuity tables. Here too, if the donated assets consist of appreciated securities, capital gains taxes may be avoided.

Since 1939, the American Council on Gift Annuities (ACGA) has assumed that charities using the recommended ACGA rates will receive a final remainder value of at least 50% of the original contribution amount. Historically, charities have received higher levels of residuum. The explanation of the ACGA rates effective July 1, 2011 added an additional requirement that the present value of the residuum be at least 20% of the gift amount. For the Foundation's crediting purposes, the value of these gifts will be 50% of the original contribution amount.

The minimum amount required to create a one-life annuity is $75,000. A minimum of $100,000 is necessary for a two-life annuity. Deferred annuities will provide donors with the option to decide on the date of the first payment at or after age 75. A gift annuity for a Donor(s) who will be less than 75 years of age by the end of the fiscal year will not be set up, unless special permission by the Foundation Board, in circumstances defined by the Foundation Board, is granted.

Because the Foundation will not receive the gift portion until the death of the final income beneficiary, gift annuities will be credited as future commitments (deferred gifts). Newly secured gift annuities will be credited to the Foundation's figures only if the donor(s) is or will be age 75 or greater by the end date of the fiscal year and has signed an official binding contract.

The interest rate used in preparing life income agreements will be as follows:

- For charitable gift annuities, no higher than the rate recommended by the American Council on Gift Annuities.
- For unitrusts and annuity trusts, a rate of at least four percent (4%). The Foundation's Board of Directors may approve higher rates based on the ages of the donor and any beneficiaries; and income needs vs. tax relief.

CHARITABLE LEAD TRUST

An income producing asset placed in a trust, the income of which is contributed to the Kean University Foundation for a designated period of time, after which the trusted asset is returned to the donor or non-charitable beneficiaries named by the donor. The donor may gain immediate tax advantages or may reduce gift or estate taxes when the assets are passed to children or grandchildren. The Foundation will credit the total income expected during the designated time period in the fiscal year the gift was secured.

ACKNOWLEDGING LIFE AGREEMENTS

Gift annuities, charitable remainder trusts, and similar life income agreement commitments (whether administered by the Foundation or by others on behalf of the Foundation) will be credited, recognized, and/or commemorated as follows:

- At the fair market value of the asset (on the date of transfer, less encumbrances) being used to fund the life income agreement in the case of charitable remainder unitrusts, annuity trusts, and charitable gift annuities for donors age 75 and greater, and at the charitable remainder value for donors younger than age 75, or
- In the case of charitable lead trusts, at the total anticipated payout over the pledge payment period plus the present value of any remaining income interest.

For purposes of current income tax deductions such gifts will be receipted at the charitable deduction value as established by law.

Generally speaking, the Foundation does not encourage donors to place encumbered assets into a trust or any deferred gift vehicle.

When a trust is to be funded with hard-to-value or non-income-producing property, a net income unitrust will generally be used. Such a trust obligates the trustee to pay only the lower of a specified percent of fair market value or actual income. When such a net income unitrust is used, the Chief Executive Officer of the Foundation and the donor should sign a separate letter of agreement indicating that the donor understands the income concept of the net income trust. A "catch-up" provision as allowed by a unitrust may also be acceptable.

GIFTS OF REAL ESTATE

Almost any type of real property from personal or vacation homes and commercial buildings to farms or ranches and even undeveloped lots. The property may be donated outright; serve as the corpus of a trust arrangement; or, if it is the donor's personal residence, the donor and/or spouse may gift the property with the right of lifetime tenancy. An immediate tax deduction is available and capital gains taxes may be avoided.

Outright gifts of real estate, bargain sales, and/or partnerships will be credited, recognized and/or commemorated at fair market value at the time it is transferred to the Kean University Foundation, less any encumbrances. An independent, qualified appraiser paid by the donor shall determine the fair market value of the property. Appropriate environmental hazard appraisals are also required and are to be paid for by the donor. Gifts of real estate must be accepted by the Foundation in accordance with statutory requirements governing Kean University's acquisition of real property.

A gift of remainder interest in a personal residence or farm should be credited in the "deferred gift" or future commitment category. The gift can be credited at both remainder value recognized as an allowable deduction by the IRS and at face value.

Outright gifts of hard-to-value assets, such as mineral rights or limited partnerships, will be credited at $1 and additional credit will be given as the proceeds are received.

