



# Medical College of Georgia Foundation, Inc. Gift Acceptance Policy

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## Overview

The Medical College of Georgia Foundation, Inc. (“Foundation”) was founded on October 19, 1954, as a non-profit corporation with a mission to support and advance the activities of the Medical College of Georgia at Augusta University and Augusta University Medical Center (collectively, the “Institution”). This Gift Acceptance Policy aims to establish the standards by which gifts are reviewed, accepted, and processed by the Medical College of Georgia Foundation.

While this document is intended to provide guidance to all Institution personnel regarding acceptance of prospective gifts, donors are ultimately responsible for ensuring that a proposed gift furthers their charitable and financial goals and are encouraged to seek the advice of independent legal and financial counseling in the gift planning process. It is not within the province of the Foundation or the Institution to give legal, accounting, tax, or other advice to donors or prospective donors.

The Foundation shall not accept any gift that obligates it or the Institution to violate any local, state, or federal law or regulation. If at any time a donor, or their name, may compromise the public trust or the reputation of either the Foundation or Institution, including acts of moral turpitude, the Foundation, with the approval of the Board of Directors, has the right to remove the name or return the gift.

## Tax Status

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The Foundation is an independent, tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (“IRC”) and is a separate entity from the Institution. It is considered a public charity under IRC sections 509(a)(1) and 170(b)(1)(A)(iv), and, therefore, gifts are deductible under IRC Section 170(b). Gifts to the Foundation are tax-deductible over the value of any goods or services provided by the Foundation or Institution following Internal Revenue Service regulations.

## Receipt of Gifts by Departments

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Collection of gifts from donors directly by an Augusta University department is strongly discouraged. If a donor makes a gift directly to an Augusta University department, the department administrator must immediately contact the Augusta University Office of Philanthropy and Alumni Engagement for instructions. They can be reached by email at [philanthropy@augusta.edu](mailto:philanthropy@augusta.edu) or by phone at 706-721-4001.

## Definitions

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Bequest – A gift of real or personal property made at death by a will or a trust.

Real Property – A parcel of land and everything that is permanently attached to the land.

Personal Property – All property other than Real Property (i.e., cash, securities, books, equipment, etc.)



**Gift** – A voluntary transfer of property made without consideration, which may or may not be restricted to its use. The term “Gift” as used in this Policy includes transfers of funds and property made by a donor directly to the Foundation without expectation of tangible or economic (except tax) benefit.

**Cash** – Money, currency, checks, money orders or cash equivalents.

**Securities** – Stocks, bonds, options, warrants, notes, or similar instruments, either publicly traded on an exchange (public) or not publicly traded (private).

**Gift-in-kind** – A gift that is a tangible item, for example, a work of art, equipment, or a literary collection.

### ***Gift Acceptance***

The Foundation is obligated to use gifts in a manner consistent with the stated intentions of the donor. A gift to the Foundation implies no responsibility to deliver a product, service, technical or scientific report, or intellectual property rights to the donor. The donor may direct the gift to a specific fund or be designated as an unrestricted gift to fund the operations of the Foundation and areas of greatest need as determined by the Board of Directors. The Foundation cannot accept contributions into a fund with further restrictions than the fund’s purpose outlined in the fund agreement. The Foundation’s policy is that any gift given that does not indicate a specific fund or instruction from the donor on how the funds should be used will be considered an unrestricted donation.

A stewardship report for endowments, including account balances and scholarship recipients, if applicable, is provided to major donors annually. The Foundation is responsible for obtaining appropriate documentation to substantiate donor tax deductibility. Note that, per IRS regulations and Publication 526, the Foundation cannot accept gifts to benefit a specific individual or their respective research. For example, the Foundation cannot accept donations into a scholarship fund to be directed to a particular student.

All donors who make a tax-deductible gift will receive a tax acknowledgment letter mailed to the donor address on file.

### ***Cash and Cash Equivalents***

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All gifts made to the Foundation in the form of cash, checks, money orders, traveler’s checks, electronic fund transfers, and credit or debit card transactions shall be received at face value and will be recorded, receipted, and acknowledged by Foundation cash handling internal control policies and current IRS and FASB regulations. Credit card donations may be made via our Foundation website located at [www.mcgfoundation.org](http://www.mcgfoundation.org). Checks with missing information (date, amount, or signature) will be returned to the donor and cannot be deposited by the Foundation. All checks should be made to the Medical College of Georgia Foundation, MCG Foundation, or the legal fund name the donor wishes to donate to. The Foundation cannot deposit checks made to Augusta University, MCG, or any other entity without written confirmation from the donor that the funds were intended for the Foundation. Such checks will be returned to the donor or applicable department if confirmation cannot be obtained within a reasonable time. Donors who hand-deliver cash to be deposited at the Foundation may receive a receipt reflecting the gift amount.



