Policy Name:	Gift Acceptance Policy		
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Reviewed:	Non-Academic Policy Review Committee	**Approved:**	August 18, 2026
Approval Authority:	President Susan L Parish	**Adopted:**	August 24, 2026
Responsible Executive(s):	Vice President for Institutional Advancement	**Revised:**	March 2022, April 2018, October 2017, April 2016, May 2015
Responsible Office(s):	Institutional Advancement	**Contact(s):**	VP of Institutional Advancement

I. **Statement of Policy**

Mercy University is fortunate to be the recipient of generous charitable donations and gifts by donors that support the University's mission of providing motivated students the opportunity to transform their lives through higher education.

This document establishes the University's policy on the acceptance of current and deferred philanthropic gifts. It is intended to ensure that all gifts are appropriately structured to reflect the University's unmet needs and strategic goals. Gifts accepted on behalf of the University shall be made in consideration of a number of factors that serve the University's interests and shall be at the sole discretion of the University.

The purpose of this Policy is to set forth comprehensive and consistently applied principles and procedures by which gifts are reviewed, accepted, recorded, receipted, and administered to ensure that the intentions of donors are respected and that these gifts support the mission of the University. Grants and funding for sponsored programs are addressed in a separate Mercy policy.

II. **Guiding Principles**

- The University encourages gifts in support of its mission. Donations of gifts for *unrestricted, general purposes* are particularly encouraged because of the flexibility they provide in meeting the most pressing needs of the University.

- Prospective donors are encouraged to consult with their own attorneys, accountants, financial planners, and investment advisers regarding all aspects of their proposed gifts, whether an outright gift or a bequest, trust agreement, or other type of planned gift.

- The University reserves the right *not* to accept a gift or bequest that is inconsistent with the University's mission and standards, has unreasonable restrictions, would tarnish the reputation of the University, or that may bring an unacceptable level of risk to the University.

- The University will acknowledge all gifts and donations in an appropriate manner that respects and honors all donors.

- In accepting a gift, the University also accepts the responsibility to the donor to steward that gift. This includes administering the gift properly, providing the donor with appropriate financial information about the gift, and where appropriate, reporting to the donor about the use of the funds.

III. Policy and Procedures

A. Administration of this Policy

Overall responsibility for assuring compliance with the requirements of this Policy is assigned to the Vice President for Advancement, who shall consult with the President, the Provost, the General Counsel, the Board Chair, or other senior administrator as needed depending on the circumstances.

B. Review and Acceptance of Gifts

1. A gift is a voluntary and irrevocable transfer of any item of value to the University by a donor who expects nothing of value in return other than recognition and stewardship (for example, being listed on an honor roll or provided a naming opportunity). If the University gives the donor something of value (a "benefit") in return for a gift, the value of the gift on the University's records and the donor's tax deduction are each reduced by the fair market value of the benefit. *Note: naming opportunities are discussed in Section IV. below*.

2. For gifts valued at $100,000 or less, the Vice President for Advancement shall review all potential gifts and make all final decisions regarding gift acceptance. The Vice President for Advancement shall consult with the President if they have any reason to believe that acceptance or refusal of such gift may raise any controversy for the University.

3. For gifts valued at $100,000 or more, the Vice President for Advancement shall discuss and decide with the President and, where appropriate, the Provost. The Vice President for Advancement may also consult with the Board Chair or other senior administrators as appropriate.

4. The University will make every reasonable effort to accommodate and accept charitable contributions from donors. However, it will not accept gifts that, in the sole judgment of the University:

- Are intended to influence the University in any way with respect to curriculum, admissions, athletics, scholarships, or other University operations.
- Violate or conflict with the terms of any University policy, procedure, or practice.
- Violate any law, including if the donated asset was acquired by other than legal means, or if clear and unencumbered title to the donated asset does not flow directly from the donor to the University;
- Are too restrictive in purpose, or compromise the academic freedom of the University community;

- Could impose undue or unacceptable financial, legal, environmental, administrative, political, reputational, or other risks or burdens on the University;

- Are for purposes that do not further the University's mission;

- Could damage the reputation of the University, or are contrary to the University's values;

- Could jeopardize the University's tax-exempt status or status as a nonprofit entity;

- Provide a donor with goods or services in exchange for the gift where the fair market value of the benefits exchanged was not disclosed at the time of solicitation of the gift; or

- Create an actual or perceived conflict of interest that, in the sole judgment of the University, cannot be eliminated or effectively managed.

