

Farmingdale College Foundation

Gift Acceptance Policies and Procedures

I. Purpose

The purpose of this Gift Policies & Procedures document is to provide Farmingdale College Foundation's (FCF) management, faculty, staff, and volunteers with guidelines that enable them to assist prospective donors, their families, and advisors in making gifts to the College.

II. Application

These policies apply to all solicitation efforts on behalf of FCF by College staff, faculty, Board of Directors, and other volunteers. The policies also cover administration of the gifts by the Farmingdale College Foundation.



Robert Van Nostrand

President

Farmingdale College Foundation

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Farmingdale College Foundation Policies and Procedures

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March 2021

Farmingdale College Foundation

INTRODUCTION

The **Farmingdale College Foundation (FCF)** solicits and receives charitable gifts and grants from individuals, foundations, corporations and other sources to support the mission and strategic goals of Farmingdale State College.

The FCF has the sole authority to receive and administer private charitable contributions to the college. As a 501(c)(3) organization, the FCF is the only campus related organization that can issue receipts for charitable contributions for IRS tax and legal purposes.

These FCF policies ensure the integrity of institutional fundraising efforts; protect the privacy of donors, alumni and friends; and coordinate campus-wide fundraising efforts among all of the College's constituencies. Please call the Office for Development and Alumni Engagement at 934-420-2142, with any questions.

Charitable gifts to The Farmingdale College Foundation, a 501(c)(3) organization, are tax deductible and are not refundable. The FCF does not provide tax, financial, or legal advice to donors and strongly recommends that donors seek advice from independent professional financial advisors or attorneys when considering the tax implications and benefits of charitable giving.

The policies are intended to be both flexible and practical to accommodate a variety of charitable giving situations and donor expectations. All gifts are accepted with a reasonable expectation that they will support the mission of Farmingdale State College and will not discriminate on the basis of race, religion, color, age, gender, sexual orientation or disability. These guidelines supersede all existing gift policies and are subject to change without prior notice.

I. AUTHORIZATION

The FCF Board of Directors has full and final authority over policies and procedures for the solicitation and acceptance of all gifts. Operationally, the Vice President of Development and Alumni Engagement has the authority to implement policy and make day-to-day decisions.

- All fundraising campaigns, appeals and events must be approved by the Vice President of Development and Alumni Engagement and/or the Board of Directors as appropriate.
- Solicitation from individuals, foundations or corporations must be approved by the Vice President of Development and Alumni Engagement.
- Endowment agreements must be reviewed by senior management (President, Vice President of Development and Alumni Engagement and/or the Provost and CFO) prior to presentation to the prospective donor.

- The FCF reserves the right to decline gifts that are not consistent with the mission, programs or strategic goals of Farmingdale State College.

The Office for Development and Alumni Engagement's responsibilities:

- Coordinate and manage the solicitation, receipt, acknowledgment, documentation and stewardship of all gifts;
- Manage the process of solicitations by faculty, staff, and volunteers in accordance with approved gift policies;
- Record all pledges and gifts into the FCF fundraising database and then tracking, monitoring, and collecting pledge payments.

II. CASH RECEIPTS AND DISPURSEMENT PROCEDURES

a. Cash and Checks

The Farmingdale College Foundation receives a check via mail, the check is dated and initialed by appropriate Development Office staff. Development staff enters all donations, cash and checks into the Foundation's constituent relationship management and fundraising software, and accounting systems indicating the Date, Donor Name and Address, Donation Number, Class Year (if applicable), Item Number, Description, Amount, and Check Number. The Class Year and Item Number reference the Account Number for the appropriate fund. The Description indicates the reason for the donation, i.e., the name of event, scholarship, etc.

b. Credit Cards

- The Foundation purchases a secure constituent relationship management and fundraising software to accept online payments. The system is PCI compliant (Payment Card Industry Compliant). The Foundation uses this cloud-based industry leading fundraising software for constituent record keeping, including gift recording and event registration, volunteer management and communications.
- Constituent relationship management software sends an email notification to the Office for Development and Alumni Engagement when a donor contributes via the College website online giving page. The Development staff enters the donation into accounting systems indicating the Date, Donor Name and Address, accounting systems Donation Number, Class Year (if applicable), Item Number, Description, and Amount. The information is also entered into an Excel spreadsheet which contains the secure software entries. A file copy of the memo and spreadsheet along with the donation form are maintained by the Office for Development and Alumni Engagement.

c. Electronic Wire Transfers

The Foundation receives a notice via mail, that the wire transfer was made into the bank. A wire transfer is a transfer of funds done electronically across a network of banks and agencies. The wire transfer is dated the day it was accepted for deposit. Development staff enters into the appropriate account into the accounting system and constituent relationship management software.

d. Deposits

Development staff prepares a memo after an accounting systems entry is completed. The memo and check or cash are delivered to The Auxiliary Service Corporation of the State University of New York at Farmingdale (ASC) for deposit.

e. Disbursements

The Foundation receives and dates invoices which are reviewed for accuracy and signed and coded by the Foundation accountant. All invoices are approved by the Vice President of Development and Alumni Engagement. The Foundation completes a requisition form which is forwarded to ASC for check preparation. Copies of the backup documentation are made for the Development Office files and attached to the third copy of the requisition form.

Checks for \$5,000 or less are processed with a signature plate. Checks for amounts greater than \$5,000 are signed by two Foundation Officers on record with TD Bank. A file copy of the check and backup documentation are maintained by the Office for Development & Alumni Engagement. ASC then returns the check to the Foundation for forwarding to the payee.

III. GIFT ACCEPTANCE POLICIES

Donor Bill of Rights

Philanthropy is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To assure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the not-for-profit organizations and causes they are asked to support, we declare that all donors have these rights:

- To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.
- To be informed of the identity of those serving on the organization's governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities.
- To have access to the organization's most recent financial statements.
- To be assured their gifts will be used for the purposes for which they were given.

- To receive appropriate acknowledgment and recognition.
- To be assured that information about their donations is handled with respect and with confidentiality to the extent provided by law.
- To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.
- To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.
- To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.
- To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.

a. GIFT TYPES AND VALUATIONS

i. A Gift

A gift is a voluntary, irrevocable transfer of assets from an individual to the FCF. The donor receives no direct benefit and requires nothing in exchange beyond an assurance that the gift intent will be honored.

