LOYOLA UNIVERSITY NEW ORLEANS
Office of Institutional Advancement

Gift and Pledge, Naming, and Sponsorship Policy and Procedures

Approved by the Board of Trustees of Loyola University New Orleans on October 7, 2016

Executive Summary of the Gift and Pledge Policy and Procedures

This Policy is set forth: (1) to define the working rules for fundraising at Loyola University New Orleans; (2) to protect the university, its Board of Trustees, staff, and volunteers; and (3) to inform the university's advisers, donors, and prospective donors. It governs the acceptance of and processes by which gifts will be accepted by Loyola University.
Policy objectives include:

- guidance for complete and accurate reporting of gifts and pledges;
- guidance for compliance with IRS regulations and acceptable business practices;
- guidance for persons involved in gift solicitation, gift recording, and gift administration; and
- guidance for donors, prospective donors, and their advisors.

The purpose of the Policy is to ensure that gifts:

- are appropriate to the mission and needs of the university,
- impose no undue financial burdens on the university,
- if restricted, are written in reasonably broad language and in flexible terms to maximize usefulness to the university; and
- if restricted, include language that permits the university to apply the gift to a related purpose in the event that the designated purpose is no longer practical, necessary or able to be performed because of a future change in the law or unforeseeable circumstances.

The Office of Institutional Advancement is the clearinghouse for all fundraising activities of the university. All persons soliciting gifts on behalf of Loyola are bound by this policy and are to consult with the Office of Institutional Advancement.

The Board of Trustees and/or appropriate university officers as authorized by the president reserve the right to refuse any gift. Reasons for refusal include, but are not limited to, gifts that are inconsistent with its mission or violate any federal, state, or local statute or ordinance.

Commitments to Loyola may take the form of one, or a combination, of the following: cash; multi-year pledges; securities; tangible personal property; real estate; remainder interests in property; deferred or planned gifts including: trusts, annuities, insurance policies, qualified retirement plans, gifts of residence with or without a retained life interest, bargain sales, and/or bequest intentions and other revocable deferred gifts.

The Policy sets forth procedures for accepting, evaluating, and administrating such gifts and pledges and includes special rules for accepting gifts of real estate. Rules for handling philanthropic support during fundraising campaigns are also outlined. Pledges of outright gifts should be written and should commit to a specific dollar amount that will be paid according to a preferred time schedule. With certain gift types, donors shall be advised to consult legal and/or financial counsel regarding the tax implications of their gift.

Executive Summary of the Naming Policy

This Policy is set forth: (1) to provide for an orderly, coordinated, and informed practice of naming Loyola University New Orleans physical and academic entities or collections; (2) to establish minimum gift levels for naming opportunities; (3) to establish and empower the Named Gifts Program Committee; (4) to protect the university, its Board of Trustees, staff, and volunteers; and (3) to inform the university's advisers, donors, and prospective donors.

Policy objectives include:

- guidance to the Named Gifts Program Committee established herein;
- guidance for proper vetting and consultation before making naming decisions;
- guidance for risk assessment before making naming decisions;
- guidance for persons involved in gift solicitation, gift recording, and gift administration; and
- guidance for donors, prospective donors, and their advisors.

The purpose of the Policy is to ensure that naming opportunities:

- are appropriate to the mission, vision, values, and needs of the university,
- impose no undue financial burdens on the university,
- do not harm the reputation of the university,
- provide sufficient funding to accomplish goals of the named program or function,
- provide appropriate recognition of the university's heritage and legacy, including the opportunity to honor and recognize its distinguished alumni, benefactors, and friends.

This Policy applies to all situations in which a charitable gift is given with the intention of creating a named endowment or named physical entity (as defined herein), academic entity (as defined herein), or collection.

Proposals for naming of new physical and academic entities or collections, changing the name of an existing physical or academic entity or collection, or naming a previously undesignated physical or academic entity or collection, shall be considered by the Named Gifts Program Committee, only upon submission of a written request by a trustee, the president, or the appropriate vice president, dean or department chair of the respective academic area, to the committee. The Named Gifts Program Committee will follow the guidelines for approving naming opportunities and shall judge each proposal on its merits. After proper vetting and consultation, the committee will make recommendations to the president.

Loyola, through the Office of the President and, when appropriate, the Board of Trustees, reserves the right of final approval for the name(s) recommended for any of the opportunities in the sections that follow.