When depositing checks at the Foundation, departments should include a Deposit Form on the Foundation website, which provides all the necessary information to process deposits. The Foundation deposits cash gifts within one week of being received at the office. Missing or inaccurate information on the check may delay the processing of the gift.

### ***Non-Cash Gifts***

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The Foundation accepts non-cash gifts, including tangible personal property and real property, that are free and clear of liens or any other conditions preventing the sale of the assets with approval from the Foundation President/CEO. Prospective donors are encouraged to discuss proposed gifts of non-cash assets with the Foundation before their donation to ensure the gift can be accepted as intended by the donor.

All donors of non-cash assets should consult with their personal tax or financial advisor regarding the completion of IRS Form 8283, which requires filing for all non-cash gifts over five hundred dollars (\$500). The Foundation requests that the donor provide a completed copy of Form 8283. If the donor must complete Section B (for donated property over \$5,000), parts I and III must be completed by both the donor and the donor's appraiser before the Foundation completes Part IV. The appraised value, as determined by an independent appraiser, is used by the Foundation to record the value of the gift.

Note that the Foundation cannot provide tax advice, and donors are responsible for consulting with their own tax or financial advisors regarding the tax deductibility of their gift.

### ***Tangible Personal Property***

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Gifts-in-kind of tangible personal property include, but are not limited to, works of art, books, scientific equipment, and jewelry. All such gifts must have an overriding philanthropic intention to be accepted by the Foundation. Donors must submit a Gift-In-Kind Transmittal Form to the Foundation for the Foundation to accept the gift. If the approximated value equals or exceeds \$5,000, an appraisal must accompany the gift. The donor is responsible for establishing the value of the gift for tax purposes. Upon receipt of a gift of a tangible asset, the Foundation will provide the donor a tax acknowledgment letter reflecting the date and description of the gift but not an estimated value of the gift.

### ***Real Property***

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All gifts of real property (also called real estate), such as land, its natural resources, and any permanent buildings valued over \$5,000, shall be accompanied by an appraisal from a qualified independent appraiser establishing the gift's fair market value. The appraisal should be dated within 60 days from the gift date. In addition to an appraisal, please complete the Acceptance of Property Form on the Foundation website. All real estate gifts must be accepted by the President/CEO of the Foundation, as well as the Foundation Real Estate Committee. The Foundation will record the real estate gift at its fair market value as established by the independent appraiser. If the Foundation sells the real property (for which it signed a Form 8283) within three years from the date of the gift, the sale must be reported to the IRS on Form 8282.



## ***Publicly Traded Securities***

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The Foundation will accept all publicly traded securities based on the total fair market value

Gifts of publicly traded securities will be recorded as the mean of the highest and lowest selling prices quoted for the stock (as reported by recognized public securities exchanges) on the date the gift is transferred to the Foundation.

Gifts of publicly traded securities will be acknowledged to the donor in writing by identifying the names(s) of the securities, the actual number of shares given, and the total value of the gift to the Foundation. Upon receipt of a gift of securities, Foundation staff shall fulfill brokerage requirements for immediate sale of the securities as soon as practicable by the Foundation investment managers.

## ***Bequests***

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Bequests are gifts of property or cash made through a donor's will, generally received from an estate, trust, life insurance policy, retirement plan asset, or commercial annuity, and will be recorded at the total cash value of the gift by the Council for Advancement and Support of Education (CASE) guidelines 1.3.8

Irrevocable bequest expectancies: The Foundation accepts irrevocable bequest expectancies that are made to further the mission of the Institution. The Foundation President/CEO shall review such gifts before acceptance. The legality of the bequest will be based on appropriate law and may be reviewed by Foundation legal counsel for consideration. These gifts must include a copy of the irrevocable bequest agreement and a copy of the will, trust, etc. The Foundation will follow CASE guidelines 1.3.8 for reporting purposes, which states that (for reporting to the VSE) bequest expectancies must have a dollar amount, not a percentage of an estate. The gift will be valued at total face value at the time the gift is realized.

