

Receiving and Processing Gifts

AUTHORITY This Guide Memo is approved by the Vice President for Development.

SUMMARY This Guide Memo describes the various types of gifts accepted by Stanford University and procedures for handling them. Section headings are:

1. GENERAL PROCEDURES
2. TYPES OF GIFTS
3. YEAR-END GIFTS

1. GENERAL PROCEDURES

- a. Prompt Delivery of Gifts** – All gifts arriving at or transferred to any part of the University should be sent on the same day the gift is received to the Gift Processing section in the Office of Development ("Gift Processing"), 326 Galvez Street, mailcode 5018, or to the local development offices in the Schools of Business, Earth Sciences, Education, Engineering, Humanities & Sciences, Law, the Hoover Institution and the Department of Athletics. Gifts to the Medical School should always be sent directly to central Gift Processing or to the Office of Medical Development. Gifts should never be sent to the Controller's Office, Fund Accounting, or the Cashier's Office.

For gifts of equipment, see Guide Memo 42.2, Records of Donated Equipment, http://adminguide.stanford.edu/42_2.pdf.

- b. Required documentation** – In all cases, the University unit that has received the gift must attach:
- A University Gift Transmittal form, completely filled out with appropriate signatures. Copies of the form may be obtained by contacting Gift Processing, 650/725-4360, or gp-coordinator@lists.stanford.edu.
 - All original correspondence pertaining to a gift. The office forwarding the gift should make copies if it wishes to retain a record.
 - The postmarked envelope in which gifts received by mail were delivered, to ensure the proper gift date is verified and recorded by Gift Processing.
 - In cases where the appropriate signatures cannot be obtained for the transmittal within 24 hours, the gift should still be sent to Gift Processing with a copy of the transmittal with as much information as possible filled in. Indicate that the original transmittal is being routed for signatures. When the transmittal has all appropriate signatures, send it to Gift Processing, along with all back-up information and a note indicating that the gift was previously sent.
- c. Donor Record Files** – The Office of Development maintains complete donor records, including all University alumni and friends, as well as corporations and foundations that support the University. Original donor correspondence and copies of all University correspondence pertaining to gifts should be sent to the Office of Development, Gift Processing section. The Office of Development will forward gift documents to the Fund Accounting section of the Controller's Office as appropriate.

2. TYPES OF GIFTS

- a. Cash** – Do not send cash through interdepartmental or other mail service. Call Gift Processing (650/725-4360) for instructions.
- b. Checks** – Checks should be forwarded to Gift Processing (326 Galvez Street, mail code: 5018) immediately for prompt deposit. Holding checks results in lost interest earnings for the University and, if not cashed in a reasonable amount of time, may eventually result in invalidation.

- c. **Securities** – Stock certificates received by a school or department should be forwarded to Gift Processing immediately for prompt processing. If stock certificates are received in the mail the postmarked envelope must be included so that Gift Processing can determine the correct date for valuing the shares and dating the gift receipt. If stock certificates are received via private courier (e.g., UPS, Federal Express, DHL), the department must include a memo stating when the envelope was received in the department. The University will, in almost all cases, sell the securities through its brokers as soon as they are received.
- (1) **Delivery of Securities** – The transfer of securities to Stanford may be accomplished in several ways:
- (i) **Broker-to-Broker Transfer:** Donors should instruct their broker to transfer securities intended for Stanford to the University by contacting the Gifts and Distributions Administrator at the Stanford Management Company (650/926-0244, fax 650/854-9267), who will then issue instructions to the broker for handling and processing. A copy of any gift transmittal letter or other related correspondence should be sent immediately to the Administrator.
 - (ii) **Mail:** Endorsed certificates naming Stanford University (or the Board of Trustees of the Leland Stanford Junior University) as transferee may be sent by regular mail (certified mail recommended) to the Office of Development, 326 Galvez Street, Stanford University, Stanford, CA 94305-6105.
 - (iii) **Hand Delivery:** Endorsed certificates naming Stanford University (or the Board...) as transferee may be delivered by hand to any of the following locations:
 - Office of Development
Frances C. Arrillaga Alumni Center
326 Galvez Street
Stanford University
Stanford, California 94305-6105
 - Stanford Management Company
Gifts and Distributions Administrator
2770 Sand Hill Road
Menlo Park, California 94025
- (2) **Certificate in Excess of Gift** – If a donor's stock certificate is for a greater number of shares than he or she plans to give the University, the certificate may be endorsed to Stanford with instructions to keep a specified number of shares as a gift and to have a new certificate for the balance issued to the donor. The donor or the University office forwarding the certificate should include clear written instructions in this regard.
- d. **Credit Cards** – Donors may charge gifts to their Mastercard, Visa, or American Express credit cards by indicating in writing the amount of the gift, their credit card number, the date of its expiration, and their signature (as the name appears on the credit card). This written information should be forwarded to Gift Processing, 326 Galvez Street, 94305-6105, fax 650/723-0020, or gp-coordinator@lists.stanford.edu. The gift funds will not be credited to Stanford until Gift Processing has cleared the gift through its system.
- e. **Electronic Transfers** – Donors may make gifts to the University through three types of electronic transfer.
- (1) **Wire Transfer** – A donor who wishes to make a gift via wire transfer into a Stanford account must contact Gift Processing to obtain current instructions and to make sure the appropriate University personnel are alerted to the transaction.