Executive Summary of the Sponsorship Policy and Procedures

This Policy is set forth: (1) to define sponsorship; (2) to establish working rules for the solicitation, negotiation, and implemented of sponsorship; (3) to describe the approval process of sponsorship; and (3) to protect the university, the Board of Trustees, staff, and volunteers.

Policy objectives include:

- guidance for colleges, schools, departments, academic or administrative units, and registered student organizations (RSO) regarding the sponsorship of university or RSO events, programs, publications, or other activities by non-university entities;
- guidance for persons involved in sponsorship solicitation, negotiation, acceptance, and implementation;
- guidance for compliance with IRS regulations and acceptable business practices; and
- guidance for risk assessment relating to the sponsorship.

The purpose of the Policy is to ensure that sponsorships:

- are appropriate to the mission and needs of the university,
- impose no undue financial burdens on the university,
- do not harm the reputation of the university, and
- do not appear to endorse one company, product, political candidate, or position regarding public policies.

The Office of Institutional Advancement is the clearinghouse for all sponsorship activities of the university. Accordingly, all sponsorship opportunities at Loyola are to be coordinated in advance through the Office of Institutional Advancement. Questions pertaining to this policy and all requests for approval of sponsorships are to be directed to the Office of Institutional Advancement. As described in this Policy, the vice president for institutional advancement (or his/her designee) will follow the approval process established herein.

A qualified sponsorship will allow Loyola to acknowledge the gift by using the donor's business name, logo, or product lines in any of Loyola's event publications or activities. If the return benefit received by the donor is considered "substantial" under the IRS guidelines, the sponsorship may trigger unrelated business income for Loyola and is then considered a non-qualified sponsorship. The IRS determines substantial return benefit by looking at the fair market value of the items received by the corporation and uses a 2% rule as explained in the policy.

If Loyola decides to partner with a business and accept payments, it is important for Loyola to consider what benefits the business will receive for its payments. If those benefits are not specifically excluded from taxation and the fair market value of those benefits are over 2% of the businesses payments, then Loyola through the approval process as outlined, will consider restructuring the sponsorship agreement, or budgeting for the taxes that will be owed.

Gift and Pledge, Naming, and Sponsorship Policy and Procedures

LOYOLA UNIVERSITY NEW ORLEANS

Gift and Pledge Policy and Procedures

Authority: Vice President for Institutional Advancement
First Issued: October 16, 2009
Last Revised and Approved by the Board of Trustees: October 7, 2016

Loyola University New Orleans's Gift and Pledge Policy and Procedures are set forth: (1) to define the working rules for fundraising at Loyola University New Orleans; (2) to protect the university, its Board of Trustees, staff, and volunteers; and (3) to inform the university's advisers, donors, and prospective donors.

It is the general policy of Loyola University and its Board of Trustees: (1) to offer diverse opportunities for gift support of the university; (2) to communicate such opportunities to constituents on a regular basis; and (3) to provide the resources for a full and effective development program for the benefit of both donors and the university.

Naming Policy

Authority: Vice President for Institutional Advancement
First Issued: May 18, 2012
Last Revised: October 7, 2016

Loyola University New Orleans, through the Office of the President and in consultation with the President's Cabinet, establishes minimum gift level amounts and approval guidelines for naming opportunities, as outlined in this document.

The gift levels are intended as minimum amounts necessary to name physical and academic entities at Loyola University. Such minimums are important in order to ensure that the physical or academic entity has sufficient funds available to accomplish the mission of the program or function named by the donor.

This policy also establishes the Named Gifts Program Committee. (See Section V.B., page 22)

Sponsorship Policy and Procedures

Authority: Vice President for Institutional Advancement
First Issued: October 7, 2016

This policy provides guidance to colleges, schools, departments, academic or administrative units, and registered student organizations (RSOs) of Loyola University New Orleans, regarding the sponsorship of university or RSO events, programs, publications or other activities by non-university entities.

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Gift and Pledge Policy and Procedures

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Introduction

The following policy and procedures are set forth: (1) to define the working rules for fundraising at Loyola University New Orleans; (2) to protect the university, its Board of Trustees, staff, and volunteers; and (3) to inform the university's advisers, donors, and prospective donors.