## ***Life Insurance***

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The Foundation accepts gifts of whole life, universal life, or term life insurance policies. Each donor has the opportunity to designate how the death benefit from his/her policy is to be used by the Foundation in a way that is consistent with the needs of the Institution. These benefits may be designated unrestricted, restricted for a particular purpose, or directed to a new or existing fund. The Foundation maintains all records, including insurance policies, contribution schedules, and donor designation of death benefits. The Foundation is responsible for premium payments and will not pay a premium until the donor has made the corresponding donation to the Foundation. Before acceptance, all gifts of life insurance must be approved by the President/CEO of the Foundation.

Gifts of Life Insurance are subject to the following terms:

- The donor (or owner) must relinquish all ownership and document that the Foundation is irrevocably the sole owner and beneficiary of the policy.
- The policy insures only the life of the donor and the donor's spouse.
- There can be no outstanding loans on the policy.
- The policy may not have an automatic loan provision attached.



- The policy must be a permanent life policy.
- A donor may gift an existing, fully funded insurance policy or an insurance policy in which the donor pays premiums during the policy's life.
- If the policy is not fully funded at the date of the gift:
  - The policy must have a minimum face value of \$100,000.
  - The policy must have a premium payment schedule to fund the policy fully within five (5) years (enabling the Institution to count all anticipated payments within a comprehensive campaign.)
  - The donor must sign a pledge agreement to pay the Foundation any additional premiums that may be required as they become due.
  - Premiums must be gifted to the Foundation, which will, in turn, submit premium payments to the insurance company
  - It is understood that the Foundation shall not be responsible for making premium payments if a donor ceases to complete the payment schedule of the policy.
  - If the donor does not make the annual gifts to make the premium payments, causing the policy to lapse, then the Foundation shall have the right to alter or surrender the policy. If the policy is reduced or surrendered, the gift record shall be reduced or written off accordingly.

### ***Life Income Gifts***

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Life income gifts comprise irrevocable Charitable Remainder Trusts (“CRT”) (either annuity trusts or unitrusts) in which the Foundation agrees to serve as trustee. In a charitable remainder trust, an individual (the “Grantor”) transfers cash to a trust, either for a specific timeframe or for the lives of named individuals. The trust is a legal arrangement that creates a fiduciary relationship in which the legal owner of the account, the trustee, holds and manages the trust for the use and benefit of the non-charitable beneficiary during the term of the trust or life of the Grantor. The trustee invests the money, and a specified amount is paid to the non-charitable beneficiary (usually the Grantor) based on the type of CRT created. At the end of the trust term, any amount remaining is distributed to the Foundation for the specific purpose outlined by the Grantor, either in the trust agreement or a separate gift agreement.

Life income gifts are subject to the following terms:

#### **Charitable Remainder Annuity Trust (CRAT):**

- Distribute annually to the non-charitable beneficiary
- Distribution is a fixed percentage of at least 5 percent of the initial value of the trust asset
- Donors may not make additional contributions to the trust after the initial contribution

#### **Charitable Remainder Unitrust (CRUT):**

- Distributes annually, semi-annually, quarterly, or monthly to the non-charitable beneficiary
- Distribution is a fixed percentage of at least 5 percent of the initial value of the trust asset for the first year
- After the first year, distributions are revalued based on the balance of trust assets
- Donors may make additional contributions to the trust





The following must be presented to the Foundation for review by the Foundation President/CEO and legal counsel before accepting Life Income gifts:

- Records concerning the trust/annuity agreement
- Life income payment schedules and recipients
- Investment statements
- Tax documents

Upon acceptance, a CRT gift will be recorded and receipted at the present value of the Foundation's remainder interest on the date the CRT is established. The Foundation will then establish the trust/annuity account with a financial institution, transfer the life income gift to the trust account, and provide the donor with a tax-acknowledgment letter, tax documents, and life income distributions. When the life income gift matures, and in the case of a CRT, proceeds are received, the Foundation will ensure that the donor records system is updated to reflect the trust/annuity's maturation and receipt of proceeds.

The Foundation does not accept real estate gifts held inside a CRT.

### ***Pledges***

The Foundation accepts pledges of donations over \$5,000 with a maximum pledge period of no more than five (5) years from the pledge date. Pledges may be designated unrestricted, restricted for a particular purpose, or directed to a new or existing fund. If a donor wishes to create a new fund with their pledged donations, they must submit a signed fund agreement form along with the pledge form, as well as make an initial contribution as required by the Foundation's Minimum Funding Requirements policy. All gifts being recorded against a pledge should indicate such so that the pledge payment is accurately processed against the pledge.