GIFTS OF TANGIBLE PROPERTY AND GIFTS-IN-KIND

Many types of new and used equipment, art works, antiques, etc. If Kean University uses a donated asset (for example a computer system), the donor is entitled to a charitable deduction equal to the fair market value of the asset, assessed by an independent appraisal. If the University does not use the donated asset, the charitable deduction is set at the donor's cost basis in the property.

Outright gifts of tangible personal property, for which donors qualify for a charitable gift deduction under current IRS regulations, will be credited, recognized and/or commemorated at the appraised value of the property at the time it is transferred to the Foundation, less any encumbrances. Unless otherwise authorized by the Foundation's Board of Directors, the Foundation will seek to liquidate such assets in order to secure the cash needed to fund its programmatic and/or facility priorities and/or to invest such assets in ways consistent with the currently-authorized investment strategies of the Foundation.

The following are general guidelines or considerations in connection with gifts of tangible personal property:

- Generally, the Foundation's acceptance of such gifts cannot involve significant additional expense for their present or future use, insurance, maintenance, or administration.
- Generally, Kean University and/or Kean University Foundation cannot incur burdensome financial or other obligations, directly or indirectly.
- Gifts of real and personal property, such as land, houses, jewelry, paintings, sculptures, antiques, rare books, etc. exceeding $5,000 in value shall be reported at the fair market value placed on them by an independent, expert appraiser at the time the donor relinquishes control in favor of the Foundation. Gifts of under $5,000 may be reported at the value declared by the donor or a qualified on-campus expert (i.e., librarian, art professor, etc.).
- The Foundation will not accept gifts of tangible personal property, such as books, paintings, etc., if such gifts are to be made on the condition, understanding, or expectation that the gifted items will be loaned to the donor or to persons designated by the donor for life or for an extended period of time as determined by the donor.
- Any gift in-kind that can be liquidated will be credited on an item-by-item basis.

GIFTS OF LIFE INSURANCE

Designation of the Kean University Foundation as the owner and beneficiary of a policy. Gifts of life insurance will be accepted and credited to fiscal year totals only if the Foundation is the owner and irrevocable beneficiary of the policy. Generally, the Foundation does not accept policies that have been borrowed against or invaded by the insurance company for premium payments. If the Foundation does agree to accept such a policy, the value of the policy, less encumbrances, shall be credited.

For a new policy, this allows the donor to classify the regular premium payments as charitable tax-deductible contributions. For existing policies, particularly those a donor no longer needs, a donor can generally deduct the entire replacement value of the policy plus any premium payments that the donor subsequently makes. If the policy is not completely paid-up, its approximate cash value plus future premium payments are usually fully deductible.

Crediting life insurance policies will be as follows:

- Existing Policies/Not Fully Paid Up – A life insurance policy that is not fully paid up on the date of contribution and transferred to the Foundation, shall be counted at the existing cash value. If the payment of premiums is also pledged over the a multi-year period, the incremental increase of the cash value should also be credited.
- New Policies – The cash surrender value of premiums paid (or pledged over a multi-year period) on policies for which the donors apply and contribute to the Foundation should be counted in fundraising totals in the fiscal year the commitment is secured.
- Realized Death Benefit – The insurance company's settlement amount for an insurance policy whose death benefit is realized, whether the policy is owned by the Foundation or not, shall be credited toward fundraising totals, provided no gift amount was counted in previous fiscal years.
- Fully paid up, or otherwise vested, insurance policies, for which the Kean University Foundation is the owner and sole beneficiary, shall be credited and recorded as "future" expectancies of the Foundation at the unrealized death benefit (face value) of the policy in cases in which the insured is age 75 or greater, and at the replacement value for donors younger than 75.

DEFERRED INCOME BUILDUP PLANS

Designation of the Kean University Foundation as the beneficiary of a donor's qualified pension plan, IRA, Keogh, commercial deferred annuities, or employee stock option plans. This allows the donor the use of the assets during the donor's lifetime, while providing the donor with the opportunity to make a large future gift and reducing the donor's taxable estate. Since these plans generally are tax-deferred, the donor will most likely incur an income tax upon withdrawing the funds, while still receiving a deduction based on the amount of the gift.