It is the general policy of Loyola University and its Board of Trustees: (1) to offer diverse opportunities for gift support of the university; (2) to communicate such opportunities to constituents on a regular basis; and (3) to provide the resources for a full and effective development program for the benefit of both donors and the university.

I. Role of Institutional Advancement

The Office of Institutional Advancement is the clearinghouse for all fundraising activities of the university. It shall be the responsibility of the Office of Institutional Advancement and its staff, under the direction of the president of the university:

A. To maintain and increase philanthropic financial support for the university;

B. To develop and propose to the Board of Trustees plans for a comprehensive development program, including annual, capital, and planned gift efforts;

C. To advise the Board of Trustees, senior staff, and other volunteers on matters relating to the cultivation, solicitation, and acceptance of gifts in support of the university;

D. To inform, serve, guide, and assist the university's constituents in fulfilling their family, financial, and philanthropic objectives;

E. To coordinate all fundraising efforts as may involve the several constituencies (Trustees, staff, friends, alumni, corporations, foundations, etc.) of the university by matching donor interests with specific funding opportunities so that prospects and donors are not solicited by multiple individuals on behalf of the university;

F. To undertake research on prospects and donors so as to identify donor interests and to maintain confidentiality with regard to research findings and donor records;

G. To report regularly to the Board of Trustees regarding gifts, grants, pledges, and planned gift commitments received by Loyola University; and

H. To maintain a robust gift stewardship program that monitors the use of charitable funds and involves the regular and consistent interaction with donors, including annual reporting and recognition ceremonies.

II. General Gift Acceptance Policy and Procedures

A. Loyola University welcomes expressions of interest and financial support, regardless of size or form, from any individual, family, business, corporation, foundation, or similar source. The development office staff and volunteers are available to meet with any prospective donor(s) and their financial advisers, without obligation, to discuss areas of interest, the plans of the university, types of gift commitments, options for payment, estate planning, and the tax planning consequences of a possible gift commitment so as to provide every possible assistance to a prospective donor.

Although representatives of Loyola University will provide all appropriate assistance, the ultimate responsibility regarding asset evaluations, tax deductibility, and/or similar federal, state, and/or local legal compliance issues rests with the donor(s) and/or with such financial advisers as the donor(s) shall secure.

All donors need competent financial advisers, and representatives of the university will always recommend to potential donors that they obtain such assistance.

B. Gifts to the university should be made in the name of Loyola University New Orleans. All gifts to the university are to be directed in their entirety (including envelope, check, and written correspondence) to the Office of Institutional Advancement, where they will be accepted, acknowledged, and administered in accordance with the policies of the administration and the Board of Trustees.

C. All solicitations of donations or gifts of funds or real property for the benefit of the university shall be made with the approval of the president of the university, vice president for institutional advancement, or the vice president for institutional advancement's designated representative.

D. Commitments to Loyola University and/or payment of same may take the form of one, or a combination, of the following:

- Cash;
- Multi-year pledges;
- Securities;
- Tangible Personal Property;
- Real Estate;
- Remainder Interests in Property;
- Deferred or planned gifts including:

-Trusts,
-Annuities,
-Insurance policies,
-Qualified retirement plans
-Gifts of residence with or without a retained life interest,
-Bargain sales,
and/or
-Bequest intentions and other revocable deferred gifts.

E. Pledges of outright gifts should be written and should commit to a specific dollar amount that will be paid according to a preferred time schedule.

Preferred Schedule for Pledges	
Pledge Amount	**Maximum Pledge Period**
Less than $5,000	One (1) year
$5,000 to $24,999	Three (3) years
$25,000 and above	Five (5) years*

*Exceptions can be made for pledges of $1 million and larger

A personal pledge made by an individual is a personal debt and cannot be paid by a family foundation or distribution from a donor-advised fund.

F. The president of the university, vice president for institutional advancement, or vice president for finance shall have authority to sign planned giving agreements on behalf of the university. Any agreement that does not meet the requirements of the current guidelines shall require the approval of the vice president for institutional advancement, the president, and, if appropriate, the Board of Trustees.

G. The Board of Trustees and/or appropriate university officers as authorized by the president of the university reserves the right to accept (or, in cases where absolutely necessary, to decline) any commitment that is offered. (See Section K., page 6 for discussion of unacceptable gifts.) They also reserve the right to determine how any commitment will be credited and/or how such commitments will be recognized.

Requests by donors for anonymity will be honored.

