

Gift/Contribution Policy

Effective Date: December 1, 2015

Introduction:

The Medical College of Georgia Foundation, Inc. ("MCGF") was founded October 19, 1954, as a non-profit corporation with a mission to support and advance the activity of Augusta University and Georgia Regents Medical Center (collectively, the "Institution"). MCGF 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). Contributions are used entirely for the purpose specified by the donor in support of the Institution, and its students, faculty, staff and patients.

General:

A gift is personal property (i.e. cash, securities, books, equipment) and real property provided by a donor without exception of tangible or economic (except tax) benefit. A gift to MCGF implies no responsibility to deliver to the donor a product, service, technical or scientific report, or intellectual property rights. The donor may direct the gift to a specific fund (to be used for a specific purpose) or it may be designated as an unrestricted gift to be used to fund the operations of MCGF or as designated by the Board of Directors. However, MCGF cannot accept contributions into an account with restrictions past the fund's purpose as outlined in the fund agreement. It is MCGF's policy that any gift given that does not indicate a specific fund (i.e. how the funds will be utilized) will be directed towards the unrestricted fund. A stewardship report for endowments including account balances and scholarship recipients, if applicable, are provided to major donors on an annual basis.

MCGF is responsible for obtaining appropriate documentation to substantiate donor tax-deductibility. Note that, per IRS regulations and Publication 526, MCGF cannot accept gifts that are directed for the benefit of a specific individual or their respective research. For example, MCGF cannot accept donations into a scholarship fund to be directed to a specific student. All donors who contribute a tax-deductible gift receive a tax acknowledgment letter mailed to the donor address on file.

Cash Gifts:

Cash gifts are outright gifts paid by cash, check, or ACH. Checks with missing information (such as date, amount, or signature) will be returned to the donor and cannot be deposited by MCGF. All checks should be made out to a legal fund name or to the Medical College of Georgia Foundation (or MCG Foundation). Checks made out to GRU, Augusta University, MCG, or any other entity cannot be cashed by MCGF without written confirmation from the donor that the funds were intended for MCGF. Such checks will be returned to the donor or applicable department if confirmation cannot be obtained within a reasonable amount of time. Donors who hand deliver cash to be deposited at MCGF will receive a receipt reflecting the amount of the gift. When depositing checks at MCGF, departments should include a Deposit Form located on the MCGF website which provides all necessary information required to process deposits. MCGF deposits cash gifts within two weeks of being received at the office. However, any missing or inaccurate information on the check or deposit slip will delay the processing of the gift.

Credit Card Gifts:

VISA, MasterCard, American Express, and Discover credit card contributions are accepted by MCGF. Visit MCGF's giving webpage to make a gift online. Please ensure you provide all necessary information to accurately process your payment. Complete information includes:

- Credit card number;
- Expiration date;
- Fund you would like your gift directed to;
- Name in which the credit card is issued; and,
- Address associated with the credit card.

Credit card gifts are immediately charged to the donor's card, but are internally processed (i.e. credited to the donor's giving account) on a monthly basis.

Payroll Deductions:

As part of the Institution's annual giving campaign, MCGF accepts gifts given via payroll deduction from employees. The signed payroll deduction form should be returned to the Advancement Office 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 (PPG, university, or hospital), duration of gift, and total gift. The Advancement Office is responsible for communicating the payroll deduction information to the applicable payroll department as well as for providing MCGF with the applicable fund designations. The payroll department will send MCGF a detail listing of all donors and their respective gift amount with each payroll deduction check.

Pledges:

Pledges are unconditional promises to give. Pledges from faculty, staff, alumni and friends should not include anticipated matching funds through employers and other third party sources such as donor advised funds and community foundations. All pledges exclude transfers made from the Institution. The pledge period must not exceed five (5) years from the date of the pledge, and this term must be stated on the pledge form. In addition, MCGF does not record pledges under \$5,000. The donor should complete a Pledge Form which should be delivered to the MCGF office for processing. It is MCGF policy to charge-off pledges that have no associated payments in over three years.

Pledge Payments:

Pledge payments are those payments made in complete or partial fulfillment of recorded pledges. Third party gifts such as employer matching gifts or donor advised fund gifts cannot be used to reduce pledge balances. All gifts being recorded against a pledge should indicate such so that the pledge payment is accurately processed against the pledge.