CASHLESS EMPLOYEE STOCK OPTIONS EXERCISE PROGRAMS

An exercise of stock options tied to a donation of the stock to the Foundation. Individuals can realize a tax write-off while the Kean University Foundation benefits from the difference between the sale price and the exercise cost. In the past, individuals who wished to donate all or a portion of their options were required to commit prohibitive amounts of money up front or assume market risks during the time the stock changed hands. Recently, a number of firms have designed programs in which they handle the transaction by establishing an account for the donor's alma mater and facilitating exercise of the options on a cashless basis. Such a program requires no money from the donor or from the Kean University Foundation (which receives the proceeds net of the exercise price) and entails no risk of loss. The amount of money remaining from the difference between the sale price and the exercise cost shall be credited to that specific fiscal year.

CORPORATE MATCHING GIFTS

Will be encouraged and credited to the donor in the proportion designated by the matching gift arrangement. The matching gift and individual pledge would count in full toward fundraising totals if in accordance with each corporation's policy. Donors should supply the necessary forms to the Kean University Foundation along with their commitment or pledge forms and contributions in each given year.

CRYPTO CURRENCY
Gifts of Crypto Currency will be accepted on a case by case basis.

INTELLECTUAL PROPERTY
Gift of Intellectual Property will be accepted on a case by case basis.

NAMED GIFTS POLICY – INCLUDING MEMORIAL GIFTS

- Kean University welcomes gifts to the Foundation that memorialize or honor both deceased and living individuals.
- Memorial gifts are especially welcome for scholarship purposes. Endowed scholarships, which exist in perpetuity, may be named after a deceased or living individual. For individual or cumulative gifts amounting to no less than $50,000, donors may place restrictions on such scholarship gifts provided that they are consistent with the University's mission and needs.
- Scholarship gifts that are not directed to permanent endowment and therefore fully expendable, are welcome and may bear the name of an honoree for so long a time as funds remain available.
- If a significant amount of the costs of a new building or part of a building is contributed, the donor may name the building or part of the building. The amount of the contribution required to name a building or part of a building may vary with the cost and the impact of the structure upon campus life.
- Gifts for campus beautification, such as trees or landscaping, are also welcome. The Foundation reserves the right of restricting or selecting sites for plantings depending on University need and policy. Plaques associated with trees or landscaping enhancements will be considered on a case-by-case basis.
- Memorial gifts involving outside enhancements, such as permanent benches, plazas, etc., or accessories to existing facilities, such as extension of a lobby, paintings, windows, etc., require the approval of the Foundation's Chief Executive Officer and the University President. Such gifts will be recognized on a general donor plaque within the related facility.
- Memorializing or honoring a member of the Kean Community requires the approval of the University President.
- Fifty percent (50%) of the total dollar amount committed must be paid to KUF prior to any public signage or other recognition being provided. Until that time, the naming opportunity will be listed as reserved and unavailable for naming.

ANNUAL SCHOLARSHIP SUPPORT

Donors may establish a named scholarship that does not require an endowment. Annual scholarships provide individual donors an opportunity to match their annual gift to the academic experience of one Kean student. With a three-year commitment of $5,000 or $10,000 per year for three years, you can establish a need-based annual scholarship that will support a first-year Cougar through their remaining three years of study. There are two (2) options for establishing an annual scholarship:

- Commitment of $5,000/year for three years ($2,500 per semester)
- Commitment of $10,000/year for three years ($5,000 per semester)

As with endowed scholarships, all benefactors have the ability to name their scholarships after themselves or in memory or honor of another. Scholarship donors are provided with the name of their recipient and will be given the opportunity to meet the student at Scholarship Receptions.

ENDOWMENT

Most endowment funds are perpetual. It is a special reserve of money and/or assets with some form of stipulation or restriction on the use of the earnings generated by the endowed fund. The stipulations may be as general as for use in "unrestricted scholarships" to varying degrees of specific criteria to be closely observed in the use of the generated funds.

For the purpose of this Foundation Policy Statement, "endowment fund" shall refer to any fund, or any part thereof, not wholly expendable by the Foundation or the University on a current basis under the terms of the applicable gift instrument.

From the Foundation's point of view, the terms of the endowment should be written to allow the most flexibility. However, the donor must be comfortable and satisfied with the terms of the agreement. Both parties must understand exactly what is expected from the donor and the Foundation.

All new endowments will be invested in instruments conducive to the appreciation of capital and guided by the Foundation's investment policy guidelines. Endowment by nature begs for a long term approach so the endowed fund will not only fulfill its purpose of generating annual income to be used for its stated purpose, but will also go beyond that level so as to produce earnings that can be added back into the principal (the corpus) to promote growth in principal and provide a hedge against inflation.