H. The university will not knowingly seek, nor accept, any commitment regardless of size, designation, or other condition, which it believes is not in the potential donor's best interest.

I. Conflicts of Interest. (See Loyola University's Conflict of Interest Policy, approved by the president, June 7, 2011.) Note that acts or allegations of selfdealing are covered by, and should be addressed in accordance with, Loyola's Conflict of Interest Policy.

J. Due to the potential conflict of interest and scope of duties required, Loyola and its representatives shall be prohibited from serving as an executor of any estate in which Loyola University is named as a beneficiary.

K. Unacceptable Gifts. Loyola reserves the right to refuse any gift that is not consistent with its mission. In addition to and without limiting the generality of, the following are examples of gifts that will not be accepted by Loyola:

(1) Gifts that create scholarships, fellowships, professorships, chairs, or lecture series with restrictive clauses that:

(a) Give the donor or his/her representative the right to designate the recipient.
(b) Do not meet the academic priorities of the university.

(2) Gifts that compromise the university's academic integrity or interfere with the university's academic freedom.

(3) Gifts that require an arrangement to do business with a specified person or company or future employment at the university.

(4) Gifts that are financially unsound or could expose the university to liability or embarrassment.

(5) Gifts that rely on a third party appraisal provided to the donor that is perceived to be inaccurate or unreliable.

(6) The size or benefit of gifts is perceived to be disproportionate to the work or cost required to sustain the gifts.

(7) Gifts that violate any federal, state, or local statute or ordinance.

(8) Gifts that contain unreasonable conditions (e.g., a lien or other encumbrance) or gifts of partial interest in property.

L. Gifts are invested according to policies established by the Board of Trustees.

M. Loyola expresses its gratitude for certain gifts by naming buildings, rooms, programs, scholarships, or other endowments in honor of donors. This practice is governed by the Naming Policy, which was approved by the Board of Trustees on May 18, 2012. (See Naming Policy, page 22.)

III. Policy Pertaining to Certain Types of Gifts

Gifts shall be valued on the date the donor(s) relinquished control of the assets in favor of the university. In cases where gifts are made with assets other than cash, the following guidelines will be observed:

A. **Publicly Traded Securities.** Gifts of publicly traded securities will be recorded at the average of the high- and low-market value on the date the donor relinquished control of the assets in favor of the university or other valuation techniques approved by the IRS; such securities will be conveyed to the university's brokerage account or business office for immediate sale, consistent with the established policies of the university.

B. **Closely Held Securities.** Gifts of closely held stock will be recorded at the per-share cash purchase price of the most recent transaction. Normally, this will be the buyback transaction of the donor. If no buyback is consummated, a gift of closely held stock may be recorded at the value determined by a qualified independent appraiser. All such gifts of closely held stock will be held until liquidated, at which time the funds will be used consistent with the gift intentions of the donor and the established policies of the university.

C. **Real Estate, Bargain Sales, and/or Partnerships.** Outright gifts of real estate, bargain sales, and/or partnerships will be recorded at fair market value at the time such gifts are transferred to Loyola University, less any encumbrances. The fair market value of the property shall be determined by an independent, qualified appraiser paid for by the donor. Appropriate environmental hazard appraisals are also required and are to be paid for by the donor.

Gifts of real estate must be accepted by Loyola University in accordance with federal, state, and local laws governing the university's acquisition of real property. The Board of Trustees will consider gifts of real property, both improved and unimproved, including gifts subject to a retained life estate, only after a thorough review of the criteria for acceptance set forth in (1) below under the direction and supervision of the assistant vice president for administration, physical plant.

Loyola University shall use extreme caution in accepting gifts of real property that are not in the immediate vicinity of the university since management and oversight of remote properties could impose unacceptable risks and liabilities on the university.

Outright gifts of hard-to-value assets such as mineral rights or limited partnerships will be recorded at $1, and additional credit will be given as the proceeds are received.

(1) **Criteria for acceptance of gifts of real estate.**

(a) **Market Value and Marketability.** The assistant vice president for administration, physical plant, must receive a reasonably current appraisal of the fair market value of the property and interest in the property the university would receive if the proposed gift were approved. Development officers will inform the donor that, if the gift is completed, the IRS will require an appraisal made within 60 days of the date of gift. Development officers will communicate to donors that it is the university's policy to dispose of all gifts of real estate (other than property which the university wishes to retain) as expeditiously as possible. Thus, regardless of the value placed on the property by the donor's appraisal, the university will attempt to sell at a reasonable price in light of current market conditions, and the development officer will inform the donor of any such sale occurring within three years of the date of gift and that such sale will be reported to the IRS on Form 8282.