5. Before accepting a gift of real property, a representative from the University will conduct a site inspection and undertake other due diligence determined appropriate by the University in consultation with the Office of the General Counsel.

6. A gift of other assets may include tangible personal property (e.g., artworks, books, instruments, precious metals, vehicles, or antiques) or intangible personal property (e.g., cryptocurrency with a verified source, life insurance policies, intellectual property, or business interests not in corporate form) and will be administered in compliance with applicable laws and IRS regulations. Before accepting such an asset, appropriate due diligence will be undertaken by the University in consultation with the Office of the General Counsel.

7. The University is sensitive to unrelated business income[1] and will determine if such is associated with any gift. The presence of unrelated business income, which can arise from gifts of indebted property or from gifts that are a large percentage of a business, will be considered when the University determines whether to accept or decline a gift.

IV. <u>Naming Opportunities</u>

A. <u>Generally</u>

In reliance on and in recognition of major gifts, the University reserves the sole discretion to determine whether the name of a donor or other honored individual will be provided in recognition

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[1] Unrelated Business Income Tax (known as UBIT): even though an organization is recognized as tax exempt, it still may be liable for tax on its <u>unrelated business income</u>. For <u>most organizations</u>, unrelated business income is income from a trade or business, regularly carried on, that is not substantially related to the charitable, educational, or other purpose that is the basis of the organization's exemption.

of a major gift. Names of donors or other honored individuals or organizations may be linked with the University through appropriate naming opportunities, including but not limited to for a college, school, building or other physical space, academic program, academic department, center, institute, scholarship, or faculty or staff position.

Naming opportunities are offered by the University, in its sole discretion, for gifts made in accordance with the University's giving thresholds and for other gifts of exceptional generosity. In addition, naming opportunities may in rare situations be offered not in connection with a gift as a means of honoring a member of the University community or other individual or organization who has attained achievement of extraordinary and lasting distinction. In all cases, naming opportunities are established in reliance on the good moral character of the honoree and may be withdrawn by the University in the extremely rare circumstance where an honoree's actions are found by the University to be outside the bounds of acceptable conduct, such that continued use of the name of the honoree is damaging to the interests of the University and its reputation, in accordance with Section IV.G. below regarding Removal of Naming.

B. Duration of Naming

Subject to Removal of Naming, (1) the naming of a physical space, including a facility, will be limited to the useful life of the physical space unless otherwise specified in the gift agreement and (2) the naming of a college, school, an endowed scholarship or faculty position, or other endowed fund will generally be in perpetuity. Naming opportunities in connection with expendable gifts or other gifts, such as gifts funding multiple purposes within the University, will be for the duration set forth in the gift agreement. The duration of naming opportunities offered not in connection with a gift is in the sole discretion of the University unless otherwise specified by agreement.

If a change of circumstances renders the use of the gift associated with a naming opportunity impossible, impracticable, unlawful, wasteful, or at odds with the University's strategic priorities, the University has the sole discretion to decide whether it will maintain the original funding terms (e.g., a named program is discontinued). In such case, the University shall make all reasonable efforts to consult with the donor or donor's heir to determine an appropriate way to modify the original naming opportunity. Where the donor or an heir is unavailable, the University shall abide by all relevant laws in making modifications, including but not limited to the New York State Not-for-Profit Law, and will make changes that remain consistent with the donor's intentions to the greatest extent possible.

In the case of facilities that have reached the end of their useful life and need to be replaced or substantially renovated, the University shall make reasonable efforts to inform the donor or the donor's heirs to discuss the possibility of a new gift before offering the naming opportunity to another donor. In all circumstances, the University shall make every effort to include an appropriate recognition of the donor in the new facility.