- Conditional gifts may commit the FCF to an act within a specified time before the contribution is made. Conditional gifts will be reviewed by the Vice President of Development and Alumni Engagement who will make a recommendation to the President to either accept, modify the gift terms or reject the gift.

ii. Unrestricted Gifts

Unrestricted gifts are given by donors with no limitation, prohibition or constraint on the specific purpose or use of the funds. The Farmingdale College Foundation accepts unrestricted annual gifts on behalf of Farmingdale State College. These funds may be used by the Foundation without restriction, to pay for operating expenses and other purposes.

iii. Temporarily Restricted Gifts

Temporarily restricted gifts have a donor-directed purpose that has yet to be fulfilled or have restrictions that will expire upon a certain event. For example: Faculty and colleagues make contributions to create a fund in memory of a friend or professor. A minimum of \$2,500 is required to establish a temporarily restricted account. Temporarily restricted account will be expended within one to three years.

iv. Faculty and Staff Current Use Restricted Funds

Current use restricted funds are fully expendable at all times and are established to receive charitable donations. A minimum of \$5,000 is required to establish a current use restricted account. These accounts are restricted by the donor for use by the department or academic program for a specific use or for general support of

activities. There is a 6% overhead fee on these accounts, assessed quarterly based on deposits to the account. The fees do not apply to deposits for direct student aid. All accounts must have a custodian and at least one additional authorized signer.

v. Permanently Restricted Gifts/Endowments

Permanently restricted endowments require a minimum gift of \$25,000 and a signed agreement between the donor and the FCF. Permanently restricted gifts must be maintained at their original value in perpetuity and are subject to the revisions of the New York Prudent Management of Institutional Funds Act (“NYPMIFA”). They may be limited by donor directed conditions that neither expire over time nor can be removed by the FCF, except as provided by law or as agreed to by the donor or otherwise prescribed by law. The distribution of income from endowments will be in accordance with the spending policy as approved by the Board of Directors.

The FCF will maintain all pledge documentation and copies of all endowment gift agreements. The donor receives a signed original of the endowment gift agreement and one original is maintained in the Office for Development and Alumni Engagement.

vi. Cash and Cash Equivalents

Cash is the easiest and the most frequently received gift. Cash or cash equivalent gifts can take the form of currency, check, or credit card contribution using the FCF online giving page. Cash may be delivered in person, by mail, by Electronic Funds Transfer (EFT), or by wire transfer. Cash gifts are reported the date the cash is received in the Development Office. If gifts are transferred by EFT or wire, the date of the gift is the date that the money is transferred into the FCF’s bank account. Credit card gifts are reported on the date that the credit card charges are processed. The FCF accepts American Express, Discover, MasterCard and VISA credit cards.

vii. Securities

All marketable securities will be valued and reported at the mean of their high and low market values on the date of transfer. The date of transfer is the date that:

- The electronically transferred securities are deposited in the FCF brokerage account.
- Hand-delivered stock certificates registered in the donor’s name must be accompanied by a signed stock power with a medallion signature guarantee. The gift date is the date on the stock power certificate.
- The mailed stock certificate and a properly endorsed stock power should be mailed separately. If the dates on the documents differ, the date of the stock power certificate will determine the gift date.
- Gifts of otherwise publicly traded securities that are subject to tender offers or securities law restrictions may present particular tax or administrative issues for the donor and/or for FCF that may be referred to the appropriate Board committee(s) prior to acceptance of the gift.

- Any restrictions by the donor on the management or investment of a gifted security will be referred to the Vice President of Development and Alumni Engagement for review, and referred to the President when appropriate, prior to acceptance of the gift.
- Publicly-Traded Securities listed on an exchange in which quotations are published daily; regularly traded in national or regional over-the-counter markets for which published quotations are available; or that are shares of a mutual fund for which quotations are published on a daily basis, will be accepted as outright gifts or toward pledges.
- Closely Held Securities (non-public) FCF shall examine closely held securities that are not publicly traded prior to their acceptance and may decline the gift if it deems the securities difficult to value or not easily marketable. An independent appraisal provided by the donor is required prior to acceptance of the gift. The FCF Executive Committee must approve gifts of non-publicly held securities prior to acceptance.
- Securities inconsistent with FCF guidelines will be considered on a case-by-case basis by the Vice President of Development and Alumni Engagement in consultation with the prospective donor.

viii. Pledges

Pledges are the promise of a future gift. The following information is required to substantiate a pledge:

- The amount of the pledge must be clearly specified. The pledge must be documented in writing, signed by the donor and received by the FCF.
- A clearly defined payment schedule not to exceed five years.
- Cannot contain contingencies or conditions that require an undue burden of financial resources by the FCF.
- An endowment gift agreement signed by the donor and the FCF designee. Such an agreement will be framed in preferential language which would allow the FCF, in the event that the original restrictions cannot be followed, to use the funds for a compatible, related purpose.
- Changes to the original pledge must be documented in writing (letter or email) by the donor and accepted by the FCF.

ix. Pledge Recording

- Anticipated matching gifts will not be included in donor's pledge amount. The matching gift, when received, will be booked with legal or hard credit to the matching entity. A "soft" credit will be recorded to the original donor for recognition of the matching gift.
- Pledges are recorded in both accounting systems and constituent management fundraising software.
- Pledges and expected matching gifts paid in full will qualify for donor recognition in appropriate giving level groups.
- If a final pledge payment exceeds the pledge balance, a gift will be recorded for the amount of the overpayment. Underpaid pledges (as a result of rounding, gift

valuation, or incremental giving) may be recorded as paid in full when donors' intents are clearly to pay commitments in full. Each situation will be evaluated for the underpaid amount and other circumstances concerning the donor.