(b) **Potential Environmental Risks.** All proposed gifts of real property, including gifts from estates, must be accompanied by a Phase I environmental audit performed at the donor's expense. The only permitted exception to this requirement is for residential property which has been used solely for residential purposes for a significant (at least 20 years) period of time. In cases where this exception applies and no environmental audit is undertaken, the donor/executor must have outside parties complete an Environmental Checklist prepared by the assistant vice president for administration, physical plant, and may be required to execute an environmental indemnity agreement. Even in cases where a Phase I audit is submitted, the director of governmental and legal affairs may require that the donor sign a letter indemnifying and holding the university harmless from any and all liability arising from acts occurring prior to the university's ownership of the property.

(c) **Limitations and Encumbrances.** The existence of any and all mortgages, deeds of trust, restrictions, reservations, easements, mechanic liens, and other limitations of record must be disclosed. No gift of real estate will be accepted until all mortgages, deeds of trust, liens, and other encumbrances have been discharged, except in very unusual cases where the fair market value of the university's interest in the property net of all encumbrances is substantial.

(d) **Carrying Costs.** The existence and amount of any carrying costs, including but not limited to property owners' association dues, country club membership dues, and transfer charges, taxes, and insurance, must be disclosed.

(e) **Title Information.** A copy of any title information in the possession of the donor, such as the most recent survey of the property, a title insurance policy, and/or an attorney's title opinion, must be furnished.

(f) The information required in (a) through (e) above should not be considered as all inclusive. The offices of the director of governmental and legal affairs, institutional advancement, the assistant vice president for administration, and the vice president for finance and administration, may request additional information be submitted to ensure that due diligence is executed prior to the acceptance of any gift of real estate.

(2) **Approval/acceptance process for gifts of real estate.**

(a) The assistant vice president for administration, physical plant, with the assistance of the development officer will prepare a written summary of the gift proposal and submit that summary to the director of governmental and legal affairs through the director of planned giving. At a minimum, the summary shall include the following information:

(i) description of real property;

(ii) the purpose of the gift (e.g., an unrestricted gift, a gift to fund an endowed chair, a deferred gift) and the department(s), program(s), or endowment(s) to benefit from the gift;

(iii) an appraisal of the property's and, if different, the university's interest in the property's fair market value and marketability;

(iv) any potential for income and expenses, encumbrances, and carry costs prior to disposition;

(v) any environmental risks or problems revealed by audit or survey;

(vi) any potential university use; and

(vii) any special arrangements requested by the donor concerning disposition (e.g., price considerations, time duration prior to disposition, potential buyers, realtors, or brokers with whom the donor would like the university to list the property, etc.).

(b) The director of governmental and legal affairs will provide legal advice to the president regarding the proposed property. The president shall communicate the final determination to the vice president for institutional advancement. The vice president for institutional advancement shall communicate the university's decision to the donor in writing, including any conditions imposed by the president and/or director of governmental and legal affairs prior to acceptance.

(c) If a proposed gift of real property is approved by the president, the director of advancement records will record the gift on behalf of the university upon notice by the director of governmental and legal affairs that the property has been properly recorded in the local Conveyance Office or Registry of Deeds. The university will not appraise or assign a value to the gift property. It is the donor's responsibility to establish a value for the gift and to provide, at the donor's expense, a qualified appraisal required by the IRS.

(d) The execution and delivery of a deed of gift or other appropriate conveyance will complete the gift. The costs associated with the conveyance and delivery of the gift, including but not limited to recording fees and, if deemed necessary by the director of governmental and legal affairs, a current survey, title insurance and/or an attorney's title opinion, will be either paid by the donor or charged to the fund code of the department(s), program(s), or endowment(s) to benefit by the donation. In addition, the IRS for gifts of real property requires the filing of Form 8283 by the donor. This form should be sent to the director of planned gifts for execution by the university.