C. Naming Approvals

All naming gifts require the written approval of the appropriate University officials as follows:

- Naming of Colleges, Schools or Buildings: President, in consultation with the Board Chair.
- Naming of Endowed Faculty Positions: Provost, in consultation with the President.
- Naming Opportunities Involving Acquisition, Construction or Renovation of Facilities: In addition to the process described in (a) or (c) above, all naming opportunities offered in connection with the acquisition, construction or renovation of facilities must be reviewed by the Chief Financial Officer for any impact on University finances and Vice President for Facilities and Operations for any impact on facilities planning, in consultation with the President.

D. Minimum Amounts and Timing

Minimum amounts for naming rights shall be set in the following manner:

- Endowed scholarship, non-endowed scholarship, campus external or interior area will be determined on a case-by-case basis by the President, the Provost, and the Vice President for Advancement.
- Amounts for naming a building will be determined and approved on a case-by-case basis by the President, Vice President for Advancement, Chief Financial Officer and the Board Chair. The minimum amount required for the naming rights to a newly constructed building will be no less than 25 percent of the construction cost of the building.
- The naming will occur when 75 percent of the gift is received in full, not at the time the pledge is made. Donors will generally have 3-5 years to fulfill their pledge, though the timing may be greater or less depending on the circumstances. In the case of a binding pledge or irrevocable deferred gift, when a building or facility will be named and the funds are not required for construction or renovation, the President may approve the naming upon execution of the Gift Agreement.

E. Limitations and Restrictions

The University is subject to IRS restrictions on the use of facilities financed with the proceeds of tax-exempt bonds as well as the naming of such property. The IRS also regulates the use of unrestricted gift funds where it is determined that the donor or the gift agreement has a nexus to a capital project financed with tax-exempt bonds. Naming gifts and honorary naming may impact tax-exempt bond post-issuance compliance if financing has previously been applied to the named facility. Accordingly, all such gifts and naming opportunities will be examined in advance by the Chief Financial Officer.

The University may accept naming gifts where the name to be associated with the gift is not known at the time of the gift so long as the University retains the full authority to approve or disapprove the name at the time it is proposed. Except for limited exceptions that may be granted [pursuant to Section VII of this Policy], current employees of the University may not be recognized in connection with a naming opportunity but may be recognized upon retirement. For binding, irrevocable gifts, a naming may be established before the gift is paid in full subject to the approval of President, the Vice President for Advancement and the Chief Financial Officer.

F. <u>Memorialization and Documentation</u>

Naming opportunities made in connection with a gift must be memorialized in a gift agreement with the donor that must include the naming opportunity being granted and its duration. The agreement must also expressly state that it is subject to all applicable University policies, including this Policy, including Section IV.G. regarding the Removal of Naming, as they may be amended from time-to-time. Gift agreements must be reviewed and approved by the Vice President for Advancement and the Office of the General Counsel prior to signature. Naming opportunities not made in connection with a gift should be memorialized in a contemporaneous document describing the naming and the reason for the naming.

G. <u>Circumstances for Removal/Revocation of Naming</u>.

The University may remove or revoke Naming under any of the following circumstances:

1. In the extremely rare circumstance where a donor's actions are found to be outside the bounds of acceptable conduct, which may include conviction of a felony or engaging in other acts of moral turpitude or serious ethical violations, such that continued use of the name of the donor is damaging to the interests of the University and its reputation. The University retains the sole discretion to determine if a donor's actions are damaging to its reputation or interests.

2. If a pledge obligation is not completely fulfilled;

3. If requested by the donor; or

4. In the case of changed circumstances where such a change renders the use of the gift associated with Naming impossible, impracticable, unlawful, wasteful, (e.g., a named program is discontinued), or misaligned with the University's strategic priorities.

In all instances relating to the removal or revocation of Naming as contemplated herein, reasonable efforts shall be made to inform the donor or the donor's heirs in advance of any consideration of removal or revocation.

