

CEU Policies and Procedures for Contributed Support
Approved by the Development Committee of the Board of Trustees on: March 18, 2017

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Introduction

The purpose of this document is to set forth policies and procedures related to all support contributed to Central European University¹, including the solicitation, acceptance, spending, and stewardship of all types of gifts.² The policies outlined in this document are governed by the Gift Acceptance Committee, identified and appointed by the Development Committee of the Board of Trustees and including the Vice President of Development, the Chief Financial Officer, the Vice President of Administration, and the Provost.

This document lays out policies and procedures related to contributions, primarily from private sources. It also touches on both external and internal funding as well as cooperation between CEU units. Where applicable, related policies from other CEU units are also referenced.

Many CEU units are involved in the prospecting, acceptance, management, and stewardship of contributions. It is the responsibility of the Development Office (DEVO), under the direction of the Vice President for Development, to maintain and increase charitable financial support for CEU through annual giving, major giving, special funding initiatives, planned giving, and campaigns.

DEVO shall also coordinate fundraising efforts among CEU constituents (board, staff, faculty, alumni, students, volunteers, etc.) and serve as the central clearinghouse for the fundraising activities of the University, and as such, be the designated repository of all information regarding contributions and donor information. DEVO will advise faculty, staff, and volunteers in matters relating to the cultivation, solicitation, acceptance, and stewardship of contributions to CEU.

The Development Office [**DEVO**], together with related units including Alumni Relations [**AR**], the Academic Cooperation and Research Support Office [**ACRO**], and Communications – all overseen by the Board’s Development Committee, will:

- Increase the awareness and visibility of CEU among its many stakeholders and potential supporters—alumni and friends, as well as government and intergovernmental agencies, foundations, and corporations—both in Hungary and around the world;
- Build greater understanding and recognition of CEU’s exceptional programs;
- Develop networks of volunteer leadership for fundraising efforts and to promote CEU and its programs;
- Develop deeper relationships between CEU and its alumni and donors;
- Increase CEU’s prospect and donor pools;
- Establish and sustain an effective and growing annual giving program;

¹ For the purposes of this text, Central European University or CEU shall mean Central European University (224 West 57th Street, New York, NY 10019 USA) and Közép-európai Egyetem (Nador utca 9, 1051 Budapest).

² These policies guide Development Office practice and record-keeping in accordance with international fundraising best practices and may differ from CEU Budget and Finance Office accounting practice and/or Hungarian GAAP. DEVO and BFO coordinate to reconcile relevant variances.

- Create a prospect management system or “pipeline” for all prospects and donors;
- Provide stewardship and further cultivation to current and past donors resulting in continued support;
- Establish and maintain close communication and relationships with corporations, foundations and associations for strategic partnerships and targeted support, working with the Academic Cooperation and Research Support Office (ACRO) and other units when appropriate;
- Create a sense of awareness, appreciation, and ownership in CEU and engage the CEU community, including students, alumni, faculty, and staff in philanthropic giving; and
- Foster a culture of philanthropy among the CEU community, in Budapest, and throughout the region.

Guidelines for Gift Solicitation

All leadership, faculty, and staff must notify the Development Office (or other responsible unit, see chart below) of their interactions with current or potential donors. Additionally, DEVO will liaise with the relevant departments, faculty members, and centers about interacting with donors and potential solicitations on their behalf.

When seeking private donations, the members of the CEU community are required to consult DEVO prior to beginning any discussion with a potential benefactor. This will reduce the risk of uncoordinated approaches to prospects or donors and will ensure any solicitation and/or resulting donation is in line with CEU policies. DEVO should be involved at all stages of the relationship building, solicitation, and reporting process.

The following offices are responsible for the various types of funding being sought:

Table 1

Type of Funding	Responsible Office
Private donations from individuals (collaborating with AR on Alumni over €/\$5,000) ³	DEVO
Private donations from foundations or corporations (collaborating where necessary with ACRO, for example on open call grant requests—see below)	DEVO
Donations from Alumni	AR
EU grants	ACRO
U.S. government grants	DEVO/ACRO
Other government grants	ACRO
Open call grant requests from foundations or corporations	ACRO circulates calls; coordinates proposals with DEVO
Cooperative agreements with corporations or foundations	DEVO
Corporate sponsorships and partnerships	DEVO

³ As CEU accepts contributions in multiple currencies, but operates primarily in EUR and USD, this policy reflects both currencies as rough equivalents, subject to periodic review by the Gift Acceptance Committee.

Any faculty members seeking funding should ensure that they have approvals for projects from appropriate unit heads or other governing authorities before contacting DEVO or ACRO. Institutional endorsement of projects will also be required. Additional information can be found in document [‘External funding for academic activities at CEU – Policy and Guidelines’](#) and [‘How to Find Funding’](#).

Gift Acceptance Policies

General Policies

It shall be the primary responsibility of the Development Office to receive, acknowledge, receipt, and record all contributions, in accordance with appropriate internal regulations, on behalf of CEU (see page 20 for specific gift acknowledgement responsibilities). The Development Office is further responsible for notifying other offices and departments, when appropriate, of all gifts of €/\$5,000 or more. All gifts of €/\$10,000 or more should be reported to the Board of Trustees.

Preferably, all financial contributions, including cash, checks, or other assets, or pledges shall first be directed to the Development Office, ACRO, or AR, according to the chart above, for recording into a database in order to maintain a single, comprehensive repository for all gifts and pledges to CEU⁴. Gifts and pledges will then be accounted through the Budget and Finance Office (BFO). However, it is recognized that BFO is often the first point of contact for electronic transfers and some other ongoing donations. DEVO staff monitor, on a daily basis, the bank accounts to which electronic transfers are delivered and processed, and they liaise with the Budget and Finance Office.

See Appendix A1 for the full procedures for processing gifts of cash, check, credit card, and bank transfer.

As outlined in more detail in Appendix A1, gifts shall be recorded as follows:

- Gifts by check shall be recorded by DEVO at the time delivery is effected or upon the date of mailing of a check, as evidenced by the date of the original postmark on the envelope containing the check.
- Gifts of cash, or other assets will be entered as a gift based on the value of the gift on the date it is relinquished to CEU.
- Gifts in foreign currencies shall be valued for donor acknowledgement purposes at the exchange rate in effect on the date of the gift.
- Gifts by credit or debit card should be recorded only after CEU has received authorization for the charge from the credit or debit card agency, the date of the donor’s authorization shall be the date of the gift; the face value of the

⁴ While it is intended that DEVO be the repository for all gift recording, it should be noted that physical files will be stored in offices based on the nature of the gift, as outlined. Original paperwork for grants and donations will be stored by the respective offices outlined in Table 1.

donation will be recorded for the donor, and any fees imposed by card issuing companies will be borne by CEU as administrative expenses.

- Matching gifts made by corporations, foundations, or associations that match the voluntary contributions of employees, board members, etc. must be counted as coming from the corporation or organization that made the payment rather than from the individual whose gift was matched. In such cases, the individual will receive soft credit for the matching gift.

It is CEU's policy to adhere to the requirements of the Internal Revenue Code and Generally Accepted Accounting Principles (GAAP) in the United States or similar requirements of Hungary or other nations regarding the acknowledgment of contributions.

Gifts and pledge payments are acknowledged within a reasonable timeframe, generally within five business days of their receipt and include required language outlined in the Gift Processing Policies and Procedures.