- Before defaulted pledges are written off, pledges over \$1,000 must be reviewed and approved by the Vice President of Development and Alumni Engagement and the Audit Committee of the FCF.
- Pledge balances will be written off when the FCF is notified of a donor's death only after unsuccessful attempts to secure the balances either through a provision in the Donor's Will identifying FCF as a beneficiary or if the donor's family fails to demonstrate an intent to complete the pledge.
- Annual Fund pledges are unrestricted gifts and are payable within the fiscal year. Annual Fund pledges that are not fulfilled will be removed from pledge records within three months after the end of the fiscal year.

x. Corporate Matching Gifts

Matching gifts will be credited to the purpose for which the donor's gift was made, as long as it is consistent with the company's policy. The matching gift is credited to the corporate donor's record; the individual donor whose gift is matched will receive associated acknowledgement by memo ("soft") credit. The memo ("soft") recognition credit for the matching amount will be included in donor records for the College's appropriate giving recognition.

xi. Grants and Contracts

The term "grant" is used by many corporations and foundations to indicate philanthropic awards and does not necessarily denote a sponsored research grant or contract. The determination of whether funding awarded to the College is a gift or a grant will be made based on specific circumstances of the award. A grant is a voluntary transfer of assets or awards for specific or general purposes from a corporation, private foundation or other organization. The grantor receives no deliverable that may result in direct economic or other tangible benefit as a result of the gift. The grantor receives no rights to intellectual property derived from the research or exclusive rights to the data or information that results from the research. Contracts are not counted as gifts since a contract carries an explicit quid pro quo relationship between the contractor and FCF. There is an expectation that FCF is providing economic benefit(s) to the contractor such as exclusive rights to research results, intellectual or tangible property or services to the contractor. Government grants are not counted as philanthropic gifts.

xii. Gifts-in-Kind

Gifts-in-Kind are generally defined as non-cash gifts of materials or long-lived assets, other than real and personal property. Examples of gifts-in-kind may include equipment, printed materials, food or software. Gifts-in-kind usually come from companies or corporations as opposed to individuals who usually give personal property. The IRS requires the donor acquire an independent appraisal for any gifts valued over \$5,000 and must file IRS Form 8283. It is the donor's responsibility to obtain an independent appraisal for tax purposes. No FCF staff will provide appraisal information to a donor for

tax purposes. Regardless of what estimated value a company may place on a gift-in-kind, the FCF must report the value it would have had to pay if it purchased the item outright, net of any educational discount.

xiii. Personal Property

Personal property includes but is not limited to works of art, patents, copyrights, antiques, stamp and coin collections, jewelry, furniture, rare books, manuscripts, or any other item that has a determinable value. FCF staff or board members cannot provide appraisal information to a donor for tax purposes. The IRS requires the donor acquires a qualified independent appraisal for any gifts valued over \$5,000 and file IRS Form 8283. An authorized FCF official must sign the form to indicate that the FCF is eligible as a tax-exempt entity to receive the charitable donation. The FCF is not certifying the valuation of the gift by signing the form.

FCF may approve such donations only after a review indicates that the property is either readily marketable or that supports the mission of the College. The FCF will sell or otherwise dispose of all gifts of personal property immediately or as soon as practical. The intention to either sell the property or to retain and use it shall be communicated to the donor in writing at the time of the gift. The FCF must file IRS Form 8282 for gifts of tangible property valued over \$5,000 if the item is sold within three years of the date of the gift.

xiv. Intellectual Property and Unexpired Patents

Intellectual Property and Unexpired Patents (i.e. patents, copyrights, etc.) may be considered and shall require the review and approval of the Gift Acceptance Committee and, at their discretion, review by qualified experts in the industry.

xv. Volunteered Services

The value of a person's or organization's time or service is considered a volunteer activity and is not a charitable contribution as defined by the Internal Revenue Code (IRC).

xvi. Bequests

A bequest is a gift of personal property, such as cash, securities, personal or real property or other assets, that is owned by a decedent at the time of death and which is directed by the provisions of the decedent's will. Notification of the inclusion of The FCF in a donor's will shall be in the form of a written Estate Intention form.

IV. ESTATE INTENTION

An Estate Intention is the written notification by a donor that the FCF is a beneficiary of the donor's estate. An Estate Intention is revocable and therefore is separately disclosed in fundraising activity reporting. It is not reported as a gift in the audited

financial statements. An Estate Intention shall be recorded as a pledge when the following conditions are met:

- The signed Estate Intention form indicates a specified or estimated dollar amount of the estate based on a credible estimate of the future value of the estate at the time the commitment is made.
- A beneficiary designation from a 401(k), IRA or life insurance will be treated, documented, valued and recorded in the same manner as an Estate Intention. The donor must submit a copy of the beneficiary designation to book the Estate Intention.
- The donor has reached the age of seventy-two (72). Estate Intentions for those who will turn 72 during a campaign may be recorded at present value with the approval of the Vice President of Development and Alumni Engagement.
- The donor is age 65 - 71 and the FCF has verification of the commitment in a letter from the donor/attorney/legal representative or the signed Estate Intention form and approval by the Vice President of Development and Alumni Engagement.
- The donor is age 50 – 64 and the FCF has a copy of the donor's last will and testament (or relevant portion thereof) as well as a signed Estate Intention form and approval by the Vice President of Development and Alumni Engagement.

a. Life Insurance

- FCF must be assigned as both an irrevocable beneficiary and owner of an insurance policy before a policy can be recorded as a gift. Such gifts must be fully paid and in the form of a whole life policy. Paid up policies may be recorded as gifts at the recommendation of the Vice President of Development and Alumni Engagement. Every gift of insurance must be subject to a written gift agreement. The FCF will not accept any policy with an outstanding loan(s).
- The current cash surrender value of the policy will be credited toward fundraising goals. Increases in the cash surrender value of the policy are not recorded as gifts.
- The difference between the cash value and the insurance company's settlement at the donor's death will not be reported as a gift, but as a gain on the disposition of assets.
- In cases where the FCF receives the proceeds of an insurance policy as the named beneficiary but not the owner, the full amount received will be reported as an estate gift on the date the proceeds are delivered.

b. Gifts with Special Risks

Gifts of the following types of property must be reviewed and approved by the Vice President of Development and Alumni Engagement and the FCF Executive Committee.

- Real estate;
- Closely held stock;
- Oil and gas interests;
- Partnership interests;

- Any other property interest which is not readily marketable;
- Gifts that require the expenditure of significant FCF funds; and
- Gifts-in-kind. Before acceptance, relevant information about the property shall be ascertained, including a copy of any appraisal secured by the donor. The FCF reserves the right to secure its own appraisal if necessary.