V. Use of Legal Counsel and Other Professionals

The Vice President for Advancement will seek the advice of the Office of General Counsel in matters relating to the negotiation or acceptance of gifts when appropriate.

The University never provides legal, financial, tax, or other professional advice to donors and donors must be so advised. Donors are advised to seek the assistance of their own legal counsel or other professional advisors in matters relating to the legal, tax, and estate planning consequences of a proposed gift to the University.

VI. Avoiding Conflicts of Interest and Upholding Academic Freedom

Mercy faculty, staff, and researchers who endeavor to secure funding to support teaching, learning, and research may only do so under conditions where no actual or perceived conflict of interest exists or if such a conflict exists, where it can be eliminated or effectively managed in accordance with University Conflict of Interest Policies. The University may decline any gift based upon its determination, in its sole judgment, that an actual or perceived conflict of interest exists and cannot be eliminated or effectively managed.

Mercy will not pay any fees or make any other payments to any donor in connection with their gift except to the extent allowed under applicable law.

Mercy will not accept gifts that allow the donor to infringe (or provide the perception that the donor can infringe) on established policies and procedures for admissions, appointment of faculty, staff, or researchers, or any other aspect of University operations. Mercy maintains a fundamental and enduring commitment to academic freedom and the rigorous pursuit of knowledge across many different fields of inquiry and from many different points of view, and will not accept gifts when a condition of such acceptance could compromise (or be viewed as compromising) these fundamental principles.

VII. Gift Management

A. Recording and Administering Gifts

All gifts to the University must be directed to the Office of Institutional Advancement, which shall accept, deposit, record, receipt, acknowledge, and administer all gifts in accordance with University policies and practices and IRS regulations and the documented wishes of the donor.

B. Gift Agreements

All gift agreements must be reviewed and approved by the Office of Advancement to ensure they conform to the University's policies prior to being signed by the donor. Whenever possible, the University's gift agreement template should be used, and any significant modification to the agreement template must be approved by the Office of General Counsel.

C. Anonymous Gifts

Mercy recognizes and respects the wishes of donors who would like to remain anonymous in their giving. Donors may request all of their gifts to be treated as anonymous or may designate specific gifts to be treated as anonymous. If requested by an individual donor, Mercy may treat the donor's gift as anonymous to the extent permitted by law. The Vice President for Advancement shall review and approve requests for anonymity and, if approved, shall notify the President and any University administrators who need to know the donor's identity. In no case may anonymity be used as a means of concealing the identity of a donor from whom the University would not publicly accept a gift.

D. Endowed Gifts

A permanent endowment is a fund established in accordance with donor restrictions to exist in perpetuity. All endowed funds must be formally documented in a gift agreement. An endowed gift will be invested within the University's Endowment and a portion of the fund shall be appropriated for expenditure for the designated purpose each year in accordance with the current spending and investment policies of the University as established by the Board of Trustees and the New York Prudent Management of Institutional Funds Act ("NYPMIFA").

In the event that a donor does not fulfill the payment obligations set forth in the gift agreement, the funds already contributed by the donor may be used for any related purpose which in the opinion of the President, in consultation with the Vice President for Advancement, will most nearly accomplish the donor's original intent.

Quasi-endowments (sometimes called "board designated endowments" or "funds functioning as endowments") are gifts in which the monies given by the donor may be spent down (an expendable fund), but the University chooses to invest the gift in the endowment, therefore making only the annual distribution available for use. Thus, the fund functions like an endowed fund but without any requirement or restriction to hold the fund permanently in the endowment. Only the University may direct funds to be held as a quasi-endowment. Requests to quasi-endow gift funds shall be reviewed and approved by the Chief Financial Officer in consultation with the President when appropriate.

E. Foreign Gifts

Under applicable federal and state law, Mercy is required to annually report gifts received from or contracts with any foreign source where the total amount received from the foreign source meets or exceeds the reporting guidelines set by the State of New York and the Federal Government, even if the donor requests to remain anonymous. Therefore, it is critical that gifts of any amount received from foreign sources are clearly identified as such when submitted to Advancement Services.