D. **Tangible Personal Property.** Outright gifts of tangible personal property for which donors qualify for a charitable gift deduction under current IRS rules will be recorded at the appraised value of the property at the time it is transferred to Loyola University, less any encumbrances. Unless otherwise authorized by the president, and where appropriate, the Board of Trustees, the university will seek to liquidate such assets in order to secure the cash needed to fund its programmatic and/or facility priorities and/or to invest such assets in ways consistent with the currently authorized investment strategies of the university. The preceding sentence shall not apply to gifts of tangible personal property intended by both the donor and Loyola University to be retained for the use of the university.

The following are general guidelines or considerations in connection with gifts of tangible personal property:

(1) Generally, the university's acceptance of such gifts cannot involve significant additional expense for their present or future use, insurance, maintenance, or administration.

(2) Generally, no burdensome financial or other obligations can be incurred, directly or indirectly, by Loyola University as a result of its acceptance of such gifts.

(3) Gifts of real and personal property (land, houses, jewelry, paintings, antiques, rare books, etc.) exceeding $5,000 in value shall be recorded at the fair market value placed on them provided that the university receives a copy of the appraisal conducted by an independent, expert appraiser, paid for by the donor, at the time the donor relinquished control. Gifts less than or equal to $5,000 may be reported at the value declared by the donor or a qualified on-campus expert (e.g., librarian, art professor, etc.).

(4) The university will not accept gifts of tangible personal property (such as books, paintings, etc.) if such gifts are to be 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.

(5) Any gifts-in-kind which could be liquidated will be recorded on an item-for-item basis.

E. **Fully paid up, or otherwise vested, insurance policies**. Fully paid up, or otherwise vested, insurance policies for which Loyola University is owner and sole beneficiary will be recorded as "future" expectancies of the university at the unrealized death benefit (face value) of the policy in cases when the insured is age 65 or older, and at the replacement value for donors younger than 65. (See Sections IV.D., page 14 and VI.D.15, page 20 for administrative procedures related to gifts of life insurance.)

F. **Bequest intentions, commitments of unpaid insurance policies, and other revocable deferred gifts.** Bequest intentions, commitments of unpaid insurance policies, and other revocable deferred gifts will be recorded as "future" expectancies of the university at the value established in writing by the donor through a bequest intention form, a deferred pledge agreement, a contract to make a will, a letter, or a copy of appropriate sections of the will or of the insurance or trust document, etc.

(1) Such revocable gift commitments will be permanently commemorated, subject to the donor's specific request and intent, only when the funds are irrevocably committed to the university or when the gift matures. The preceding will not apply to commemoration of planned gifts through membership in any planned giving recognition society; the Heritage Society, as an example.

(2) Bequest intentions and other revocable deferred gifts for which the donor does not indicate a specific gift value and/or does not provide an estimate of a residuary bequest will be recorded as future expectancies at a minimum value level of $1,000.

(3) Bequests and other deferred gifts will be recorded as received, if not reported in a previous campaign. Such gifts will be recorded at the value established at the time of probate and/or at the fair market value on the date of the transfer of the asset(s).

G. **Special rule for all gifts that will, or may, require expenditure of funds.** All gifts that will, or may, require expenditure of funds either at the time of the gift or at some future date (e.g., non-performing assets gifted to fund a charitable trust or charitable gift annuity, bargain sales, outright gifts such as real estate that may impose present obligations on the university) shall require the approval of the Endowment or Institutional Advancement Committees of the Board of Trustees.

H. **Gift annuities, irrevocable charitable remainder trusts, and similar life income agreement commitments.** Gift annuities, irrevocable charitable remainder trusts, and similar life income agreement commitments (whether administered by the university or by others on behalf of the university) will be recorded as follows:

(1) At the fair market value of the asset (on the date of transfer, less any encumbrance) being used to "fund" the life income agreement in the case of charitable remainder unitrusts, annuity trusts, and charitable gift annuities for life beneficiary or beneficiaries age 60 and older at the time of their first life income payment.

(2) At the discounted present value of the remainder interest allowable as a deduction by the Internal Revenue Code, in the case of charitable remainder unitrusts, annuity trusts, and charitable gift annuities for life beneficiary or beneficiaries below age 60 at the time of their first life income payment.

(3) In the case of charitable lead trusts, at the total anticipated payout over the pledge payment period plus (for commitments made during any campaign period) the present value of any remaining income interest.

For purposes of current income tax deductions, such gifts will be receipted at the charitable deduction value as established by law.