Pledges from faculty, staff, alumni, and friends should not include anticipated matching funds from employers and other third-party sources such as donor-advised funds and community foundations. Third-party gifts, such as employer-matching or donor-advised fund gifts, cannot be used to reduce pledge balances. The Foundation policy is to charge off pledges with no associated payments in three years. All pledges exclude transfers made from the Institution.

Completed pledge forms can be mailed to the Foundation office at 720 St. Sebastian Way, Suite 150, Augusta, GA 30901, or emailed to Angela Rees, COO/CFO, at [arees@mcgfoundation.org](mailto:arees@mcgfoundation.org).

### ***Payroll Deductions***

As part of the Institution's annual IGIVE campaign, the Foundation accepts gifts given via payroll deduction from Institution employees. The signed payroll deduction form should be returned to the Augusta University Office of Philanthropy and Alumni Engagement and include all necessary information to process the deduction accurately, including name, address, employee number, email address, designated fund(s), pay schedule information (exempt/non-exempt and pay frequency), employer (Augusta University or Augusta University Medical Center), duration of gift, and total amount of gift. The Philanthropy and





Alumni Engagement Office communicates the payroll deduction information to the applicable payroll department and provides the Foundation with the appropriate fund designations. Each month, the respective Payroll departments will send the Foundation a check with the previous month's payroll deductions. For tax purposes, a yearly statement of giving will be mailed to all Payroll Deduction donors by January 31<sup>st</sup> of the following year.

### ***Quid Pro Quo Contributions***

A quid pro quo contribution is a contribution in which the donor receives a personal benefit in return for their donation. Examples of this situation include when the Institution organizes a golf tournament, race, concert, dinner, or other activity as a fundraising event. Typically, an admission ticket or registration fee is charged in these situations over the actual value of the benefit received by the persons attending the event. In these cases, the amount of the payment received from the donor that exceeds the value of the quid pro quo benefit (i.e., meal, entertainment, etc.) provided to the donor will be considered a tax-deductible contribution.

The Institution is responsible for providing the Foundation with good faith estimates of the fair market value of the goods or services the donor receives. The Foundation, in turn, will give a tax acknowledgment letter to the donor stating the portion of the gift that is tax deductible. Note that, according to Revenue Procedures 90-12, benefits received in connection with a gift considered as having insubstantial value do not reduce the value of the gift for tax purposes. Examples of insubstantial gifts are annual dues (where the only benefit is discounted admissions) and token gifts (calendars, mugs, key chains, t-shirts, etc.) that do not exceed the low-cost article limits. Likewise, gifts made in exchange for naming rights are fully tax deductible. The cost of purchasing a raffle ticket is not deductible, regardless of whether the donor is the recipient of any prizes. To ensure good donor relations and to comply with IRC guidelines, the disclosure of the tax-deductible/non-deductible components of the contribution should be provided to the prospective donor as part of the gift solicitation materials.

### ***Compensation to Institution Employees***

When an employee of the Institution is compensated for their services (such as with honorariums or expert witness fees), the employee must provide the business or organization paying them with a W-9 using their personal tax identification number. If the employee wishes to donate their compensation to the Foundation, there are three options available to them:

1. The employee can deposit the compensation check into their account and personally donate to the Foundation.
2. The employee can endorse the check over to the Foundation, and the Foundation will deposit the check. This will still qualify as a tax-deductible gift from the employee, and they can designate the gift as unrestricted or to the fund of their choice.
3. The employee may elect to have the business or organization donate to the Foundation instead of receiving compensation under the following guidelines:
  - The employee must provide written communication with the business or organization dated before the date of services being delivered that:



- Indicates the employee declined any form of compensation for their services
- Made a non-binding recommendation to the business or organization that they instead donate to the Foundation
- The employee would not receive any taxable income or tax deduction for any donation made by the business or organization
- The check must be made out to the Medical College of Georgia Foundation
- The check may not be deposited into a fund that the Institution employee has signatory control over

### **Non-Contributions**

The Foundation accepts the following non-contributions:

- Exhibit fees for departmental vendor fairs and conferences
- Fees for services performed (i.e., sports physicals or verification of medical residency)
- Class action settlements
- Rebates
- Reimbursements
- Refunds from Non-Sponsored Projects from the Institution.