The FCF reserves the right to decline non-cash gifts or illiquid assets accompanied by a liability. No gift of real or personal property will be accepted if it causes the FCF to incur a financial or other obligation which the Vice President of Development and Alumni Engagement deems to be burdensome. In the event the Vice President of Development and Alumni Engagement should decide to accept a financial or other obligation, he/she shall so recommend it to the Board of Directors for its review and approval. The FCF reserves the right to sell personal property at any time unless otherwise agreed to with the donor.

V. GIFT ASSIGNMENT AND REPORTING

a. General Gift Assignment

All gifts will be recorded into the Foundation's constituent relationship management and fundraising software and accounting systems by donor, by donor's address, by class year (if applicable), by date, by gift type, by purpose, and by fundraising program.

In addition to recording all gifts, all documents related to a gift (e.g., wills, trusts, deeds, annuity agreements, contracts, correspondence establishing gift conditions, etc.) will be retained by the Office for Development and Alumni Engagement.

b. Consideration in the Assignment of Restricted Gifts

Gift restrictions must be approved by the Vice President of Development and Alumni Engagement or his or her designee. Gift restrictions must support the mission of the FCF.

Should ambiguities regarding a donor's intention exist, they will be resolved by the Development Office, in consultation with the donor and legal counsel "where necessary".

All restricted gifts will be recorded according to the assigned restriction. The donor's written instructions shall be made part of the donor's permanent record.

If a restricted gift commitment is not fulfilled within five years or according to the terms of the gift agreement, the gift will be used for a purpose similar to the intent of the original commitment.

c. Assignment of Unrestricted Gifts

The Board of Directors may internally designate unrestricted gifts to specific purposes. The Development Office will record these gifts in accordance with the purpose assigned, using the following guidelines:

Annual Fund gifts with no donor-imposed designations will be credited to the unrestricted gift income account and credited toward Annual Fund program goals.

Special or campaign gifts with no donor-imposed designations will be credited towards campaign goals and will be recorded accordingly.

Undesignated bequests will be assigned based on the amount of the bequest. Bequests of less than \$10,000 will be credited to the Annual Fund. Bequest of \$10,000 or more will be reviewed by the Vice President of Development and Alumni Engagement and credited to a designated account pending the results of the review.

VI. NAMING OPPORTUNITIES

Scholarship Endowments make it possible for Farmingdale State College to attract and retain the best undergraduate and graduate students, with need and or merit-based considerations.

Program Endowments support programs and special initiatives at Farmingdale State College which give the College a competitive edge. Endowments provide important funding for research, equipment, cultural enrichment for students and a variety of other programs that enrich the student experience at Farmingdale State College. Centers and Institutes may be named in recognition of an endowed gift or a gift of substantial size. The minimum amount for a particular center or institute is determined on a case by case basis and is dependent on the size and scope of the program's number of faculty, students and budget.

Buildings and Rooms may be named in recognition of an endowed gift. The minimum amount for a particular building is determined on a case by case basis dependent on the size and purpose of the building and with approval from the SUNY Board of Trustees.

VII. SPENDING POLICY

In any recommendations to appropriate funds from The Farmingdale College Foundation, the Investment Committee must consider, if relevant, each of the following factors:

- The duration and preservation of that fund;
- The purpose of The Foundation and that fund;
- General economic conditions;
- The possible effect of inflation and deflation;

- The expected total return from income and appreciation of investments;
- Other resources of The Foundation;
- Where appropriate, the alternatives to spending from that fund and the possible effects of those alternatives on The Foundation; and
- The principles and policies set forth in the Investment Policy Statement

The Farmingdale College Foundation is committed to maintaining a ratio that supports continued funding and maintains the current level of scholarships, programs, and services. To accomplish this, sufficient total return must be reinvested and new funds added to keep pace with cost increases and program expansions.

An investment account will be maintained for all other monies of the Foundation. A spending rate of 4% is established, not to exceed 6%.

VIII. ENDOWMENT POLICY

The Foundation follows generally accepted accounting principles and all legal requirements in its endowment management.

The Board of Directors of the Foundation, upon the recommendation of the appropriate committees, review and approve the policies and procedures governing the endowment gifts. All endowed funds established through the Foundation will remain the property of the Foundation and will be invested under the approved investment policy of the Foundation Board.

Funds must only be held and invested under the Board of Directors approved investment policies. No other unit of the College is free to establish their own endowment fund outside of the Foundation.

Endowments require a minimum gift of \$25,000 and a signed agreement between the donor and the FCF. Permanently restricted gifts must be maintained at their original value in perpetuity and are subject to the revisions of the New York Prudent Management of Institutional Funds Act (“NYPMIFA”). They may be limited by donor directed conditions that neither expire over time nor can be removed by the FCF, except as provided by law or as agreed to by the donor or otherwise prescribed by law. The distribution of income from endowments will be in accordance with the spending policy as approved by the Board of Directors.

The FCF will maintain all pledge documentation and copies of all endowment gift agreements. The donor receives a signed original of the endowment gift agreement and one original is maintained in the Office for Development and Alumni Engagement.

a. Distributions for Spending

Once an endowment account is opened, no spending distributions may be made from the endowment until the end of the following fiscal year. Investment performance will be credited based on actual investment return for that fiscal year less any fees.

b. Reclassification of Endowment

If the fund does not reach 100% of the required threshold of \$25,000 after three years, it may be re-categorized in accordance with the required thresholds and in consultation with the donor (if possible).

IX. INVESTMENT POLICY

The Farmingdale College Foundation (the “Foundation”) endowment is a testament to the generosity of alumni and friends and their faith in Farmingdale State College.

The mission of the Foundation’s endowment is to support the educational mission of Farmingdale State College and provide a reliable source of funds for current and future use. The endowment has two primary missions: first, the endowment assets must be maintained in perpetuity and, second, the endowment must achieve investment returns sufficient to support ongoing operations.

a. Responsibility and Authority

The Farmingdale College Foundation Board of Directors has primary fiduciary responsibility for the Foundation assets. The Investment Committee is responsible for recommending Investment Policy Statement (IPS) revisions and modifications to the Foundation’s Board of Directors for approval. The President and Treasurer are authorized to implement the IPS and engage in investment activities that are consistent with this IPS.