Endowment gifts to the Foundation may be used to establish a special endowment fund or may be added to an existing endowment fund.

No endowment will be separately invested without the approval of the Investment Committee of the Foundation's Board of Directors. The Investment Committee will set the spending policy (pay out rate) of all endowed funds on an annual basis. The current policy is established in June of each year to be effective as of July 1 for that fiscal year. The estimate of endowment income for budgeting purposes is arrived at by computing the three-year moving average market value of the investments, based on the calendar year. If circumstances warrant more frequent review of this pay out rate, the Investment Committee will meet as frequently as needed to decide if any changes should be made.

The Foundation's current spending policy for all endowed funds is 4% of the preceding three fiscal years' market value. Any income above this amount is added to each individual endowment fund as a separately identified unexpended income reserve.

TYPES OF ENDOWMENT

1. **Pure Endowment:** These endowments are to continue in perpetuity and the principal (the corpus) is never to be invaded.

2. **Quasi-Endowments:** The principal of these endowments may be used upon the approval of the Investment Committee of the Foundation's Board of Directors. Specific and general "Plant Funds" are separate and distinct items not to be included in the definition of Pure Endowment and/or Quasi-Endowment.
3. **Term Endowments:** These endowments are usually set up for a specified time period, usually 3-10 years. It is understood that all of the principal will be withdrawn from the investment pool within the stated period of time. The Investment Committee of the Foundation's Board of Directors will rule whether the Foundation will accept endowments of this type on a case by case basis.

Endowment agreement should specify the plans for withdrawing principal. If the Endowment agreement(s) does specify these plans and the Investment Committee of the Foundation's Board of Directors accepts them, funds can be withdrawn from Quasi-Endowments without returning to the Committee for approval.

ENDOWMENT RESTRICTIONS

No restrictions on how any gifts to support the University may be used will be honored without prior approval of the Foundation's Chief Executive Officer and Board of Directors.

POLICIES PERTAINING TO NAMED ENDOWMENT FUNDS

For the purposes of the Foundation, "endowment fund" shall refer to any fund, or any part thereof, not wholly expendable on a current basis under the terms of the applicable gift instrument.

Endowment funds are invested according to policies established by the Foundation's Board of Directors.

Endowment gifts may be used to establish a special endowment fund or may be added to an existing endowment fund.

Persons interested in establishing a named endowment fund should be encouraged to consult with the Foundation's Chief Executive Officer and/or the Foundation prior to making the gift so that the donor's intentions are appropriately established in writing. Negotiation of any named endowment agreement on behalf of the Foundation shall be recorded over the signature, and with full knowledge, of the Chief Executive Officer of the Kean University Foundation.

In designating an endowment gift for a specific purpose, the donors are to be encouraged to:

- describe that purpose as broadly as possible;
- avoid detailed limitations and restrictions; and
- provide a clause granting the Foundation maximum flexibility to make use of designated funds in a manner most consistent with the interests of the donor and with the interests of the University. This is particularly true in those cases in which future programmatic or other developments may make it impossible to apply the endowment proceeds to the purpose for which they were designated originally.

Gifts to establish named endowment funds for specific purposes must meet the minimum dollar requirements set by the Foundation's Board of Directors. The principal amount of the original gift need not meet the minimum dollar requirements if the donor agrees to fully fund the endowment at the minimum dollar requirement within a specified period of time. Minimum dollar requirements may be changed from time to time at the sole discretion of the Foundation Board.

The minimum dollar requirements established by the Foundation's Board of Directors for a named endowment fund shall not apply to any named endowment fund(s) already established at the time these policies are adopted.

The Kean University Foundation reserves the right to review the minimum amounts required for named endowments periodically and to amend the minimum amount required to ensure that endowment proceeds are sufficient to fund the intended purpose(s) of the endowment. If, and when the Foundation acts to increase the minimum amount required to establish a particular named endowment fund, such action shall not be retroactive to funds already established and named.

As of July 2019, named endowment funds can only be established in amounts of $50,000 or greater.

Endowment Funds Related to the Foundation's Case for Support

FOR FACULTY

Endowed Chair. A named chair for a **newly created position** may be established to underwrite the costs connected with that position (salary, fringe benefits, clerical and travel expenses, and, perhaps, research) for a sum of not less than $2,500,000. Visiting Chairs shall require a similar endowed sum to be named chairs.