Gifts-in-kind must be approved before acceptance and should not be accepted unless they are to be utilized by Central European University or sold. Gifts-in-kind donated for the sole purpose of resale must be approved by VP for Development prior to acceptance. CEU will not provide a value to donors of in-kind gifts, but will acknowledge receipt of goods (quantity) or service (hours). In certain cases, and based on documented costs, CEU may provide acknowledgement of expenditures made for charitable purposes on CEU's behalf but not charged to the University. Units accepting in-kind gifts should notify the Development Office to facilitate proper acknowledgement and recording procedures.

Central European University will pay no fees or commissions to any person for directing a gift or completing a gift instrument to CEU.

Central European University reserves the right to decline any gift or grant.

Pledges

Pledges and other promises to give are to be counted and reported (booked) on the date the pledge is made in writing or, in the case of verbal pledges, on the date the pledge is acknowledged by CEU in writing. Conditional pledges, which place requirements on CEU to perform some task or take some sort of action in order for the donor to fulfill the pledge, should not to be booked in the University's accounting system until the required condition is met. They shall, however, be recorded in the constituent management system as pending and will be included as pending in internal and Development Committee reports and Board reports.

Central European University will request that all pledges be provided in writing, clearly and specifically stating the following (see also [Charitable Intent Form](#)):

- Donor's name

- Donor's signature
- Statement of donor's promise to pay
- Statement of precise amount of the promised gift
- Payment schedule
- Statement of restricted purpose of the gift, if any
- Signed by the Vice President for Development or other authorized senior manager

The Development Office shall send reminder notices according to the payment schedule agreed upon with the donor.

In the case of faculty and staff, pledge payments may be, at their option, deducted from monthly salary payments.

The Development Office shall conduct an annual review of all open pledges at least 30 days prior to the close of each fiscal year in order to ascertain the likelihood of their fulfillment. Pledges deemed uncollectible will be written off. All write-offs in excess of €/\$10,000 shall require approval of the Board Development Committee.

Unless specifically made as multi-year pledges, annual pledges not completed during the fiscal year in which the pledge was made will be carried to the next fiscal year for a period of up to 90 days, then written off.

Annual Giving

Annual Giving is CEU's ongoing fundraising operation. In addition to raising funds for current operations (both unrestricted and temporarily restricted), and providing a steady stream of income, annual giving is an important tool for building relationships with alumni and donors, and is the main means of moving donors through the giving "pipeline."

Annual gifts may be unrestricted or restricted, including matching gifts. In cases where a donor does not designate his or her gift, it will be recorded and reported as unrestricted.

Alumni donations will also be recorded as such to track alumni giving.

Gifts for current operations that have been restricted by the donor for a specific purpose, such as to a particular academic unit of CEU, for student scholarships, etc., will be recorded and reported as temporarily restricted.

Endowment Giving

This policy covers permanently restricted endowments and temporarily restricted (or quasi or board-restricted) endowments.

Permanently restricted endowments are those for which the original gift or corpus cannot be accessed under any circumstances. Temporarily restricted endowments are those for which the corpus can be accessed according to specific protocols (for instance a Board-restricted endowment's corpus can be accessed with approval by the Board or a designated committee or agent[s]).

CEU will always follow generally accepted accounting principles and any and all legal requirements in its endowment management, while also resolving questions in a donor-centric manner.

Funds must be held and invested under CEU's endowment and investment procedures. No unit of CEU is free to establish its own endowment fund outside of the existing fund(s). Donors interested in establishing a named endowment fund must consult with the Vice President for Development prior to making the gift so that the donor's intentions are appropriately established in writing. Negotiation of any named endowment agreement on behalf of CEU shall be done under the signature of the President/Rector, following the recommendation of the VP for Development and/or the Gift Acceptance Committee.

DEVO will work closely with all donors, and in cooperation with BFO and legal counsel in designating the specific purpose of endowment gifts, resulting in:

1. A description of the purpose of the endowment that is as broad as possible;
2. No detailed limitations and restrictions;
3. As much flexibility as possible for CEU's use of the designated funds; and
4. Notification that CEU will not manage or invest endowed funds for the benefit of external entities without the express approval of the Board of Trustees.

In order for a named endowment to be created by a single or lead donor, a formal endowment agreement must be signed by both the donor and CEU to define the purpose of the fund, in keeping with CEU's standard procedures for managing endowment funds as outlined in its investment procedures. The agreement must be accompanied by either a gift of cash or marketable securities equal to or greater than the required threshold amount for that type of endowment (see Appendix A2); or the first payment of a multi-year pledge. Multi-year pledges should not exceed a maximum period of five years. Under certain circumstances, the Gift Acceptance Committee may make exceptions to the maximum time period required for multi-year pledges.

Gifts for endowment funds for specific purposes must meet the minimum dollar/euro requirements as established by CEU for endowed chairs, professorships, scholarships/fellowships or other named endowments (see Appendix A2). The principal amount of the original gift need not meet the minimum dollar/euro requirement if the donor pledges to fully fund the endowment at the minimum dollar/euro requirement within a specified and reasonable period of time.

Determining the size of an endowment necessary to accomplish various objectives will assume a "pay out" of endowment income of three to five percent (3-5%), as determined

by the Asset Management Committee, the Board committee charged with the management of CEU's endowment and investments, in consultation with the Development Committee.

Minimum dollar/euro requirements for endowed chairs, professorships and scholarships may be changed from time to time at the discretion of the Gift Acceptance Committee in consultation with DEVO, BFO, the President/Rector, and the Board Development Committee. Such action may be necessary so as to ensure that endowment proceeds are sufficient to fund the intended purposes of an endowment. Changes in the minimum dollar/euro requirement shall not apply to endowed funds already established.

Individually named funds may be co-mingled with other funds for investment purposes.

Special Funding Initiatives

Often a fundraising initiative is launched for a special project or to establish an endowment to honor an individual that is meant to attract multiple donors. In such cases, an internal document must be prepared that indicates the primary purpose of the endowment and the period of time in which funds must be secured to create an endowment. In general, the acceptable period of time should not exceed two years. The document (or project scope) must include the primary purpose of the endowment or fund and the ultimate allocation of the funds, including contingency if the initiative falls short of its goal.

The endowment account may be opened once contributions of cash or marketable securities reach the minimum threshold of €/\$100,000. Until such time, the funds will be held in CEU's fundraising account/general bank account (but recorded on a separate code). If the cash received does not reach the threshold within the specified time period, the funds will be allocated/expended in accordance with the alternative allocation of funds stated in the project scope document.

All special funding initiatives or campaigns must be approved by the Development Office and solicitations must occur in consort with DEVO.

Campaign Giving

As part of any major fundraising (or capital) campaign planning process, specific campaign giving guidelines will be developed in conjunction with the Campaign Committee, Board Development Committee, and the Gift Acceptance Committee.

Planned Giving

The planning for, solicitation of, and administration of charitable planned gifts are complex processes involving philanthropic, personal, tax, and other financial considerations. All planned gifts should be approved by the Vice President for

Development, with legal counsel and the Gift Acceptance Committee input/advice, with final approval by the Rector, Provost, or CFO as appropriate.

In any solicitation of a charitable planned gift, the volunteer or employee representing CEU shall give primary emphasis to the philanthropic nature of the gift.