Generally speaking, the university does not encourage donors to place encumbered assets into a trust.

When a trust is to be funded with hard-to-value or non-income-producing property, a net income unitrust will generally be used. Such a trust obligates the trustee to pay only the lower of a specified percent of fair market value or actual income. When such a net income unitrust is used, a separate letter of agreement should be signed by the president of the university and the donor, indicating that the donor understands the income concept of the net income trust. A "catch-up" provision as allowed by a unitrust may also be acceptable.

IV. Administrative Procedures Relating to Certain Planned Gifts

A. For Life Income Agreements

(1) Proposed charitable gift annuities should be funded initially with assets of at least $10,000 consisting of cash or marketable securities.

(2) The interest rate used in preparing life income agreements will be as follows:

(a) For charitable gift annuities, no higher than the rate recommended by the American Council on Gift Annuities.

(b) For unitrusts and annuity trusts, a rate of at least five percent. Higher rates may be approved by the Endowment Committee of the Board, based on:

(i) The ages of the donor and any beneficiaries; and

(ii) income needs vs. tax relief.

However, the director of planned giving will be given authority to negotiate rates on charitable gift annuities, charitable remainder unitrust, and charitable remainder annuity trusts, provided that such rates are within one percentage point of the maximum rates recommended by the American Council on Gift Annuities effective at the time of the gift or the establishment of the trust. Charitable remainder trusts will be marketed with a rate slightly lower than charitable gift annuities because of the higher administrative costs. In the event that the rate does not fall within the limitations above, the director of planned giving will obtain the approval of the vice president for institutional advancement. Any such deviation from this policy will be reported to the Endowment Committee at its next regularly scheduled meeting.

(3) Funds received for annuities and trust agreements are administered by the director of planned giving. Separate accounting is provided to the donor on each life income agreement. Annuity or trust payments shall be made at the donor's choice: monthly, quarterly, semi-annually, or annually. In order to control the cost of trust and annuity administration, Loyola University prefers to make payments quarterly or semi-annually.

B. **For Charitable Remainder Trusts**

(1) Proposed charitable remainder trusts should be funded initially with assets of at least $50,000. Trusts may be established for lesser amounts if it can be determined that the charitable remainder portion of the gift is sufficient to handle the administrative costs and provide a substantial future gift to the university.

(2) Trusts should be limited to one or two income beneficiaries and to beneficiaries over 40 years of age (unless some generous outright gift is combined with the trust, in which case trusts can include younger beneficiaries).

C. **For Retained Life Estates**

The gift of a primary residence, a vacation home, or a farm with retained life interest on the part of the donor shall be arranged without a trust agreement. The donor deeds the property to Loyola University immediately. Calculation of the remainder interest, which is allowed for federal income tax deduction, is based on an IRS formula.

D. **For Life Insurance**

Gifts of life insurance may be accepted by the university after ownership is transferred to the university, the university is named beneficiary, and cost and/or replacement value has been established by the insurance company. All gifts of life insurance must comply with applicable state insurance regulations, including insurable interest clauses.

V. Policy Pertaining to Endowment Funds and Restricted Gifts

A. Unrestricted gifts shall be encouraged unless the donor indicates that he or she is only willing to make a restricted gift.

In drafting instruments for the gift of restricted funds to Loyola, donors and their advisers shall be encouraged to use language that would permit application of the gift to a more general purpose if, in the determination of the Board, the designated purpose is no longer feasible or practicable.

B. For the purposes of this policy statement, “endowment fund” shall refer to any fund, or any part thereof, not wholly expendable by the university on a current basis under the terms of the applicable gift instrument.

Endowment funds are invested according to policy established by the Board of Trustees.

C. Endowment gifts may be used to establish a special endowment fund or may be added to an existing endowment fund.

D. Persons interested in establishing an endowment fund are encouraged to consult with the vice president for institutional advancement or his/her designated representative prior to making the gift so that the donor’s intentions are appropriately established in writing through a gift agreement. Negotiation of any endowment agreement on behalf of the university shall be done over the signature, and with the full knowledge, of the president of the university and in compliance with university policy.

In designating an endowment gift for a specific purpose, the donor is encouraged: (1) to describe that purpose as broadly as possible; (2) to avoid detailed limitations and restrictions; and (3) to provide a clause granting the university maximum flexibility to make use of designated funds in a manner most consistent with the intent of the donor and with the interests of the university should programmatic or other developments make it impossible or impracticable to apply the endowment proceeds to the purpose for which it was originally designated.