The Investment Committee:

- Prepares and maintains the IPS and objectives;
- Prepares the RFP to hire an investment company;
- Controls and accounts for all expenses associated with the Investment Plan;
- Ensures that proper internal controls are developed to safeguard assets;
- Avoids prohibited transactions and conflicts of interest;

b. Investment Objective

The Board of Directors of the Foundation is committed to the prudent management of endowment funds. This IPS establishes guidelines for the administration and investment of the Foundation’s endowment fund and assures that goals are met in a prudent manner, consistent with the established guidelines.

The Foundation's Investment Plan, net of fees, seeks to outperform the spending rate (established annually) plus inflation (as measured by the Consumer Price Index (CPI)).

b. Investment Advisor

An Investment Advisor serves as an objective, third-party professional to assist the Board in managing the overall investment process. The Advisor is responsible for guiding the Board through a disciplined and rigorous investment process to enable the Board to meet its fiduciary responsibilities as outlined above. The Advisor:

- Performs with complete transparency and superb client service;
- Recommends an appropriate asset allocation;
- Recommends the appropriate asset class strategies;
- Hires and monitors fund managers to implement asset allocation and asset class strategies;
- Takes corrective action by terminating fund managers if appropriate;

The Investment Advisor works with fund managers to invest Foundation assets in a manner consistent with applicable laws and regulations, this IPS, and other governing documents. The Investment Advisor will provide this IPS as well as investment guidelines to all fund managers and instruct each to review this IPS and notify the Board of any inconsistency between these policies and agreements, investment guidelines or other documents governing the fund manager's services to the Foundation.

Authorized Investment and Portfolio Restrictions:

- All investments must be denominated in U.S. dollars;
- Deposits (checking), savings, and certificates of deposit (CD's) issued by any of the financial institution must appear on the List of Authorized Depositories;
- U.S. Treasury obligations for which the full faith and credit of the U.S. Government is pledged for the repayment of principal and interest;
- The Foundation may only invest in the stocks of those companies listed on approved indices such as Russell or Standard & Poor's. This restriction does not apply when investing in diversified mutual funds, commingled or separately managed account portfolios.
- Government agency obligations included in the following list:
 - Federal National Mortgage Association (FNMA)
 - Federal Home Loan Bank
 - Federal Farm Credit Bank and related Farm Credit obligations
 - Financing Corporation
 - Government National Mortgage Association (GNMA)
 - Resolution Funding Corporation
 - Student Loan Marketing Association
 - World Bank Bonds
 - Corporate and government issued bonds and notes with an average credit quality of A or above as rated by Moody's or Standard and Poor's.

d. Asset Allocation

In establishing the asset allocation and its implementation, the Committee shall consider the following factors, if relevant, as required by New York Prudent Management of Institutional Funds Act (NYPMIFA):

- General economic conditions;
- The potential impact of inflation/deflation;
- The expected tax consequences, if any, of investment decisions or strategies;
- The role of individual investments in the context of the overall portfolio;
- The expected total return from income and the appreciation of investments;
- The overall resources of the Foundation;
- The needs of the Foundation to make distributions and preserve capital;
- The relationship of any given investment asset to the mission/purpose of the Foundation.

Strategic asset allocation is the principal method for achieving the Foundation's investment objectives, while maintaining an appropriate level of risk. The Board has studied the projected impacts of several feasible asset allocation policies, and has discussed the potential implications regarding the impacts on the Foundation's spending. After careful discussion, the Board has selected the below asset allocation.

The asset allocation policy is reviewed by the Investment Committee at least annually, with an extensive asset allocation project conducted every three to five years. A review may be brought forward if significant changes occur affecting the Investment Plan, or the Foundation's financial position.

Asset Class	Lower Range (%)	Upper Range (%)
Equities	40	60
Fixed Income	35	50
Alternatives	0	0
Cash Equivalents	0	15

e. Equities

The strategic role of equities is to:

- Maintain a diversified exposure within the U.S. stock market;
- Diversify the asset class across U.S. and global equity markets to ensure exposure to a wide range of investment opportunities; and participate broadly in U.S. and international stock markets;
- Maintain capitalization and style exposures similar to those of the respective benchmark indices;

- Retain active equity management with diversification provided through multiple fund managers and strategies.

f. Monitoring and Control

- The returns for the asset class are calculated monthly and reported quarterly to the Investment Committee and the Board to monitor progress towards longer term investment objectives.
- Due diligence meetings with each fund manager are held at least annually by the Investment Advisor to review portfolio results, as well as to discuss guidelines and expectations.
- Consistent inability to meet investment objectives or significant organizational events will trigger a review and evaluation of the relationship.

g. Fixed Income

The strategic role of fixed income is to:

- Diversify equity exposure by investing in fixed income securities with lower volatility than equities;
- Maintain a diversified exposure within the U.S. fixed income market;
- Diversify the asset class across U.S. fixed income markets to ensure exposure to a wide range of investment opportunities and participate broadly in U.S. fixed income market returns;
- Maintain a blend of high-quality bonds with a duration that is similar to that of the respective benchmark index;
- Retain active fixed income management with diversification provided through multiple portfolio managers.

h. Spending Policy

The Foundation spending policy was developed to meet several objectives, namely to:

- Provide a current source of funding for scholarships and program support;
- Provide year-to-year budget stability;
- Protect the future purchasing power of the fund against the impact of inflation.

The Foundation does not follow a specific rule for determining the spending policy. Each fiscal year, a stated payout percentage is calculated that, when applied to average market values, will result in actual payout dollars that meet program objectives. The combination of spendable income rate, anticipated expenses and allowance for inflation should not exceed expected returns.

i. Rebalancing Policy

Quarterly rebalancing is a critical element in controlling the long-term asset allocation of the endowment. The Portfolio Rebalancing Policy will be implemented in a systematic and disciplined fashion using the following guidelines:

- In the case of an asset class being below its minimum constraint, monies will be invested in that asset class to bring it back toward its target allocation. The

portfolio manager will use cash flow to rebalance whenever feasible. When cash is not readily available to facilitate the rebalancing, the manager will trim the asset class that is most overweight.