A named chair for an **existing position** may be established to underwrite the costs connected with that position for a sum of not less than $1,500,000.

Distinguished Professorship. A named **professorship** may be established for a sum of not less than $1,000,000. Such funds shall only be accepted to support disciplines or areas of study which are included in the existing academic offerings of the University, or consistent with its mission.

Visiting Scholar/Artist-in-Residence. Funds for specialized presentations by outstanding scholars, artists, or recognized experts must anticipate payments for fees, travel, living expenses, promotional expenses, and insurance as required and may be established for sums not less than $500,000.

Lectureships. Funds for special lectures may be established for sums not less than $50,000.

Other Endowments. Endowed funds for academic development, program innovation, library acquisition, faculty professional travel, equipment, research publications, recognition awards, and other gift objectives may be created for sums appropriate for each respective area, but not less than $50,000.

Student Scholarships. A named endowed scholarship may be established for an amount of no less than $50,000. To provide a significant portion of a typical student aid package, such endowments should be in the $100,000 range. Full tuition scholarships named for someone of the donor's choice require an endowment of no less than $500,000. A full tuition, room, and board scholarship requires an endowment of $750,000.

Academic Awards & Prizes. The Foundation will not automatically accept modest gifts for departmental awards and prizes. Each purpose and amount must be reviewed on a case-by-case basis as to its merit. In many cases, names on trophies, plaques, or books rather than cash awards will be deemed more appropriate and recommended to interested persons.

Physical Plant. Endowment funds for the maintenance of existing buildings, rooms, and floors, as well as for the maintenance of newly constructed or renovated buildings and units, and for campus beautification are available upon request. The sums required for each shall not be less than $50,000, but can range up to several million dollars depending upon the size of the facility.

General. The amounts established herein for endowment fund objectives are absolute minimums and will be "open end funds" (available for additions to the corpus) unless otherwise restricted by the donor and approved by the Foundation's Board of Directors.

An endowment fund may be activated, however, even though the principal amount has not reached the required minimum when a donor assumes a binding obligation to supplement the fund through subsequent gifts and/or irrevocable estate planning vehicles.

THE FOUNDATION'S FUNDAMENTAL OBJECTIVES

The Kean University Foundation exists to advance several key fundamental objectives of Kean University:

1. To achieve regular goals for the renovation and/or new additions to the physical plant, and to increase the endowment fund of the Foundation to better support faculty as well as student development, new technologies, scholarship and financial aid, and for operating funds. Every effort shall be made by the Foundation's staff to portray the urgency of these goals and objectives and the immeasurable benefits they provide the University.

2. The Foundation also incorporates the University's desire to utilize the considerable talents of its volunteer leadership –Trustees, Foundation and Alumni Board members, Alumni, Parents, Faculty, and Friends –to augment the primary leadership of the President.

3. The Foundation exists to position Kean University in the strongest possible way for its future. The Foundation will accomplish this by:

    - identifying and involving new leaders, especially alumni, for the first time;
    - adding to the professional experience of the Foundation's advancement team;
    - and incorporating new elements to supplement the annual giving program.

4. The Foundation will always endeavor to heighten Kean's regional, national, and international visibility and clearly articulate an institutional quality and purpose that is worthy of continued appreciation and support by all constituencies.

5. The Foundation team will encourage donors to focus on key case elements – new and existing physical facilities and the renovation of the original facilities; the need for endowment well beyond where it stands currently; the urgency of endowment for financial assistance and scholarships; the impact that past physical plant enhancements has had on the programs, University, etc.

THE BASIC RULES OF SOLICITATION FOR THE FOUNDATION

- The six steps to a successful gift solicitation are:
    1. Identify the Financial Prospect
    2. Research
    3. Strategize and Evaluate
    4. Cultivation; Build a Relationship
    5. Formal Solicitation
    6. Diligent Follow Up

- All solicitations are to be coordinated by the Foundation staff. There shall be no duplication of effort!
- Volunteers, faculty members, University administrators, and Deans shall not solicit a potential prospect without the expressed approval of the Kean University Foundation.
- A personalized prospectus with a specific gift request and a suggested commemorative/named gift opportunity shall be developed and prepared by the Foundation team for select potential prospects prior to solicitation. This prospectus shall be carried into solicitation visits by the lead solicitor and left with the prospect following the visit.
- Each visit shall be made by the best two (2) to three (3) solicitors recommended for each call by the Foundation.
- Each visitor/solicitor shall be professionally trained in the proper, ethical, and latest techniques of proper gift soliciting prior to making each assigned visit.
- Each visitor/solicitor shall receive a confidential briefing regarding a potential prospect's background, giving history, and anticipated interests in assisting the University's Foundation prior to each visit.
- There shall be diligent, timely follow up of each visited prospect by the appropriate University official and/or Foundation representative.