The CEU Representative will work with the donor to ensure that the donor is informed of the types of gifts CEU accepts and to assist in the process of establishing a gift agreement, but prospective donors will be advised to seek the assistance of personal legal and financial advisors of their choice relating to their gifts and resulting tax and estate planning consequences.

The following disclaimer shall be present on all planned giving documents:

Please note that the information herein does not constitute legal or tax advice and is not to be construed as legal or tax advice in any manner. Please consult your attorney or tax advisor.

A liability waiver should also be included in any planned giving agreements as advised by the Legal Office.

CEU will not pay a finder's fee, commission, or any other fee to a financial planner, gift planner, or other professional as a condition for the delivery of a charitable planned gift.

The following planned giving vehicles are accepted by CEU (see Types of Gifts in the following section for more detail):

- *Bequests*
- *Charitable Remainder Annuity Trust, Unitrust, and Pooled Income Funds*
- *Charitable Lead Trusts*
- *Funds Held in Trust by Others*

The following assets may be donated to CEU (see Types of Gifts for more detail):

- *Outright Gifts of Cash or Securities*
- *Real Estate*
- *Tangible or Intangible Personal Property*
- *Retirement Fund Assets*
- *Life insurance*

External Academic Support

External Academic Support (also referred to as sponsored research or sponsored projects) is generally competitively awarded and is essential for high-quality research

and education at CEU. It increases the visibility, prominence, reputation, and attractiveness of the University and improves its budget performance.

External Academic Support at CEU is managed by the Academic Cooperation and Research Support Office (ACRO). The document '[External funding for academic activities at CEU – Policy and Guidelines](#)' is specifically addressing this type of support.

External funding managed by ACRO comes often in the form of academic grants, which are dedicated funds from public bodies and foundations usually awarded as a result of competitive selection and dedicated to fulfilling particular academic objectives. However, private funding from foundations and corporations may also support specific research projects and, although solicited by DEVO, will be managed by ACRO.

There are multiple steps to seeking and applying for external academic support, including university endorsement, and ACRO will guide applicants through this process. DEVO and ACRO work together on providing assistance to faculty members interested in submission. No submissions of applications for this type of support are permitted without the involvement of ACRO or DEVO.

Scholarships

The Development Office oversees all funded scholarships at CEU, apart from those funded by the EU, which are managed by ACRO. Working with donors and the departments to which the scholarship funds are directed, DEVO will ensure that CEU's policies and procedures are followed and donor requirements are met.

The minimum amount accepted for a named scholarship is €/\$100,000. In certain instances approved by the Vice President for Development, this minimum will be waived for expendable scholarships. Specific minimum amounts for the varying levels of endowed scholarships are outlined in Appendix A2. These amounts are set based on an annual 3 - 5% draw on funds. It is the intention that the growth of the endowment through investments will adequately cover any increase in tuition, expenses, and fees which may occur over time.

At the time a scholarship (either endowed or expendable) is created, DEVO will issue a document or electronic form to the appropriate academic departments, admissions, financial aid, recruitment, and BFO, which provides a description of the scholarship; eligibility requirements in addition to CEU's and the department's requirements; coding information; responsible parties in the department, DEVO, BFO, and Financial Aid Office; and reporting requirements and timelines.

After students who have met CEU and departmental eligibility requirements are accepted, the scholarship committee selects the scholarship recipient(s) based on merit and fit with any funder-specific requirements. The committee's recommendations may be subject to approval by the Provost and/or Rector.

Once scholarship awardees have been selected, the Financial Aid Office will inform departments of the selections and record for finance and accounting purposes.

Cooperative Funding Agreements

In instances where schools or departments enter into a cooperative funding agreement with an outside entity, including but not limited to work with corporate and foundation contacts, the Development Office should be involved from the initial planning phases of the agreement, through implementation, completion, and reporting. DEVO should at all times be the clearinghouse of information for such cooperation in order to avoid conflicts and duplication of efforts.

Cooperative funding agreements may include overhead funds, which are described in detail in the Spending Policies section.

Types of gifts

The types of gifts accepted by CEU are outlined below. Gifts of cash or liquid securities are the preferred methods of giving as they have the most immediate impact on the University's priorities.

Outright Gifts

Any individual may make a general contribution to CEU. This may be made in the form of cash (and pledges to contribute cash), securities including closely held stock, or other negotiable assets.

- *Cash and pledges*
All unrestricted and restricted gifts to CEU, whether for annual giving, campaign, or special initiatives, will be credited towards the annual fundraising target during the fiscal year in which they are received. This includes outright gifts and the total amount of signed short-term and long-term commitments.

Pledges may be paid on a schedule established and agreed to by the donor, preferably within three to five years. In the case of a specific fundraising campaign, a maximum duration will be determined by the Campaign and Gift Acceptance committees, not to exceed the life of the campaign by three years. Exceptions may be made at the discretion of the Gift Acceptance Committee.

- *Publicly Traded Securities*
 - CEU can accept readily marketable securities, such as those traded on a stock exchange, either by electronic transfer or by stock certificate.
 - o In either circumstance the securities should be accompanied by an appropriate signature guarantee
 - o If by stock certificate, it should be either duly endorsed or accompanied by a stock power
 - All readily marketable securities will be sold immediately upon receipt

- Gifts of stock
 - From the U.S., gifts of stock will be acknowledged at the average of the high and low market value on the date that the stock was received by CEU
 - From Canada, gifts of stock will be recorded at the stock market value of the shares at the close of business on the day the securities are transferred to the charity
- Neither losses nor gains realized by CEU from the sale of the securities shall affect the value of the gift. Gains, losses, brokerage fees, or other expenses associated with a security transaction shall be considered an administrative expense.
- Gift acknowledgements for publicly traded securities will include a description/name (type) of gift, the number of shares received, the date received, and the gross amount of the stock gift.
- Proposed gifts of stock options, appreciation rights, or restricted stock should be considered by the Vice President for Development in consultation with the Gift Acceptance Committee and/or counsel.
- *Closely Held Securities*
 - Non-publicly traded securities with membership interests in limited liability companies or partnership interests are discouraged but may be accepted by the Vice President for Development after consultation with the Gift Acceptance Committee and/or counsel.
 - Gifts of a fractional interest in closely held securities are only accepted on a case-by-case basis.
 - Prior to acceptance, CEU shall explore methods of liquidation for the securities through redemption or sale. A representative of CEU shall try to contact the closely held corporation to determine:
 - An estimate of fair market value
 - Any restrictions on transfer
 - For CEU gift acknowledgement purposes, gift acknowledgements will include a description/name (type) of gift/securities, the number of shares received, and the date received. No stated monetary value will be included in the acknowledgement letter.
- *Real Estate*

CEU may accept gifts of real estate valued at €/\$100,000 or more if recommended by the Gift Acceptance Committee and approved by Rector and/or Provost as outlined in the signature chart of CEU's Organizational and Operational Regulations. With all gifts of real estate, the donor/estate will be asked to cover the costs of a current appraisal of the property by a qualified appraiser, an environmental impact study, and title search prior to the acceptance of the gift. Gifts of real estate may be made outright or through gifts of retained life estate (as long as the donor takes responsibility for ongoing property taxes, insurance, maintenance, etc. during the life estate). The Gift

Acceptance Committee must consult with legal counsel prior to accepting any gifts of real estate.