- In the case of an asset class being above or below its stated range, then over the subsequent two quarters, the portfolio manager will attempt to rebalance back within the stated range.
- In a market characterized by extreme volatility in which one or more asset class minimum and/or maximum constraint is exceeded, the investment advisor will recommend an alternative rebalancing plan subject to the Foundation's approval.

j. Risk Tolerance

Recognizing the challenge of achieving investment objectives in light of the uncertainties and complexities of the investment markets, the Board recognizes some risk must be assumed to achieve long term investment objectives. In establishing risk tolerances of the IPS, the following factors affecting risk tolerance and risk objectives were considered by the Board:

- The Foundation's ability to withstand short and intermediate term variability;
- The Foundation's prospects for future contributions;
- The Foundation's anticipated spending rate.

k. Time Horizon

The Investment Plan strategic asset allocation policy is based on the long-term perspective. The investment guidelines are based upon an investment horizon of five years.

l. Fund Manager Selection

- Fund managers should be a regulated bank, an insurance company, a mutual fund organization, or a registered investment professional;
- Investment products should be highly correlated to the asset class of the investment option;
- Fund manager's performance should be evaluated against the appropriate market index and against peer group's median manager return over rolling five-year time periods;
- Expense ratios/fees should be appropriate for the specific asset class and peer group;

m. Reporting

Fluctuating rates of return characterize the securities markets, particularly during short term time periods. Recognizing that short term fluctuations may cause variations in performance, the Board will evaluate investment performance from a long-term perspective.

- The Investment Advisor will provide quarterly statements to the Foundation summarizing performance for the quarter;
- The Investment Advisor will meet annually with the Foundation Board to review the portfolio and results;
- The health of the Investment Plan will be monitored quarterly by comparing the value of Foundation assets against the expected spending rate plus inflation (as measured by the Consumer Price Index (CPI)) and tracking the changes in each;
- The Investment Plan return will be monitored quarterly in order to assess the impact of financial markets on the value of Investment Plan assets, and to help assess the effectiveness of the Investment Plan strategy;
- The Investment Advisor will provide an annual review of the Investment Plan strategy and fund managers. This review should cover all aspects of the Investment Plan strategy from the level of risk between expected spending rate and assets, down to the performance and stability of individual investment products or fund manager assignments;
- Any change to this policy will be communicated in writing on a timely basis to all interested parties;
- The returns for the asset class are calculated monthly and reported quarterly to the Board to monitor progress towards longer term investment objectives;
- Consistent inability to meet investment objectives or significant organizational events will trigger a review and evaluation of the investment advisor.

n. Measuring Costs

The Investment Committee will conduct an annual review and report to the Board on all costs associated with the management of the Investment Plan, including:

- Expense ratios or fees of each investment product against the appropriate peer group;
- Investment Advisor fees;
- Operational and administrative expenses;
- Custody and trust fees.

X. PROCUREMENT POLICY

The Farmingdale College Foundation and SUNY policies require disbursements to be reasonable business expenses that support the campus, are consistent with donor intent, are adequately documented, and do not conflict with the law. In addition, the Foundation requires the Auxiliary Support Corporation, which provides administrative support, to have written policies and procedures for procurement.

Travel and Entertainment Expenses

This policy ensures that employee travel is consistent with the business objectives of the Farmingdale College Foundation. It also ensures fair and equitable treatment of all

employees by defining procedures for authorized business travel and guidelines for expense reimbursement.

Employees traveling on Foundation business must complete an expense report where reimbursement is requested. Employee travel and the associated expenses will be authorized for expenses that support the campus, are consistent with donor intent, are adequately documented. It is the responsibility of each Director to ensure that all employee travel meets this objective and that reimbursement is made only for actual, reasonable business expenses in connection with authorized travel as defined in this document.

In order to maintain control over expenditures, any expense submitted which does not comply with the guidelines of this procedure will not be reimbursed, unless accompanied by a valid exception signed by the Vice President. All reimbursement requests have the potential for review by internal and external auditors. All reimbursement requests are reviewed in detail for proper completion by the Foundation Accountant. A written request for reimbursement must be submitted in a timely manner from the last date of travel (within 30 days). A receipt must be provided for each expense.

Implementation and Responsibility

Directors should know current travel policy and inform their staff of the correct policies and procedures, determine if travel is necessary to achieve goals of the College and Foundation, and approve expenses in accordance with policy.

Employees must keep all itemized receipts to request reimbursement from the Foundation and submit an expense report in a timely manner, generally within 30 days of incurring the expense. All travel reimbursements will follow current state and SUNY guidelines. Persons using travel agents should make the reservations and pay for them personally, then submit a request for reimbursement upon completion of the travel. Expenses may not be charged to an account in the name of the Foundation. Travel expenses incurred by or for the benefit of a nonresident alien must comply with the policy stated. Personal preferences are accommodated when possible; however, they are secondary to the Foundation's travel guidelines. Cash advances are prohibited for travel expenses.

a. Travel Expense

A travel authorization form must be completed and submitted to the Vice President for pre-approval. The traveler must receive via email the approved travel authorization form prior to booking any related travel.

b. Air Travel

When requesting reimbursement for airfare, a copy of the fare confirmation must be attached to a properly completed expense report as well as boarding passes.

Managing the traveler's air miles accounts is the responsibility of the traveler. Airline miles earned while traveling on Foundation business are retained by the traveler. Frequent flyer miles or benefits are not reimbursable by the Foundation, even if they are used on Foundation business. Airline club memberships are not reimbursable by the Foundation.

Flying coach class is the standard for all domestic flights, unless a medical condition necessitates upgraded travel (physician's note required). Personal miles or coupons can be used to upgrade to first class, or a traveler may opt to pay personally for the price difference between coach and first class. The entire ticket may be charged to the Foundation, and it is the responsibility of the traveler to enter that cost differential as a personal expense.

c. Auto Rental

The most cost-effective, safe, and efficient ground transportation is to be used. Reimbursement rates will follow SUNY guidelines. When requesting reimbursement for auto rental, a copy of the rental agreement showing rental amount must be provided as documentation, as well as an Expense Report. In general, a midsize car is the preferred car type; however, the size and type of the rental car should be appropriate for the number of people in the car and the road conditions on which it will be used. When renting cars domestically, you are allowed to purchase rental car insurance; this is a reimbursable expense, the Foundation does not maintain car coverage.