F. Governing Law and Dispute Resolution Clauses

All gift agreements shall be construed in accordance with, and governed by, New York law. In the event that the gift agreement includes a dispute resolution provision, disputes shall be resolved in the federal and state courts of Westchester County, New York. Any other dispute resolution provision, in any gift agreement, must be approved in advance by the Vice President for Advancement, in consultation with the Office of General Counsel.

G. Planned Gifts

A planned or deferred gift is a gift that Mercy will receive at a future date (usually upon the death of the donor) or over a period of time. Planned gifts include bequests, retirement plan designations, life insurance policies, charitable gift annuities, charitable remainder trusts, charitable lead trusts, and remainder interests in real property. The Office of Institutional Advancement will coordinate and support the planning, negotiation, and acceptance of all planned gifts in consultation with schools, departments, centers, and institutes as applicable. Donors of planned giving arrangements must designate their gift in a manner consistent with this Policy. Remainder gifts that are designated to establish named endowments or for naming opportunities must meet the required minimum for such a fund at the time the gift is realized. In the event that a gift does not meet the required minimum at the time the gift is realized, the gift may then be used for any related purpose which in the opinion of the President in consultation with the Vice President for Advancement and President will most nearly accomplish the donor's original intent. Gift Planning may consult with the Office of General Counsel in any matter relating to the negotiation or acceptance of a planned gift where appropriate.

H. Pledge Write-Off

Legally binding pledges and expressions of intent may only be written off with the approval of the Vice President of Advancement and the Chief Financial Officer.

I. Securities

Consistent with this Policy, the University will accept securities, including stocks, bonds, options or corporate warrants, and mutual funds as gifts. These securities can be marketable or non-marketable securities. Marketable securities are readily traded on public exchanges and have no trading restrictions. Non-marketable securities are privately held and often not easily traded.

Marketable securities are valued at the full fair market value of the securities, which shall be valued, recorded, receipted, and acknowledged in accordance with current IRS regulations. Securities will be sold upon receipt into the University's gift brokerage account(s), unless otherwise determined in advance by the University. Gifts of publicly traded securities will be valued for gift recording purposes as the mean of the highest and lowest selling prices quoted for the stock (as reported by recognized public securities exchanges) on the date of their gift to the University. They will be acknowledged to the donor in writing by identifying the names(s) of the securities and the actual number of shares given. An exception will be made when the donor gives securities in exchange for a life income gift and the securities must be valued in order to calculate the remainder value.

Non-marketable securities will be treated as in-kind contributions and counted for fundraising purposes with a nominal value of $2.00 unless the donor is able to provide an independent appraisal. If non-marketable securities are intended to fulfill a pledge, the non-marketable securities must be accompanied by an independent appraisal, and the pledge will be reduced by the appraised value. Otherwise, the pledge will be reduced to a nominal value of $2.00. Given market fluctuations in these securities, the final cash value may be more or less than was contemplated by the donor when the securities were given. If a gift or pledge is to be made using non-marketable securities, the Chief Financial Officer shall be consulted.

K. Fundraising Campaigns

Any multi-year fundraising campaign by the University, or a college, school, departments or other administrative unit with a public fundraising goal must be approved in advance of any public announcement of the campaign by the Vice President for Advancement and the President.

L. Requests to Use University Name or Logo

The University's marks, including its name, are owned by Mercy and are valuable University assets. Making a gift to the University does not confer on the donor the right to use the University name or any of the following without specific University prior written consent: the name of any faculty member, employee, or student, or any trademark, service mark, trade name, logo, photograph or other symbol of Mercy or any of its schools. All requests for use should be directed, in writing, to the Associate Vice President for Marketing. In the event that the University grants such a request, the permitted use does not constitute a benefit of value that would reduce the value of the gift.

VII. Special Circumstances and Exceptions

Any requests for exceptions to this Policy based on special circumstances, including but not limited to departure from the approved minimum gift values, or circumstances that arise that are not explicitly addressed in this Policy must be referred to the President, in consultation with relevant University administrators and the General Counsel, for review and decision.