- Gifts of a fractional interest in real estate are not accepted except on a case-by-case basis.
 - Transfer of gifted property must be by Warranty Deed or the equivalent in various countries.
 - Prior to presentation to the Gift Acceptance Committee, a member of the Development Office or other staff must conduct a visual inspection of the property. If the property is located in a geographically isolated area, a local real estate broker can substitute for a member of the staff in conducting the visual inspection. Prior to accepting a gift of property, a real estate professional will be consulted as to how long it will take to sell the property.
 - Prior to presentation to the Gift Acceptance Committee, the donor must provide, at least, the following documents:
 - Real estate tax bill
 - Current Plot of Survey
 - Current owner's title policy or title commitment
 - Substantiation of zoning status
 - Depending on the value and desirability of the gift, the donor's connection with CEU, and past gift records, the donor may be asked to pay for all or a portion of the following:
 - Costs of environmental remediation
 - Maintenance costs
 - Real estate taxes
 - Insurance
 - Title insurance premiums
 - Survey costs
 - Real estate broker's commission and other costs of sale
 - Appraisal costs
 - In the event the Gift Acceptance Committee agrees to accept the real estate, for CEU internal gift crediting and accounting purposes, the value of the gift will be the appraised value of the real estate.
 - In the case of gifts of real property the donor will be provided with a receipt from CEU for the donation. The receipt will describe the property donated, but no stated monetary value will be included in the acknowledgement receipt for any gifts of real property. The donor is responsible for obtaining his or her own qualified appraisal, but CEU will cooperate in providing reasonable information and assistance to the donor, including by signing the appraisal summary provided by the donor to acknowledge that CEU received the property indicated in the appraisal summary.
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- *Personal Property*

Gifts of tangible personal property (jewelry, cars, boats, etc.) will be accepted by CEU if usable by the organization (related to its mission) or easily saleable as determined by the Gift Acceptance Committee. The donor will be asked to pay for an independent appraisal of the property to determine its fair market value. The asset will be liquidated as soon as possible, but CEU may retain the option to hold an asset if it is deemed propitious to do so.

- Generally, CEU's acceptance of such gifts cannot involve significant additional expense to CEU for the gift's present or future use, including but not limited to transportation / shipping, insurance, maintenance, conservation, or administration.
- Gifts of personal tangible property exceeding €/\$1,000 in value shall be reported at the fair market value placed on them by an independent, expert appraiser at the time the donor relinquishes control in favor of CEU. Gifts valued at less than €/\$1,000 may be reported at the value declared by the donor or confirmed by a qualified on-campus expert (e.g., a librarian who can validate the value of rare books).
- CEU will not accept gifts of tangible property if such gifts are made on the condition, understanding, or expectation that the gifted items will be loaned to the donor or to persons designated by the donor for life or for an extended period of time as determined by the donor.
- In the case of gifts of personal property the donor will be provided with a receipt from CEU for the donation. No stated monetary value will be included in the acknowledgement receipt for any gifts of personal property.
- Gifts of gas, oil, and mineral rights should be counted and reported at the readily determinable fair market value.
- Gifts of royalties from property that CEU does not own should be counted and reported at such time as payment is received. No pledge should be entered in anticipation of such payments as there is no guarantee of the amount or the continuation of an income stream.

Intangible (intellectual) property is that produced through creativity and innovation, including but not limited to patents, computer software under development, and copyrights of cultural, artistic, and literary works. These types of gifts will be accepted by CEU at the discretion of the Gift Acceptance Committee, which will consider issues related to the acceptance of the intellectual property such as:

- Whether the potential benefits outweigh the administrative costs of accepting and processing the gift;
- Whether the acceptance of the gift could lead to any difficult ethical or public relations issues (e.g., the acceptance of a copyright to a controversial work or the acceptance of a patent for a controversial drug); and
- Whether the donor has clear legal title to the intellectual property to be

donated.

- *Gifts of Art*

Gifts of artwork are rarely accepted and will be considered only on a case-by-case basis and in consultation with the Art Collections Committee. Gifts of art that are conditional upon CEU keeping the work in its collection are the most exceptional cases, and will be considered by the Gift Acceptance Committee only after the CEU Art Collections Committee has made a recommendation that the artwork is acceptable for acquisition, and the Development Office, working with the Art Collections Committee, has determined the financial feasibility of the acceptance. Feasibility is determined by the evaluation of the work(s) by an independent professional appraiser and the determination of any costs associated with maintaining the work, including conservation and maintenance, storage, and insurance. Unconditional gifts of art will either be added to the collection or sold (at auction or through a gallery or dealer), as deemed appropriate by the art collections committee and approved by the Gift Acceptance Committee. Proceeds from the sale of art are unrestricted unless otherwise indicated by the donor.

In negotiating the acceptance of gifts of art, it is expected and should be communicated that the donor is responsible for the following costs:

- Independent professional appraisal of the work(s)
- Transportation of the work(s) to CEU
- Insurance during transport
- Cost of framing, if applicable

If the donor is unable to cover these costs, the gift may be declined at the discretion of the Gift Acceptance Committee.

At all times, the Development Office will attempt to solicit additional funds from the donor to cover ongoing maintenance and care of the work(s), after consultation with the Art Collections Committee on approximate annual costs.

CEU will at no time guarantee donors that works will be on display indefinitely or for prescribed periods of time. Donors will be told (via the Gift of Art acceptance agreement in Appendix B3) that artwork will be displayed at the discretion of CEU. When on display, the donor will be acknowledged on appropriate labels next to the work(s).

CEU will not accept fractional gifts of art.

- *In-Kind Gifts*

Gifts in kind are goods or services donated to CEU. The in-kind gifts are either utilized or, in the case of goods, sold for cash. It is the donor's responsibility to determine the tax treatment of any in-kind contributions and to estimate or

obtain an appraisal of the value of his or her in-kind gift for his or her own tax purposes. Examples of in-kind gifts are pro-bono services (legal, accounting, etc.), equipment and supply donations, food donations, etc.

Planned Gifts

- *Bequests*
Unless otherwise restricted by the donor, disposition of all bequest assets will be to the endowment for unrestricted purposes unless determined otherwise by the Gift Acceptance committee. Bequests may be set up to be a specific Dollar/Euro amount or a percentage of the total estate. In addition, bequests may be director may be contingent upon the death of one or more individuals. A bequest is revocable, and therefore is not counted in annual totals and receives no gift credit. However, if the donor executes a pledge promising to keep the bequest in effect, gift credit will be given for the amount of the testamentary pledge if the individual establishing the bequest intention is 72 years of age or older. Exceptions may be made on a case-by-case basis.
- *Charitable Remainder Annuity Trust, Unitrust, and Pooled Income Fund*
Gifts made to establish Charitable Remainder Annuity and Unitrusts, and Gift Annuities shall be credited at their fair market value which is the full amount of the asset used to fund the gift. A minimum of €/\$100,000 is required to fund a Unitrust or Charitable Remainder Annuity Trust. When an income interest is to be retained by the donor, the asset offered must be of sufficient value to produce the income the donor anticipates. If the donor's valuation is unrealistic, the potential gift shall not be accepted. Trusts and Annuities should be limited to two income beneficiaries. Annuity rates shall be based on those established by the American Council on Gift Annuities or other national/international agencies. The Charitable Remainder Trust interest will be recorded on the donor's gift record. If such deferred gifts increase in value at the time they are received by CEU (usually at the person's death), the donor will be given credit for CEU purposes for the difference between the initial fair market value of the contribution and the amount realized by CEU.
- *Charitable Lead Trust*
Donors may transfer property or assets to establish a trust whose income or "lead" interest is given to CEU and the remainder interest is given to one or more non-charitable beneficiaries, which can be the donor or his/her family.. All gifts made through charitable lead trusts must be approved by the Gift Acceptance Committee. In reporting the value of a Charitable Lead Trust, only the income received from it each year during the period of operation of the Trust shall be included in CEU's gift totals.
- *Funds held in Trust by Others*
The value of the gifts held in trust in the name of CEU shall be counted as gifts to CEU provided the institution has an irrevocable right to all or a predetermined

portion of the income or remainder interest in the gift.