E-Z Pass. Do not utilize the E-Z pass from the car rental company; use your personal E-Z pass or cash toll.

d. Personal Auto Reimbursement

When employees use a personal vehicle on approved College business, the Foundation will reimburse mileage at the current rate authorized by the State of New York.

e. Tolls and Parking

Tolls and parking paid by the employee while traveling on Foundation business are reimbursable from Foundation funds. If a trip is extended for personal reasons, the tolls and parking for that portion of the trip are not reimbursable. A receipt for all tolls and parking must be provided with the reimbursement request. Transportation costs of non-business guests are not reimbursable and may not be paid by the Foundation. Accommodations for personal guests (such as a child car seat) should be arranged by the employee.

f. Meals

In order to be reimbursed by the Foundation, the Internal Revenue Service must consider meal expenses as deductible business expenses. The expense must be incurred for a clear business reason. Business meals away from home or meals incurred while traveling on business are reimbursable if the travel includes being away from home.

Meals consumed away from home (e.g. breakfast eaten at home prior to traveling out of town) are not reimbursable. Business meals consumed while at home are not normally reimbursable by the Foundation.

IRS allows certain exceptions. The primary exceptions are:

- A staff member has a meal with a prospective donor or volunteer.
- A staff member has a meal with a representative of an external business-related organization to discuss matters of benefit to the College.
- A staff member has a meeting with a business purpose and the meal is consumed during that meeting.
- The cost of a meal for a spouse may be reimbursable if there is a clear business purpose, rather than a personal or social purpose for the spouse's attendance (tax standard; reimbursable if "impractical to entertain for the business purpose without the spouse").

IRS does not consider the following meals reimbursable:

- Meals furnished to promote goodwill or boost morale.
- Meals that have no business benefit to the College.

Limitations for Meal Expenses

While employee is traveling and dining alone or with other Foundation employees, meal allowances based on location of lodging may still be claimed. An itemized receipt for meal purchases is required.

Meal limits may be exceeded with approval from the Foundation's Vice President. Please cite the approval when documenting the business purpose for the expense.

Best practices for Meal Expenses

When more than one Foundation employee is present at a meal, the most senior staff member should pay the bill.

Non-Business Meals

Meals for non-business guests are not reimbursable and may not be charged to the Foundation.

Requests for reimbursement of meal expense must include an itemized receipt, an explanation of the business purpose, names and relationship of those attending, and the date and location. A completed expense form must be submitted. Any such meal expense must not be lavish or extravagant in accordance with both IRS and Foundation policies. It is important to judge all expenditures in light of our responsibility to our donors and to SUNY.

Gratuities

Gratuities will be reimbursed if the amount appears reasonable. Gratuities must be calculated on the amount of the bill before sales tax. Gratuities up to a maximum of 20% will be reimbursed. If the gratuity is more than 20%, a written explanation should be submitted with the Expense Form as to why it was more.

Alcohol Expense

Purchase of alcohol for students is prohibited. This applies to both undergraduate and graduate students. Please note that if alcohol is served at an event where students are present, a memo stating that no alcohol was served to students is required and must be sent with the reimbursement request.

g. Lodging

When requesting reimbursement for lodging, a detailed billing must be submitted with the expense form. The Foundation will only reimburse for the room, surcharges and related taxes associated with the lodging, not for personal expenses such as movies, etc. If it becomes necessary to cancel the lodging reservations, it is the responsibility of the employee to cancel hotel reservations within the hotel cancellation policy time frame. Fees assessed due to the employee's failure to properly cancel are not reimbursable by the Foundation. It is acceptable to pay for multiple employees lodging on a single check; however, individual expense reports are still required after completion of the trip.

No reimbursement for overnight accommodations will be made within 35 miles of the travelers' office and/or residence. Lodging may be shared with non-business guests. Accommodations for personal guests such as different room types, extra rooms, and other special amenities should be arranged by the employee. Expenses for spouses will not be paid by the Foundation. Lodging expense for [spouses] will be allowed if there is no difference in the room rate of a single or double room. The employee will be responsible for any additional lodging costs. Meals and any other expenses for the spouse will not be reimbursed.

All lodging should be within the NYS per-diem rate. This is the maximum guest rate per night NYS allows you to spend by geographic location. Lodging that is over the allowable rate is required to have justification. Sharing a room is allowed in order to stay within the per-diem rate and/or if there is limited funding.

h. Telephone calls, faxes and internet service

The Foundation will reimburse telephone calls, faxes and internet service used for business purposes only. Employees should use their best judgment in limiting personal calls while traveling. A written explanation must be provided with the reimbursement request. Internet connectivity in hotel, airplanes, and other public places while traveling on behalf of the Foundation is reimbursable. Employees should be mindful of security issues surrounding wireless connectivity.

i. Non-reimbursable expenses

All expenses are reviewed for appropriateness to the business function of the university and its related entities. Non-reimbursable expenses include, but are not limited to, the following:

- Airline club dues
- Airline upgrades
- Hotel frequent-stayer clubs
- Rental car club membership fees
- In-room or in-flight movies
- Fines for traffic violations
- Parking citations
- Stowing charges
- Fees/fines due to employee negligence
- Air or personal cell phone charges, except in emergencies
- Costs of commuting to/from work/home
- Personal travel expenses, including sundries or recreational reading • Insurance on life or personal property while traveling
- Purchase of clothing and/or other personal items, gifts
- Expenses for family, child, pet, home and property care while on a trip
- Lost/stolen items, travel expenses for children/spouse/companions
- ATM/Cash Advance fees

If in doubt as to whether an expense is reimbursable, please call the Foundation Office.

j. Payment Options

Personal Resources

A request for a reimbursement for expenses paid out-of-pocket must be submitted with the Expense Form. However, these reimbursements must be submitted for payment within 30 days of the time of the expense.

Expense Reporting

Each traveler is solely responsible for the timely reconciliation of his or her expense report and providing full documentation as verification of each expense. Requests for reimbursement for travel and entertainment must comply with IRS regulations. Reimbursements subject to tax consequences are considered salary supplements.

- Original receipts must be submitted. If you are missing a required receipt, please call the merchant to obtain a copy. No expenses submitted more than 30 days after they were incurred are reimbursable.
- An itinerary should also accompany the expense report.
- Receipts should be dated and have the vendor's name pre-printed on them.

- Hotel bills must be itemized, with business expenses indicated.
- Receipts for meals must be itemized and clearly indicate the names of all who attended the meal, their relationship to the College, the business purpose, and the expected benefit to the College. IRS regulations require detailed information for such reimbursement. Please be specific to expedite our reimbursement process.