FEE ASSESSMENT

The Kean University Foundation's operating budget comes from four (4) primary sources:

- A contracted amount paid by Kean University to the Foundation for philanthropic services;
- An annual assessment on the market value of the endowment. The amount is determined annually; and is applied quarterly;
- Interest on short-term investments; and
- A one-time administrative assessment of five percent from contributions to restricted funds and ten percent (10%) from contributions to temporarily restricted funds.

A smaller percentage of the operating budget comes from unrestricted gifts which are used to support all areas and programs on U.S. campuses at Kean University.

CONFLICT OF INTEREST

The Foundation's Board of Directors will assure itself that Foundation personnel are circumspect in all dealings with donors and donor prospects in order to avoid, even the appearance of, any act of self-dealing. The Board will consider a transaction in which the employee has a "material financial interest" with a donor an act of self-dealing. In reviewing self-dealing transactions, the Board shall consider financial interest "material" to an employee if it is sufficient to create an appearance of a conflict.

The Board will examine all acts of "self-dealing" including, but not limited to, the following:

- Prohibitions against personal benefit
- Purchase, sale exchange or leasing from a donor
- Borrowing from a donor
- Partnerships, principal ownerships, associations, corporations or other enterprises

The Foundation Board shall satisfy itself that the Kean University Foundation accepts only those gifts and grants which are consistent with the public policy of the State of New Jersey and the United State Government, particularly the regulations of the Internal Revenue Service (IRS).

EXPENDITURE GUIDELINES

Since its inception, the Kean University Foundation ("KUF") has raised funds on behalf of the University's respective colleges as well as their schools and programs. As a result, each of these entities has accumulated various amounts of monies that are available to enhance and support their respective academic and curricular missions.

KUF is a legal entity separate from Kean University and, as such, is subject to rigid audits, particularly with how it disburses funds to various academic units throughout the University. In order to ensure compliance with best practices and honor donor intent, herein is KUF's guidelines with respect to disbursement of the aforementioned funds.

1. Deans can request funds from their respective "Dean's Funds", subject to the approval of the Provost/Vice President of Academic Affairs and the Chief Executive Officer of the Kean University Foundation.
2. Executive Directors can request monies from their respective "School's Funds" with approval of their Dean, the Provost/ Vice President of Academic Affairs, and the Chief Executive Officer of the Kean University Foundation.
3. Department and Programmatic leaders can request monies from their applicable funds with approval of their Executive Director, Dean, as well as the Provost/Vice President of Academic Affairs and the Chief Executive Officer of the Kean University Foundation.
4. The Foundation's first priority will always be to provide direct benefit to Kean University students.
5. The Kean University Foundation will not pay any expenses to an international vendor.
6. The Kean University Foundation will not distribute monies for expenses that can be covered by an existing operational budget (staff meals, travel, guest speakers, etc.) unless otherwise approved by the Provost/Vice President of Academic Affairs and the Chief Executive Officer of the Kean University Foundation.
7. The Kean University Foundation will not wire monies to any vendor (domestic or international).
8. Monies cannot be spent unless there is a sufficient balance in the specific Fund. Scholarship support will not be awarded if there is a zero or negative balance in a respective Fund.
9. Monies for events must be directly related to the activities of the respective academic unit and serve an exceptional need outside of the existing operating budget.
10. Resources from any Fund, whether it be a Dean's Fund, Programmatic, Departmental, etc. will not be spent on equipment unless previously approved by the Provost/ Vice President of Academic Affairs and the Chief Executive Officer of the Kean University Foundation.
11. The respective Dean, Executive Director, or Department/ Programmatic Chair must request that the Kean University Foundation transfer the monies to the appropriate Cost Center. Payments to vendors will be issued by the Cost Center.
12. The Kean University Foundation should be notified before resources are spent and have the approvals upfront (not after the money has been spent and someone or some entity is expecting reimbursement or payment).
13. There must be documented substantiation such as a receipt, invoice, and speaker contract in order for monies to be released from any Fund.

Kean University Foundation
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