Life Insurance Gifts:

A donor may name MCGF owner and beneficiary of an existing fully-funded insurance policy or an insurance policy in which the donor pays premiums during the life of the policy. If the policy is not fully-funded, additional premiums will be gifted to MCGF which, in turn, will submit premium payments to the insurance company. MCGF does not pay for life insurance premiums in order to keep the policy in place. Instructions regarding the processing of life insurance gifts are as follows:

1. Types of life insurance accepted - MCGF accepts gifts of whole life, universal life, or term life insurance policies that meet the following criteria:
 - (a) The policy insures only the life of the donor and/or the donor's spouse.
 - (b) If the policy is not fully-funded at the date of the gift, the policy and gift shall:
 - (1) Have a minimum face value of \$100,000.
 - (2) Have a premium payment schedule that is projected to not exceed five (5) years (enabling the Institution to count all anticipated payments within a comprehensive campaign.)
 - (3) Include the donor's separate pledge agreement to pay MCGF any additional premiums that may be required as they become due.
2. Administration – The following procedures apply to all gifts of life insurance:
 - (a) MCGF is irrevocably designated as owner and beneficiary of all policies.
 - (b) Each donor has the opportunity to designate how the death benefit from his/her policy is to be used by MCGF consistent with the needs of the Institution. These benefits may be unrestricted, restricted for a particular purpose, or directed to a new or existing endowment fund.
 - (c) MCGF maintains all records including insurance policies, contribution schedules, and donor designation of death benefits.
 - (d) MCGF is responsible for premium payments and will not pay a premium until the corresponding donation has been received from the donor.
 - (e) Prior to acceptance, all gifts of life insurance must be approved by the President/CEO of MCGF.

Bequests:

Realized bequest gifts will be recorded at the full cash value of the gift. These are generally received from an estate, trust, life insurance policy, retirement plan asset, or commercial annuity.

Irrevocable bequest expectancies:

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

Life Income Gifts:

Life income gifts include charitable remainder trusts (“CRT”) (either annuity trust or unitrusts) in which MCGF agrees to serve as trustee of the trust. Life income gifts will be recorded at present value on the date the CRT is established. In a charitable remainder trust, an individual (the “Grantor”) transfers cash to a trust either for a term of years 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. The money is invested by the trustee, and a specified amount in the trust is paid annually to the non-charitable life beneficiary (usually the Grantor) for the term of the trust. At the end of the trust term, any amount remaining is distributed to MCGF for the specific purpose outlined by the Grantor either in the trust agreement or a separate gift agreement. Please note that MCGF does not accept gifts of real estate held inside of a CRT.

All life income gifts should be accepted with the review and approval of MCGF CEO/President and legal counsel. Before accepting such a gift, MCGF requires records concerning the trust/annuity agreement, life income payment schedules and recipient, investment statements, and tax documents. Upon the acceptance of the gift, MCGF is responsible for establishing the trust/annuity account with a financial institution, transferring the life income gift to the trust account, and providing the donor with a tax-acknowledgement letter, tax documents, and life income checks. When the life income gift matures, and in the case of a CRT, proceeds are received, MCGF will ensure that the donor records system is updated to reflect the trust/annuity’s maturation and receipt of proceeds.

Quid Pro Quo contributions:

A quid pro quo contribution is a contribution in which the donor receives a personal benefit in return for making the contribution. 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 in excess of 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 MCGF a good faith estimate of the fair market value of the goods or services received by the donor. MCGF, in turn, will provide a tax acknowledgement letter to the donor stating the portion of the gift that is tax deductible.

Note that, according to Revenue Procedures [Revenue Procedures 90-12](#), benefits received in connection with a gift that are considered as having insubstantial value do not reduce the value of the gift for tax purposes. Examples of such gifts considered to be insubstantial 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. Note that the cost of purchasing a raffle ticket is not deductible regardless of whether the donor is the recipient of any prizes.

In order to ensure good donor relations and to comply with [IRS 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.

Non-Cash Asset Gifts:

MCGF is the appropriate entity to receive certain contributions of non-cash assets, such as securities and real estate. However, because of potential tax and administrative issues, MCGF encourages prospective donors to discuss the gift with the MCGF Accounting Department prior to making the contribution to ensure that the gift can be accepted as intended by the donor. All gifts should be free and clear of liens and conditions preventing the sale of such assets. All donors of non-cash assets should consult with their personal financial advisor regarding the completion of IRS Form 8283, which requires filing for all non-cash gifts in excess of five-hundred dollars (\$500). MCGF requests that the donor provide a completed copy of Form 8283. If the donor is required to complete Section B (for donated property over \$5,000), MCGF policy states that Parts I and III must be completed by the donor and the donor's appraiser before the MCGF office completes Part IV. The appraised value is used by MCGF to establish the internal accounting value of the gift. Note that MCGF cannot provide tax advice and donors are responsible for consulting with their own tax advisors regarding their specific situation and the tax-deductibility of their gift.

Gifts-in-Kind:

MCGF accepts certain gifts of tangible personal property, such as works of art, books, scientific equipment, and jewelry. All such gifts must have an overriding philanthropic intention in order to be accepted by MCGF. In addition, gifts-in-kind must be accompanied by a Gift-In Kind Transmittal Form. If the approximated value provided is equal to or greater than \$5,000, an appraisal is required to accompany the gift. MCGF books all gift-in-kind donations at a \$0 value for internal accounting purposes. The donor is responsible for establishing the value of the gift for tax purposes. MCGF provides a tax acknowledgement letter reflecting the description of the gift, but not the associated value.