If you have any question or need more information, please contact the Foundation Office to discuss prior to submitting an expense report.

k. Purchasing Procedures

Direct Purchases

For those purchases made directly, the invoice should be processed for payment using a Farmingdale ASC Requisition form.

Note: Since Farmingdale College Foundation is sales tax exempt, all expenditures are exempt from New York State sales tax.

Upon receipt of a vendor invoice, the appropriate Development staff completes and signs the ASC Requisition form, attaches the original invoice, and submits these to Auxiliary Services Corporation (ASC). The appropriate staff at ASC enters the information into accounting systems, and prepares the check. The check is returned to the Foundation office for forwarding to the payee.

l. Supplies

Central Receiving/Mail/Stores is a campus operated facility, whose goal is to provide services to the campus community including delivery services for all goods received and general office supplies. Central Stores provides office supplies that are purchased on a repetitive basis to the campus community. Before ordering from another source, view the office supply list available at Central Stores. If the items are in stock, campus departments must complete the request for office supplies form and submit by email; mailsupply@farmingdale.edu, fax to 934-420-5101, or interoffice mail. Once orders are received, items will be pulled and delivered. Orders are generally completed within twenty-four (24) hours after receipt of the department request.

m. Dollar Amount Thresholds

Up To \$2,500

The requester may choose the vendor without obtaining quotes from competition.

\$2,500.01 To \$25,000

The award is based upon reasonableness of price or comparative quotations. Written documentation of reasonableness of price or at least three written quotations are required. If there is no competition available, a sole source justification or reasonableness justification with requisition or requisition number written on it is

required. All documentation is to be kept within the department initiating the requisition.

Reasonableness of Price can be determined by (but not limited to):

- Comparing the quoted price with the price for the same or similar item or services within the last six months.
- Comparing the quoted price with prices in various wholesale/retail publications.
- Reviewing the commodity and/or service that was previously accepted by the College at a similar price.
- Comparing the price as offered with the current market value of the same product.

\$25,000+

For purchases of \$25,000 and above, a formal bid is required with the approval of the Executive Committee of the Foundation Board.

XI. PAYROLL POLICY AND PROCEDURES

As of July 1, 2018, the Foundation no longer has payroll.

XII. INVENTORY POLICY AND PROCEDURE

Significant property or equipment purchases require Foundation Board approval.

a. Non-Monetary Gifts to Farmingdale State College

Non-monetary gifts (i.e. gifts of personal property or real property) to the Farmingdale College Foundation will be reviewed prior to acceptance by the Office for Development and Alumni Engagement. The SUNY gift acceptance policy does not apply to MONETARY gifts given to the Farmingdale College Foundation.

- Non-monetary gifts to the College will be reviewed by the campus designee prior to acceptance to assess possible risks inherent in acceptance of the gift and the costs to the College that may result from acceptance. Upon acceptance of the gift, the designee will fill out a Statement of Acceptance and provide the donor with a copy.
- Non-monetary gifts valued greater than \$100,000 must also be reviewed by the SUNY Comptroller's Office. The campus should accompany the gift acceptance request with a description of the gift, the purpose for which it will be used, and a list of any restrictions associated with the gift.

b. Gifts-in-Kind - Personal Property

- Charitable gifts-in-kind offered to the College should be reviewed with the Office for Development and Alumni Engagement prior to acceptance. The receiving department should complete a Gift-in-Kind Transmittal Form when the item(s) has been received.

- Gifts-in-kind received by the Farmingdale College Foundation that are used in College operations should be transferred to the College.
- The Foundation will provide to the College's Property Control Custodian a list of donated assets that has been transferred to the State. The list will include asset descriptions, their fair market value, and location for entry into the Property Control System.

c. Valuation

- Donations of personal property are recognized at fair market value.
- The fair market value may be determined by the donor by appraisal, invoices, or other independent means as required by the IRS.

d. Works of Art, Rare Books and other Unique Gifts

These items normally have very limited liability associated with their use by the College and title remains with the Farmingdale College Foundation.

- There is no requirement to enter these items into the Property Control System. The Library has its own inventory systems.
- The campus designee in the library can accept gifts of books, periodicals, and documents which will be useful additions to the College Library. This procedure does not apply to gifts such as these.
- Title will remain with the Farmingdale College Foundation. De-accessed assets must follow the deaccession policies of the College Library. Any net proceeds from the sale of Farmingdale College Foundation assets must be used to support programming related to the general purpose of the gift.
- FCF may approve donations of art only after a review by the Public Art Committee of the College indicates that the property is either readily marketable or that supports the mission of the College. The FCF will sell or otherwise dispose of all gifts of personal property immediately or as soon as practical. The intention to either sell the property or to retain and use it shall be communicated to the donor in writing at the time of the gift. The FCF must file IRS Form 8282 for gifts of tangible property valued over \$5,000 if the item is sold within three years of the date of the gift.

e. Real Estate - Real Property

- Gifts of land and buildings can be made to either Farmingdale State College or to the Farmingdale College Foundation.

- If the title of the property is transferred to Farmingdale State College, it can be accepted by the campus designee (President of the College or CFO) and should also be submitted to the SUNY Office of Philanthropy for review.
- If the gift is made to the Farmingdale College Foundation, it must be reviewed and accepted by the Farmingdale College Foundation Board.

f. Asset Identification and Property Control

All assets, whether received directly from a donor or purchased with donor funding, that are valued greater than \$5,000 and used in State (College) operations will be affixed with State Property Control tags.

The inventory policy establishes a process for the recording, identification and accountability of all assets over \$1,500 to be capitalized and depreciated. Inventory is recorded into accounting systems and depreciated over the required time.

The policy requires that:

- Equipment control records be maintained and identify usage and location.
- Periodic physical inventories shall be done twice annually.

g. Disposal of Assets

A “Disposal of Asset” document must be completed to dispose/surplus equipment and to remove equipment from campus inventory list. The document must be signed by the Vice President for Development and Alumni Engagement and either the Foundation Chair or Treasurer as a second authorized signer. A copy of the document is then sent to Physical Plant notifying them to dispose/surplus the asset. A copy is also sent to the Campus Inventory Control Clerk notifying them to remove the item from the campus inventory list.

XIII. AGENCY ACCOUNTS

The Farmingdale College Foundation does not currently have any agency accounts.

March 2021