- (2) **Payroll Deduction** – Stanford employees may authorize a set amount to be deducted from their paychecks as a gift to Stanford. To arrange for payroll deduction gifts Stanford employees should contact Gift Processing, which will make arrangements with the Payroll Department. Employees wishing to change, renew, or cancel payroll deduction gifts should send a written request to Gift Processing.
- (3) **Electronic Funds Transfer (EFT) or Direct Deposit** – Donors may authorize a set amount to be automatically withdrawn from their checking or savings accounts as a gift to Stanford. To arrange for EFT gifts donors should contact Gift Processing.
- f. **Memorial and Celebration Gifts** – In most cases, the University uses memorial gifts (i.e., contributions made in memory of someone who has passed away) to purchase and maintain books for its library system; celebration gifts made in honor of a special event or living person are handled in the same way. If an alternative purpose is preferred, a separate memorial or named fund may be established through the Office of Development.
- g. **Gifts of Real or Personal Property** – If a gift of real estate or an item of personal property is offered to Stanford it is important that the proper University department or official determine whether the University is able to accept it. Such decisions are made according to established University policies and guidelines according to the type of gift.
- (1) **Real Estate Gifts** – The staff counsel in the Office of Planned Giving, 650/725-4358, and the Manager of Gift Real Estate at the Stanford Management Company should be notified of a donor's intent to make a gift of real property to the University. The Manager of Gift Real Estate must first inspect the property and determine that the property may be accepted by the University. The staff counsel will then obtain any necessary Board of Trustees approval, draft requisite documents, make arrangements for title to be transferred to the University and for the gift to be credited in Gift Processing, and provide the donor with IRS Form 8283. The staff counsel is available to respond to donors' tax and other related questions.
- (2) **Gifts in Kind (Tangible Personal Property)** –
- (i) **Categories** –
- **Equipment:** See Guide Memo 42.2, Records of Donated Equipment, http://adminguide.stanford.edu/42_2.pdf.
 - **Artifacts, specimens, and historical objects** for departmental special collections: see Guide Memo 42.3, Departmental Special Collections, http://adminguide.stanford.edu/42_3.pdf
 - **Gifts of Personal Property for Resale** – Gifts of personal property intended for resale should not be accepted unless it is determined that the item is appropriate for the University to resell. Examples include gifts made for the Committee for Art's Treasure Market or for a rummage sale to benefit a particular department or project. Questions about salability of items not earmarked for a specific sales event may be directed to the Office of Surplus Property Sales: http://ora.stanford.edu/ora/pmo/surplus_sales/default.asp.
- (ii) **Prior Consultation** – The staff counsel in the Office of Planned Giving should be contacted prior to accepting gifts in kind to make sure that the donor has been apprised of tax deductibility and IRS substantiation requirements, and to assist in drafting any agreements with the donor relating to the gift. Gift Processing must then be notified in order for the donor to obtain a gift receipt, unless previously arranged procedures have been established for the unit (e.g., University Libraries, Treasure Market) to issue its own receipt.