- *Retirement Fund Assets*

CEU may be designated as primary or contingent beneficiary for all or part of a donor's qualified retirement plan such as Individual Retirement Accounts (IRAs), 401(k), 403 (b) and others. As noted above, CEU personnel should not provide tax advice to donors and should urge donors to consult their own tax advisor. In general, in the U.S., funds donated to charity from qualified retirement plans at the death of the donor are deductible from the estate and avoid all income tax. U.S. donors over 70½ may also choose to make withdrawals from their IRA accounts to fund a current gift to CEU. Such withdrawals may be excludable from gross income, up to a maximum of \$100,000 per year. As tax laws can change frequently, CEU should advise donors to check with their own tax advisor regarding their personal gift. Pledges of Retirement Fund Assets are not booked, but the donor is classified as an expectant donor in DEVO's database.

- *Life Insurance*⁵

When CEU is named owner and irrevocable beneficiary, benefits will be given at the appropriate level corresponding to the cash value of the policy.

- If the policy is a paid-up policy, the value of the gift for CEU gift crediting and accounting purposes is the policy's unrealized death benefit (face or cash surrender value) of the policy in cases in which the insured is age 65 or older, and at the replacement value for donors younger than 65.
- If the policy is partially paid up, the value of the gift for CEU gift crediting and accounting purposes is the policy's cash surrender value.
- If the donor pays further premiums on the policy, the institution will include the entire amount of the premium payment in its gift totals.
- If CEU elects to pay the premiums, it will consider those payments as operating expenses and not report increases in the cash surrender value as a gift.
- Regardless of whether the donor or CEU pays the premium on the policy it owns, the difference between the cash value and the insurance company settlement at the death of the donor shall not be reported as a gift but rather a gain on the disposition of the asset.
- In those cases where CEU receives the proceeds of an insurance policy in which it was named beneficiary but not owner, the full amount received will be recorded as a gift on the date delivered.
- For public recognition purposes, CEU may publicly recognize the entire amount of a paid up insurance policy rather than what its cash value would be.

⁵ Applies to whole life insurance policies. Other types of policies may be accepted at the discretion of the Gift Acceptance Committee.

Contributed Income Spending Policies

Unrestricted and temporarily restricted spending

In instances where donors provide unrestricted donations to CEU via annual giving, those funds will be designated as such and utilized for general operations or as CEU central administration directs.

In instances where the donor provides a donation with a specific designation (i.e. for scholarship, program, department, or school) the fund code will be established by the Budget and Finance Office to enable tracking of expenses. Such restricted donations support approved operational expenses (salaries, facilities, administration) for the designated purpose and are not to be interpreted as discretionary funds.

Endowment spending

Spending plans for endowed funds and other special funds will be developed by DEVO in cooperation with the donor, Gift Acceptance Committee, BFO, Legal, and the awardee department or unit. Any spending of endowed funds and annual yield percentages must comply with CEU's endowment/investment guidelines, taking into consideration the donor's wishes. When negotiating spending plans, DEVO will ensure that the donor acknowledges that when endowment yields are not favorable, CEU cannot take responsibility for covering any loss in funding; therefore either the fund's principal may be invaded (if outlined in the endowment agreement) or the program may be suspended until funds again become available.

Expendable funds

Any time a grant is awarded and the funds are expendable, the responsible department/project manager/principal investigator will put forth a spending plan in accordance with the budget submitted with the donation's proposal, with appropriate modifications based on the amount received versus the amount requested. DEVO will act as the liaison between the CEU department and the funder. Generally, when grant funds/donations are received, the Development Office will complete a form which is shared with the awardee department and BFO and includes the following information:

- Grant name and funder name
- Responsible department
- Project manager/administrator/PI from responsible department
- SAP requester and approver
- DEVO and/or ACRO contact
- BFO Project Controller
- Amount in originating currency
- Purpose
- Grant period
- Reporting requirements

Scholarship spending/coding

The same process as outlined above will be undertaken when scholarship funding is awarded and the form completed by DEVO will also outline the eligibility requirements for the scholarship and identify members of the committee responsible for awarding the scholarship. Any time new scholarship funding is being negotiated or is secured, DEVO will notify the relevant department(s) and provide details on the fund, donor, and any special requirements. All scholarship funding, once awarded, is coded and released (spent) by BFO at the direction of the Director of Financial Aid. The final internal funding allocations take place after the students have completed the academic and specific scholarship requirements.

There are several scholarships that are given on an annual basis that can go to students in any department. Students are selected based on the merit list and any additional requirements put forth by the funder (example: scholarships for Roma students, scholarships for refugee students) as approved by the scholarship selection committee. As soon as these scholarships are awarded, the Director of Financial Aid will notify the appropriate department.

A general timeline for scholarship procedures is as follows:

August	Funder reports (other than those on a specific timeline stipulated by the donor) are submitted for the recently completed academic year
September	DEVO, Financial Aid (FA) and Admissions meet to review available funded scholarships for the next academic year (which will begin the following August)
October	Funded scholarship information is published on the financial aid web site DEVO meets with incoming scholarship students
October – February	DEVO works with FA, Admissions, relevant departments, and funders to establish timelines for any necessary scholarship committees and to review any new guidelines for scholarships created/funded since the prior academic year
February 1	Deadline for financial aid applications
March	Departments determine admissions and create merit list for accepted students
April	Scholarship committees meet and make awards based on the merit list and additional funder requirements and also compile a list of alternates Students are notified and requests for thank you letters for donors are made through admissions
May	DEVO reaches out to departments and students who received funding during the current year to begin compiling information for funder reports

June – July Funder reports are compiled
Possible funder meetings with students [may also take place at other times throughout the year]

Overhead Spending

Grants from government and some foundation and corporate sources usually include a percentage of funds for “overhead,” often also referred to as “indirect costs” or “facilities and administrative costs.” For more detail, see CEU’s overhead policy.

Salaries

Salaries should, when possible, be accounted for as direct costs and be utilized to offset organizational salary costs (i.e. provide budget relief), not to increase a unit’s budget.

Staff and faculty are encouraged to seek funding for salary support as part of their funding requests. Named positions (both permanently endowed and temporary) may be established and funded. More information can be found in Appendix A2 and in the naming opportunities section beginning on page 22.

Stewardship Policies

Acknowledgments and recognition

All donations and pledges will be recognized in writing, either electronically or in hard copy, and include tax deductibility information as required by U.S. law.

Acknowledgements will be sent within five business days of gift receipt, or sooner if sent electronically. All online donations will receive an immediate automated acknowledgment, which will, depending on gift level, be followed by an electronic or hard copy letter.