Real Estate Gifts:

All gifts of real property (also called real estate) such as land, its natural resources, and any buildings with a value 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 date of the gift. In addition to an appraisal, please complete the Acceptance of Property Form located on the MCGF website. All real estate gifts must be accepted by the President/CEO of MCGF as well as the MCGF Real Estate Committee. MCGF books the real estate gift at its fair market value as established by the independent appraiser. If MCGF sells the real property (for which it signed a Form 8283) within a 3 year time period from the date of the gift, the sale must be reported to the IRS on Form 8282.

Stock Gifts:

Gifts of stock or securities are valued as the average price between the highest and lowest quoted selling prices on the valuation date. The valuation date is the date of the contribution of stocks and bonds is received into MCGF's account. Please contact the MCGF Accounting Department when making gifts of stock or securities.

Compensation:

When an employee of the Institution (or other donor) is compensated for services (such is the case with honorariums or expert witness fees) and wants to, in turn, donate that compensation to MCGF, the following steps must occur. The employee must provide the business/organization with a W-9 using their personal identification number. The compensation check will be made payable to the employee and a 1099 will be issued by the organization/business at the end of the year. The employee can then endorse the check over to MCGF as a tax deductible gift into the fund of their choice.

If the employee declines an offer to receive an honorarium or other form of compensation and then makes a non-binding suggestion that the company donate the funds to MCGF, there will be no taxable income to the employee. Please note that the form of compensation must be declined before services are performed and the check must be made payable directly to MCGF. In this situation, the check can only be deposited into an account over which the employee has no signatory control and employee is not entitled to a tax deduction.

Non-Contributions:

Examples of non-deductible contributions include exhibit fees, fees for service (i.e. physicals or verification of residency), class action settlements, rebates, reimbursements, and refunds of non-sponsored projects. In order for these non-contributions to be deposited at MCGF, the department should include a completed Deposit Form. These non-contributions are not considered tax-deductible and therefore, no tax acknowledgment letter will be sent.

Year-End Gifts:

Charitable contributions are considered to be made on the date of delivery to the not-for-profit if the donor has irrevocably parted with ownership (possession and control) of the property. The date of delivery depends on the type of property contributed, and how and when it is given to the not-for-profit. Determining the date of delivery is important because it determines the tax year in which the gift is deductible.

Checks:

For gifts made by check, the IRS uses the "delivered when mailed rule" which states that mailing of a check which subsequently clears in due course will constitute an effective contribution on the date of delivery or mailing. In other words, all checks that are 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.

Credit cards:

Contributions made to a not-for-profit by credit card are deductible as a charitable contribution in the year that the charge is made. Therefore, contributions made by credit cards that are 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.

Securities:

The contribution of investment securities becomes deductible when the gift securities have passed beyond the donor's control. For example, if stock is delivered through a broker or bank that acts as the agent of the donor, the gift is not deductible until the transfer is reflected on the books of the corporation. 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 name of the donee charity.

Real Estate:

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

State Funds:

State statutes require that all payments for tuition, fees, and other related charges must be deposited into state accounts. Likewise, payments that represent a reimbursement or refund of previously expended state funds cannot be deposited at MCGF. MCGF cannot deposit checks made out to the Institution even when such funds were incorrectly issued.

Grants and Contracts:

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

Government and research grants do not qualify for deposit with MCGF. Please contact Diego Vazquez (706)721-3087 or divazquez@augusta.edu with the Research Institute regarding such types of grants. It is also generally not appropriate to deposit other grants and contracts with MCGF where overhead is involved, confidentiality is essential, and human experimentation may be involved. Exceptions to these rules on accepting grants must be approved by MCGF. For instances of approved exceptions, the contract should always be written between MCGF and the grantor (not the Institute and the grantor) and no deliverable should be a required condition of the grant.

Personal Funding of Research:

As mentioned above, IRS regulations and Publication 526 disallow gifts that are directed for the benefit of a specific individual or their respective research. Therefore, MCGF cannot accept contributions from employees to support their personal research efforts. The IRS views expenses associated with the employee's travel, supplies, and lab personnel to have a direct benefit to the donor. This does not prevent a department from funding employee research out of a departmental fund to which any individual is able to contribute.

Misdirected Checks:

A misdirected check is a check made payable to the Medical College of Georgia or the Institution when the gift was intended to be deposited with MCGF. MCGF can only cash checks made payable to the Medical College of Georgia Foundation or the fund's legal name unless written confirmation is obtained from the donor or department that the funds were in fact intended for MCGF. If the donation is accompanied by a MCGF remittance piece, it will be assumed that the donation was intended for MCGF. Once confirmation is received that the funds were intended for MCGF, the support and check copy will be sent to the Institution for approval from the Controller's Office to deposit the checks at MCGF. Please be aware that the process for depositing misdirected checks takes a significant amount of time and the gifts should not be expected to be reflected in the applicable fund's account for up to four (4) weeks. Please note that MCGF reserves the right to return misdirected checks to the donor and/or department.