For these non-contributions to be processed accurately, the department depositing checks or cash into their respective funds at the Foundation should include a completed Deposit Form that details the purpose for the non-contribution and the fund of which the money should be deposited. These non-contributions are not tax-deductible, and no tax acknowledgment letter will be sent to the payer.

### **Year-End Gifts**

Charitable contributions are considered to be made on the delivery date to the charitable organization if the donor has irrevocably parted with ownership (possession and control) of the property. The delivery date depends on the type of property contributed and how and when it is given to the charitable organization. Determining the delivery date is essential because it determines the tax year the gift is deductible.

### **Gifts Made By Check**

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For gifts made by check, the IRS uses the “delivered when mailed rule,” which states that mailing a check that subsequently clears in due course will constitute an effective contribution on the delivery date or mailing. In other words, all checks postmarked by December 31st will be considered gifts in that tax year. Checks with a postmark after December 31st are considered gifts for the following tax year, regardless of the check date. Two exceptions to the “delivered when mailed rule” are postdated checks (since these checks are not immediately payable to the done organization) and bounced checks.



## ***Gifts Made By Credit Cards***

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Gifts made to a not-for-profit by credit card are deductible as a charitable contribution in the year the charge is made. Therefore, contributions made by credit cards processed by midnight on December 31st will be deductible for that tax year. Charges processed any time after that will be deductible for the new tax year.

## ***Gifted Publicly Traded Securities***

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Gifts of investment securities become deductible when the securities have passed beyond the donor's control. For example, if stock is delivered through a broker or bank that acts as the donor's agent, the gift is not deductible until the transfer is reflected on the corporation's books. The same result is reached when the donor sends a stock certificate to the issuing corporation or the transfer agent with instructions to reregister the stock in the donee's name.

## ***Real Estate***

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A gift of real estate is taxable in the year the deed is recorded.

## ***State Funds***

Georgia state law requires that all payments for tuition, fees, and other related charges from state institutions must be made payable and deposited into state institutional accounts. Hence, all of these types of payments must be deposited by Augusta University. Likewise, the Foundation cannot deposit payments that represent a reimbursement or refund of previously expended state funds. Checks written to Augusta University or Augusta University Medical Center will not be deposited by the Foundation and will be returned to the donor or entity from which the payment originated.

## ***Grants and Contracts***

In some cases, the terms "grants" and "gifts" are used synonymously, which creates confusion. Unlike a gift, a grant is typically a written agreement to carry out a specified project or "deliverable" and may entail a tangible product, such as a technical report. Grants are legal instruments with administrative terms and conditions for expending funds and may include provisions for intellectual property, reporting, and publication rights. A grant can result from a solicited or an unsolicited proposal from the Institution and is subject to negotiation. A grant typically requires performance by the Institution (faculty, staff, or graduate students). The grant may supplement original research and be used for instruction, extension, or other educational activities.

The Foundation is not qualified to accept and deposit research grants on behalf of the Institution. Please contact the Augusta University Research Institute regarding such types of grants. It is also generally inappropriate to deposit other grants and contracts with the Foundation where overhead is involved, confidentiality is essential, and human experimentation is involved.



The Foundation must approve exceptions to these rules on accepting grants. For instances of approved exceptions, the contract should always be written between the Foundation and the grantor (not the Institution and the grantor), and no deliverable should be a required condition of the grant.

### ***Personal Funding for Research***

Per [IRS Publication 526](#), you can't deduct a charitable contribution to a specific individual or contributions from which the donor would receive a benefit. Therefore, the Foundation will not accept gifts under the following circumstances:

- Gifts made to provide financial support or scholarships to a specific student(s).
- Gifts made by an Institution employee to support their research
  - The IRS views expenses associated with the employee's travel, supplies, and lab personnel to benefit the donor directly. This does not prevent a department from funding employee research from a departmental fund to which any individual can contribute.

### ***Misdirected Checks***

The Medical College of Georgia Foundation can only deposit checks made payable to the Foundation or the fund's legal name unless there is written confirmation from the donor that the funds were intended for the Foundation. Misdirected checks may delay processing, and the Foundation reserves the right to return them to the donor or department.

### ***Contact Us***

Please contact the Foundation at 706-823-5500 or [info@mcgfoundation.org](mailto:info@mcgfoundation.org) for any questions related to this policy.