The following units will be responsible for the following types of gift acknowledgements:

Table 2

DEVO	ACRO	AR
Individual donations		Alumni donations
Corporate, Foundation, and U.S. Government donations		
Alumni donations in some cases together with AR		

Donations from members of the Board of Trustees and top tier donors will be acknowledged in hard copy by the Rector. Other donors may receive acknowledgment from the Rector at the discretion of the VP for Development. Donations over €/\$1,000 will receive hard copy acknowledgements from the VP for Development. When

appropriate, such acknowledgements will come from the solicitor (whether staff, faculty, or Board) for personal notes.

All donors not choosing to remain anonymous will be recognized in a manner consistent with their level of giving and consent. Special recognition opportunities will be communicated at the time of solicitation. Generally, all donors over €/\$1,000 will be recognized in CEU's Annual Report.

Scholarships

In addition to the acknowledgments mentioned above, donors who contribute €/\$100,000 or more for scholarships will receive updates on the awarded students and, if possible, the opportunity to meet students, whether in Budapest or abroad.

In accordance with grant/donor agreements and in keeping with CEU's data protection policies, reports will be provided on scholarships. Departments are required to work with DEVO to ensure that required information is provided for reports. This can include, but is not limited to:

- Information on students (e.g. country of origin, incoming exam scores) and their grades, theses, projects, internships, etc.
- Information on students' future plans
- Letters and/or videos from students

Departments and/or Financial Aid will also be responsible for providing financial reports on actual scholarship, stipend, and other student fees spent versus budget.

Financial Aid will work with DEVO and in consultation with departments/schools in order to ensure that any available scholarship funds are put into appropriate budgets. Financial Aid will be the clearinghouse for all scholarship financial information and ensure the proper spending and coding of scholarship funds each year.

Naming opportunities

There are generally always naming opportunities available at CEU, whether scholarships, professorships, or actual physical spaces. Minimum requirements for the naming of scholarships and professorships, as well as endowments, are attached in Appendix A2. For the naming of physical spaces, amounts are determined based on a number of factors including size and prominence of the space and its use.

Generally, named permanent endowments over €/\$100,000 carry the donor's name in perpetuity (for the life of the fund), or as outlined in the endowment agreement. Except in unusual circumstances, the only time a donor's name would be removed from a permanent endowment is if that endowment ceases to exist. Guidelines for that possibility will be outlined in each specific endowment agreement (example attached in Appendix B2).

For the naming of physical spaces, there are time limits to the naming rights as outlined below:

- | | |
|-----------------------------|---|
| For gifts up to €/\$100,000 | Donor retains naming rights for 10 years and right of first refusal on renewal, terms of which will be determined by CEU. |
| For gifts over €/\$100,000 | Donor retains naming rights for 20 years and right of first refusal on renewal, terms of which will be determined by CEU. |
| For gifts over €/\$1M | Longevity of naming right will be determined through discussion with the donor. |

Gifts to endow and name a space or program in perpetuity will be considered on a case-by-case basis, generally with a minimum donation of €/\$10 million to CEU.

For named equipment or furniture, the naming lasts only as long as the item in question is in use and the naming is permitted by donor consent.

Donors whose name appears on physical spaces whose time period as defined above has expired will be given the right of first refusal in renewing the naming of the space. Pricing will be determined in accordance with the size and prominence of the space and in accordance with the current market and is not guaranteed to be the same amount as when the donor made the initial donation.

Sometimes, rooms and spaces named for donors are decommissioned, renovated, or cease to exist due to construction or moving. In instances where the donor still has time remaining on the life of their naming right, DEVO staff will work with the donor to name another space comparable in size and location to the initial space. The donor's name will remain on that mutually agreed upon space until the time limit on the naming rights expires.

Signage for naming opportunities will be placed only when the gift is paid in full or, at the discretion of the Gift Acceptance Committee, when the first installment is received. Signage will be consistent with the building style/design and at the discretion of CEU.

For the naming of Centers, a name change is dependent upon the approval of the Rector, and all requests should be copied to the Provost, Academic Secretary, and other relevant parties. It should be noted that name changes for Centers also involve a change to the Centers' charters, so this should be discussed with relevant staff and faculty before the gift is finalized with the donor.

Conclusion

Questions relating to these policies and procedures should be directed to the Development Office.

These policies will be reviewed on an annual basis and amended as necessary with approval of the appropriate authority. The Gift Acceptance Committee will determine what, if any, proposed amendments require Board or Senate approval.

Appendices

- A. Other Internal Guidelines
 - 1. Gift processing procedures
 - 2. Guidance on endowment minimums

- B. Resources and Sample Documents
 - 1. "How to" resources for faculty seeking funding
 - a. [How to find funding](#)
 - b. [How to prepare funder reports](#)
 - 2. Endowment agreement example
 - 3. Gift of art acceptance agreement

- C. Board Development Committee Charter

Appendix A1: Gift Processing Guidelines and Procedures

Updated: 3/20/2017

Gift Processing Cycle

This document outlines the guidelines and procedures for gift processing as required for the Development Office. Additional processes undertaken by the Budget and Finance Office as well as Academic Cooperation and Research Support Office and Alumni Relations Office or other offices are not necessarily reflected here.

All charitable contributions¹ to Central European University and CEU-related entities group (list of entities are in Annex 1) are administered by **Development Office (DEVO), Alumni Office (ARCS) and the Academic Cooperation and Research Support Office (ACRO), with DEVO serving as the repository of gift and donor information.** Gifts that are arriving to any entity of the Central European University and to its satellite groups are administered by Development Office. The platform for gift administration is Raiser's Edge database for all units (hereafter RE).

Entities receiving donations depending on the scope of the activity of the entity (CEU group has more entities but the below entities cover potential program or project designations):

Közép-Európai Egyetem (KEE)

Central European University New York (CEU Regents)

Central European University Budapest Foundation (CEUBPF)

Definitions and Guide Notes:

- Base rule for Currency Conversion: all conversions are always based on the daily exchange rates published by the Hungarian National Bank (MNB). These data are available on MNB's site. Different types of donations are accounted in different phases of contribution administration
- Supporting documents: these comprise of grant letters, personal letters or notes, pledge agreements, check or letter scans, e-mails, Charitable Intent Forms, transfer notes
- Charitable Intent Form: for distributed to donors to provide details related to their donations.
- Legal note for acknowledgement letters:
 - All thank you notes sent to acknowledge charitable contributions must state the gift amount, currency, date of gift, donor, designation and information on recognition. The following line must be inserted in all such letters (regardless of being hard-copy or electronic):
"For your tax record purposes, I note here that no goods or services of any value were or will be transferred to you in connection with your charitable donation."

Also, all thank you notes must have the following legal note in their footer:

Central European University (CEU) is a non-profit higher education institution accredited in the United States and registered in Hungary, with charitable status in both countries as well as Canada. CEU Regents is a registered public charity with 501(c)(3) IRS status in the United States. Contributions are tax deductible to the extent allowed by law. U.S. taxpayers should check with the Internal Revenue Service (IRS) publication 526 and publication 1771 and/or their tax advisor for further details. CEU is on the list of 'prescribed universities' in the Canadian Income Tax Act Schedule VII section 3503. Therefore, all donations to CEU are tax-deductible in Canada subject to any regulations that might otherwise apply. Donors who are taxpayers in other countries should review local tax laws and regulations for details.

○

¹ i.e. transfers of various nature which do not involve any goods or services in return are considered to be charitable contributions. For further guidance, CEU's Policies and Procedures for Contributed Support should be consulted and on government and EU support administered by ACRO, please consult the External Funding Guidelines. Contributed income resulting from contracts or partnerships in which the contributor does NOT receive tax benefits, will be processed as above, but will receive no documentation for tax purposes.