- (iii) **Delivery Arrangements** – Gifts in kind that Stanford plans to keep and use are usually delivered directly to the relevant school, department, laboratory, library, or museum that has previously approved the item's acceptance and is where the item will be housed. Preliminary arrangements may also include agreements regarding costs of packing and freight charges, which are usually the responsibility of the donor.
- (iv) **Recording** – Except for donated capital equipment, gifts in kind are not normally recorded in the donor's gift record nor in the University's accounting system; contact Planned Giving, 650/725-4358, for information about exceptions for crediting gifts in kind to a donor's record.

h. Special Types of Gifts

- (1) **Life Income Gifts** – Donors may arrange to make a gift to Stanford that will pay them and/or a designated beneficiary an income for life or for a term of years. After the death of the last beneficiary or expiration of the term of years, the gift remainder is used by the University as specified by the donor. Contact the Office of Planned Giving for further information and/or to arrange for consultation with a donor and their advisor(s).
- (2) **Bargain Sales** – Under some circumstances, the University may provide some cash consideration below market value to a donor in exchange for a gift of real or personal property. Offers to sell art objects, equipment, securities, real estate, etc. to Stanford at a substantially discounted price should be referred to the staff counsel in the Office of Planned Giving. The amount of the gift recorded by Gift Processing will be the difference between the fair market value and the discounted price.
- (3) **Life Insurance** – Donors may make life insurance gifts in a number of ways: (i) by naming the University as the beneficiary of the policy; (ii) by transferring ownership of a paid-up policy to the University; or (iii) by transferring ownership of a policy to the University and making periodic gifts to the University to cover payment of the policy premiums. Stanford does not make premium payments from sources other than gifts intended for such purposes. The tax ramifications of life insurance gifts are complicated; questions should be referred to the staff counsel in the Office of Planned Giving.
- (4) **Bequests** – Since its founding Stanford has derived significant and ongoing support from bequest gifts. Names of donors who have confirmed that a bequest for Stanford is included in their will or trust should be forwarded to the Office of Planned Giving along with any known details of the gift. The Office of Planned Giving operates The Founding Grant Society, which recognizes and honors those who have made a life income gifts or who have indicated that a bequest to the University is included in their estate plans. Staff counsel in the Office of Planned Giving are available to consult with donors and their advisors in the drafting of bequests to the University. Information about or questions concerning any bequest gift that has matured should be immediately referred to the Manager of Trusts and Bequests in the Office of Planned Giving (650/725-4358).
- (5) **Corporate Matching Gifts** – Donors or their spouses may work for, serve on the board of, or be retired from, a company that will match their gifts to Stanford. Donors should follow their company's procedures, which usually involve filling out a form and sending it to Stanford with their gift. Departments or other units that receive any corporate matching forms MUST forward the forms to Gift Processing in the Office of Development, 326 Galvez Street, mailcode 5018, and should NOT sign the forms themselves or return them to the company. Only Gift Processing is authorized to verify to a company that a gift qualifies for matching funds.

3. YEAR-END GIFTS

- a. **Tax-Year End** – During the month of December the volume of gifts to be processed increases sharply. Departments or other units receiving gifts during this very busy time of year should expedite delivery of gifts to Gift Processing and should take steps (described below) to verify the date of the gift so that the receipt issued by Gift Processing to the donor will reflect the proper date for the donor's tax purposes. The gift receipt will bear a December date even when the gift is processed in January if the gift is received in Gift Processing on or before December 31 or if the date is verified in one of the following ways:
- (1) **Hand Delivery** – Gifts may be delivered to any Stanford representative on or before December 31 in order to be treated as a gift made during that tax year. The Stanford representative should provide the donor with a signed and dated memo acknowledging receipt for securities or cash, keeping a copy to send to Gift Processing, 326 Galvez Street, mailcode 5018, with the gift. In addition, the Stanford representative should sign or initial a notation of the date the gift was delivered directly on the check, or on the remit or any correspondence accompanying the gift.
 - (2) **Postmarks** – The date of receipt for gifts received by mail is the postmark date that appears on the envelope. Therefore during December and early January it is especially important to include the postmarked envelope along with the gift when forwarding it to Gift Processing.
 - (3) **Transfers** – Broker to broker transfers of securities and wire transfers of cash must be completed and the transferred property must be in Stanford's account by December 31 to count as a gift for that tax year.
- b. **Fiscal Year-End** – The University fiscal year ends August 31. To be reflected in the University's record for a given fiscal year, gifts must be received in Gift Processing by 2:00 p.m. on the last working day of the fiscal year. Gifts processed later, even if dated before August 31, will be entered in the University's records in the following fiscal year. After the end of the fiscal year, requests for corrections to gift records should be made to Gift Processing, gp-coordinator@lists.stanford.edu, who will in turn coordinate the necessary journal entries with Fund Accounting.