Appendix A1: Gift Processing Guidelines and Procedures

Updated: 3/20/2017

Forms of donations arriving to CEU:

Check

Cash

Wire Transfer

On-line Donation

In-kind Donations

Service Donations

Bequests

1. Check:

- Checks: checks for deposit should be channeled to DEVO, to the attention of the Coordinator. Checks are to be scanned on both sides and copies filed in the dedicated donor file of the donor. In case of community advised funds or checks issued by an entity other than the donor, check should be filed under the donor name but should be recorded in RE under the official name on the check and donors are soft credited for the total gift amount. Check scans should be uploaded as media files in RE under the official donor's record. Ideally, checks have supporting documents (e.g. donor notes, e-mails, Charitable Intent Forms, etc.) - these should be also scanned and uploaded in Sharepoint under the appropriate donor file and then uploaded as media in RE.
- After processing check details, send the checks via courier service to DEVO Senior Gift Officer, Tara Stone for deposit at:

Central European University
Development Office
PO Box 1215
Herndon, VA 20172
USA

- Checks arriving to the USA are directly addressed to Tara Stone, to the above address. In such cases she prepares scans of the checks before depositing and sends those to the central Development Office for administrative processing. Development Office records the check details in RE, processing as directed above.
- Currency rate for check recording: all checks in currencies other than USD should be recorded on the rate of the bank crediting the check and in USD determined for the day when the check is **deposited** in the US (i.e. not the check date or the date when the check arrives to the Office).
- Reconciliation with Budget and Finance Office (thereafter BFO): scanned copy of check, CIF and/or supporting documentation² (if required) are uploaded to a folder accessible to and updated daily by both units and reconciled weekly.
- Thank you notes are prepared by DEVO or AR as noted in the CEU Policies and Procedures for Contributed Support.

2. Cash:

² Acceptable supporting documents include: grant, gift, pledge or sponsorship agreement or intent letter or form; service contract; and/or email from donor indicating intention to make a contribution.

Appendix A1: Gift Processing Guidelines and Procedures

Updated: 3/20/2017

- Cash gifts received either by Development Office or by Alumni Office are immediately processed at CEU Cash Desk with either a filled Charitable Intent Form or by relevant documents on the donation clearly indicating the designation, donor, amount of gift, date of gift, potential anonymity. Cash donations received by separate academic or administrative units should be channeled first to Development Office or Alumni Office (this latter applies if the gift comes from an alumni).
- All cash gifts are to be entered in RE (date of gift equaling the date when the amount was physically received by CEU and gifts with currencies other than USD should be converted to USD based on the daily rate of MNB, with original currency, if available)
- Acknowledgement letters are prepared as noted in the CEU Policies and Procedures for Contributed Support.

3. Bank Transfer:

- Donations coming to CEU via bank transfer should be in general arriving to CEU's dedicated CIB Bank accounts (registered in Hungary but channeled to CEU Regents due to 501(c)3 status in the US). These three accounts are monitored on a daily basis by Development personnel and donations received are reported to Alumni Relations and Development Vice President and appropriate personnel (for Alumni donations the reports are uploaded to the designated Sharepoint folder, for Development Donations separate reports from CIB portal are uploaded to the respective donor file under G: Donor_ Prospect Files and to Raisers Edge.)
- In case gifts are to be directed to an entity other than CEU Regents, other bank account details should be used. Defining the recipient entity of the grant/gift should always be coordinated with BFO and Legal.
- All support documents related to the wire transfer are filed both under G:Donor_Prospect Files
- Wire transfer gifts are to be entered in RE (date of gift equaling the date when the amount hit CEU accounts and gifts with currencies other than USD should be converted to USD based on the daily rate of MNB, with original currency, if available)
- Acknowledgment letters are prepared as noted in the CEU Policies and Procedures for Contributed Support.

4. On-line donations:

- All on-line charitable donations (credit and debit card giving) to CEU are coming through BBMS/CEU Giving Form or PayPal; the primary on-line giving platform is BBMS/Giving Form. BBMS/CEU Giving Page donations are automatically recorded in RE to the donor's record in USD, no further in-RE gift administration is required. On-line donations are transferred by Alumni personnel on a daily basis after validating and committing automated batches. Gifts arrive to CEU's US Citibank account, detailed information on those gifts are provided by BFO upon request. BBMS is managed primarily by Romulus Filip. PCI Compliance of on-line transactions is secured by BBMS Payment Gateway Standards.
- Debit card donations are also accepted by CEU. Such EFT transactions are handled by ARCs and Development, who processes credit card details to place payments, and donations are automatically recorded in RE to the donor's record in USD. All processing complies with CEU's data protection policies. EFT donations are credited at CEU's Citibank account, financial information is to be requested from BFO.

Appendix A1: Gift Processing Guidelines and Procedures

Updated: 3/20/2017

- Data storage is regulated by compliance standards. Beyond that all support documents related to the direct debit transaction are filed both under G: Donor_Prospect Files on Sharepoint.
- PayPal: the multi-purpose PayPal account of CEU is administered by ARCS personnel - responsibilities are tied to donation buttons within PayPal. While PayPal is not a primary platform for collecting donations, it serves as back-up platform for alumni (99% of donations through PayPal are from Alumni). PayPal is an automated system that sends auto-confirmation on all transactions. Follow-up acknowledgment is optional. All donation coming through PayPal are to be recorded to RE. Date of gift should be identical with date of PayPal transaction log, currency conversion rate should be defined by the date of the donation arriving to PayPal and be based on daily rate published by MNB.
- Acknowledgment letters are prepared as noted in the CEU Policies and Procedures for Contributed Support.

5. In-kind donations, stock donations, bequests:

- For processes related to in-kind donations please consult the CEU Policies and Procedures for Contributed Support.

Note: Canadian Revenue Agency requires specific gift acknowledgment standards: all Canadian donors must receive a separate tax receipt. For formal requirement see G:\DEVELOPMENT\Administration\Official documents\CRA-Official Donation Receipt for Income tax Purposes

Charitable Contributions Reconciliation:

All charitable donations arriving to CEU are reported to BFO and reconciled for accounting consistency.

- **Tools for reconciliation:**
 - Incoming Sheet: BFO registers all incoming money flows in a non-official sheet accessible only by selected personnel - the sheet serves identification purposes and should not be basis for any official claims.
 - Grant Information Form: all grants and donations managed by the Development Office have a grant information document outlining information about designation, reporting, purpose, project responsibilities, and budget, in addition to highlighting important features of the grants. These documents are reviewed by the respective department and Budget Office and finalized versions are shared via SharePoint (previously in O:\COMMON\DEVELOPMENT\Gift Tracking\Weekly reports\CIFs and Checks; and the respective donor file under G:Donor_Prospect Files)
- **Schedule for reconciliation:**
 - Three times per year (November, February, May): detailed review of all on-going grants and donations to check spending, scholarship allocations and distributions, and payment schedules. This is carried out by the Coordinator from Development Office and Controller from BFO. SAP reports serve as the basis for the expenditure audit, Admissions and Financial Aid Report serves as scholarship and fellowship allocation basis, and the benchmarks are the grant outlines and the grant agreements.

Appendix A1: Gift Processing Guidelines and Procedures

Updated: 3/20/2017

- End of the Year reconciliation: carried out post-31 July and include all incoming donations relevant in the closed academic year. Reconciliation is based on a project report from SAP (both BoT and separate project reports) and Development Office's gift chart. Reconciliation is to reveal discrepancies due to different administration processes: e.g. cash gifts vs. pledges and conversion rate differences. Further analysis of departmental accounts to resolve issues rising from cost and accrual based accounting. EoY reconciliations are carried out by the Controller at BFO and the DEVO Coordinator.

Appendix A2: Policy on Endowment Minimums

Minimum Requirements for CEU Named Endowments

Endowed Dept. Chair/Deanship	\$3,500,000
Endowed Full Professorship	\$2,000,000
Endowed Assistant/Associate Professor/Visiting Chair	\$1,500,000
Endowed Full Doctoral Scholarship	\$700,000
Endowed Full Masters Scholarship	\$500,000
Tuition-Only Doctoral Scholarship	\$500,000
Endowed Fellowship	\$400,000
Tuition-Only Masters Scholarship	\$300,000
Minimum for Named Scholarship	\$300,000
Minimum for Named Endowment	\$100,000

These minimum requirements will be reviewed regularly by the Gift Acceptance Committee.

Appendix B2: Sample Endowment Agreement

Note: this agreement will be tailored to the donor's and CEU's wishes.

[DATE]

[ADDRESS]

Dear:

Thank you for your generous donation of [AMOUNT] to support the [ENDOWMENT]. Below, I am laying out the terms that were agreed upon in previous discussions. If these terms are acceptable, please sign and return both copies of this letter. A fully executed version will be returned to you.

In consideration of this gift, [upon receipt of the full amount of the gift,] Central European University will name the [NAMING OP], as follows:

[ACKNOWLEDGEMENT, e.g. The John Doe Endowed Scholarship for the School of Public Policy, or
The John Doe Auditorium]

[USE THIS PARAGRAPH TO DESCRIBE ANY SPECIAL AGREEMENTS OR INSTRUCTIONS OTHER THAN TRADITIONAL ENDOWMENT SPENDING OUTLINED BELOW, e.g. donor's wish to spend down principal for a period of time while fund is grown]

[In connection with this agreement, you agree not to engage in conduct that would publicly damage the image of the named fund, its recipients, and/or the university.]

[INSERT IF FULL PAYMENT HAS NOT YET BEEN RECEIVED]: Once CEU receives the full amount pledged, the endowment fund of [AMOUNT] shall continue in perpetuity. The income, but not the principal, of the endowed fund shall be used to support the [PURPOSE] in accordance with the established policies of CEU. If at any time, at the discretion of the President and Rector and the Board of Trustees, this fund is no longer necessary for the above-stated purpose, the Trustees may designate the funds for a purpose that most closely parallels the original intent. Naming rights will be transferred to the new designation.

[OUTLINE ANY PLEDGE PAYMENT SCHEDULE HERE AND INDICATE THE POINT IN TIME WHEN INCOME WILL START BEING UTILIZED, e.g. Once the payments on your pledge reach the minimum endowment level of \$100,000, annual distributions of income will be withdrawn. The percentage of income will be in compliance with CEU's endowment policies, generally not exceeding X%, and not more than the yield.]

This agreement shall be governed by the laws of [ENTER STATE, COUNTRY, ETC].

Sincerely,

Liviu Matei
Provost

Agreed to on this _____ day of _____, 20XX.

Date: _____

Date: _____

Accepted and Agreed to by:

Date: _____

Date: _____

Appendix B3: Sample Gift of Art Acceptance Agreement

[DATE]

Liviu Matei
Provost
Central European University
Nador u. 9.
1051 Budapest
HUNGARY

Dear Dr. Matei:

I write to inform you of my decision to support Central European University (CEU) with the irrevocable donation of an original art work by [ARTIST] entitled [TITLE.] A reproduction of the work is attached.

The donation shall be housed at Central European University for use, [including future sale¹], as designated by the University's leadership. Whenever the artwork is on view, a label will be displayed alongside the artwork stating the following: A Gift to the CEU Art Collection by [DONOR.]

[I will also support Central European University with a gift of €/\$X,XXX to support shipping, insurance, storage, and ongoing conservation fees that CEU may incur by accepting this artwork.]²

Please sign and return a copy of this letter to confirm that the terms of these gifts are acceptable to Central European University. It is my pleasure to support CEU and its art collection.

Sincerely,

Accepted and Agreed:

Liviu Matei
Central European University

Date:_____

Date:_____

¹ May or may not be included depending upon the wishes of the donor in agreement with CEU

² May or may not be included depending upon the wishes of the donor in agreement with CEU. However, CEU will always ask for additional support when accepting gifts of art.

**CENTRAL EUROPEAN UNIVERSITY BOARD OF TRUSTEES
DEVELOPMENT COMMITTEE CHARTER**

Composition

In accordance with Charter By-Laws Articles 2.5 and 4.1, the Chair of the Board, after consultation with the Board, shall appoint the members of the Development Committee. It is expected that the Committee will be comprised predominantly of Trustees, and, pursuant to By-laws Article 4.1, in no event shall Trustees constitute less than one-half of the members of the Committee.

Each appointment to the Committee is for a term of one year, which may be renewed without limit. If a vacancy arises before expiration of a one-year term, the Board Chair may appoint a replacement to serve for the remainder of the unexpired term, whose appointment to the Committee may be renewed without limit.

Chair

The Board Chair shall appoint a Trustee as Chair of the Development Committee. The Committee Chair may designate a Committee member to fulfill the duties of the Committee Chair in the Committee Chair's absence.

Meetings

In accordance with By-Laws Article 4.1, a majority of the Committee shall constitute a quorum for the transaction of business at any meeting of the Committee.

In accordance with By-Laws Article 3.4, Committee members may participate in Committee meetings by conference telephone, videoconference or similar equipment, provided all persons participating in the meeting can hear each other. Participation by such means shall constitute presence in person at a meeting, or for the relevant portion of the meeting.

Powers and duties

The Development Committee shall have responsibility for providing the leadership and initiative required to broaden and increase the financial support for CEU. It shall advise the Rector-President and shall assist CEU in establishing a development department or function within the University. To carry out its responsibilities, the Development Committee shall review, receive reports on, and advise the Board of Trustees regarding the University's:

(A) Development, including:

1. Goals for private giving that correspond to the University's mission, long-term strategic objectives, and annual operating budget;

2. Goals for trustee involvement in development activities (in coordination with the Nominating Committee);

3. Progress towards goals for private giving;

4. Staffing levels and budget of the Development Office;

5. Policies regarding the University's acceptance and use of gifts;

(B) Capital campaign development and implementation;

(C) Alumni relations; and

(D) Communications and external affairs programs, including media relations, government relations, and public relations.

Members of the Development Committee shall be active participants in development activities, including gift solicitation, fund-raising activities, and cultivation events.

The Development Committee may refer any matter within its jurisdiction to the Board of Trustees for its consideration; may request input or assistance from other Board Committees; and may establish such subcommittees as it deems appropriate.

This charter shall be reviewed at least every other year.

Document information	
Type	Policy
Number	P-1703
Title	CEU Policies and Procedures for Contributed Support
Distribution	Internal
Filename	P-1703 CEU Policies and Procedures for Contributed Support
Notes	
Related documents	
For final documents	
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