Upon acceptance of the gift, Loyola shall use the funds in a manner consistent with the charitable purposes expressed in the gift instrument. However, if it becomes impossible or impracticable for Loyola to apply the endowment funds to the purpose for which it was originally designated, the vice president for institutional advancement, the vice president for finance and administration affairs, and the director of governmental and legal affairs shall be informed. The vice president for institutional advancement (or his/her designee) will examine the gift agreement or gift instrument in the case of a planned gift, to ascertain a practicable cause of action and with the assistance of the director of governmental and legal affairs, draw guidance from the standards and criteria provided in the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”), as defined in Louisiana Revised Statute 9:2337.6. If the designated fund includes a match from the Board of Regents Support Fund, the Board of Regents shall also be informed. If further steps are deemed appropriate, a final recommendation will be made to the president for his review and approval.

E. Gifts to establish endowment funds for specific purposes must meet the minimum dollar requirements set by the Board of Trustees. The principal amount of the original gift need not meet the minimum dollar requirement if the donor agrees to fully fund the endowment at the minimum dollar requirement within a specified and reasonable period of time. Minimum dollar requirements may be changed from time to time at the sole discretion of the Board.

The minimum dollar requirements established by the Board of Trustees for an endowment fund shall not apply to any endowment fund(s) already established at the time this policy is adopted.

Loyola University reserves the right to review the minimum amounts required for endowments periodically and to amend the minimum amount required so as to ensure that endowment proceeds are sufficient to fund the intended purpose(s) of the endowment. If and when the university acts to increase the minimum amount required establishing a particular endowment fund, such action shall not be retroactive to funds already established.

See Naming Policy of Loyola University New Orleans, which was approved by the Board of Trustees on May 18, 2012, page 22.

F. Endowment Levels:

(1) A minimum of $25,000 is required for a fund to be endowed.

(2) The minimum endowment level for a professorship is $100,000 in private funds. Some professorships are eligible to be matched by a grant from the Louisiana Education Quality Support Fund Endowed Professorship Program sponsored by the Endowed Professorship Program of the Louisiana Board of Regents. Once sufficient non-state monies have been raised, Loyola may apply to the Board of Regents for matching funds. (See note in Sections VI. C., page 17 and D. 12, page 19) on matching government funds.)

(3) The minimum endowment level for a chair is $1,000,000 in private funds. Some chairs (Endowed Chairs for Eminent Scholars, Naming Policy, page 32) are eligible to be matched by a grant from the Louisiana Education Quality Support Fund Endowed Professorship Program sponsored by the Endowed Professorship Program of the Louisiana Board of Regents. Once sufficient non-state monies have been raised, Loyola may apply to the Board of Regents for matching funds. (See note in Section VI. on counting matching government funds.)

G. Funds that have not reached the minimum endowment level after a period of five years from the initial gift will be released from the endowment fund after the university has made an attempt to notify the donor(s). The funds raised will immediately be available for the purposes that closely approximate the donor's original intent, if not possible or practicable, shall immediately be made available for current use.

Endowed funds will be held in a holding account until they reach the minimum level.

VI. Policy Specific to Comprehensive Fundraising Campaigns

A. Introduction: The purpose of this section is to summarize the guidelines that will be used to count gifts to comprehensive fundraising campaigns for Loyola University. These guidelines comply with standard practices for reports on campaign fundraising progress in institutions of higher education. Furthermore, it is intended that these guidelines be consistent with existing Loyola University New Orleans gifts and pledge policy and procedures.

B. Certain planned gifts, like charitable remainder trusts or gift annuities, will be recognized toward the achievement of the campaign goal in a separate category of "future commitments" using either of two values: the face value of the gift and the discounted present value of the gift. While the face value indicates the importance of planned gifts in reaching the goal, the discounted present value distinguishes them from outright gifts available for immediate use. Note that these gifts will not be included in the calculation of the achievement of the campaign's goal until they are realized.

C. Louisiana Board of Regents matching funds to support the establishment of endowed funds, the income of which shall be used to establish scholarships for 1st generation students, distinguished professorships, and chairs for eminent scholars while not counted in the totals of philanthropic contributions in support of a private campaign may be counted in the overall campaign attainment figures, if the campaign's priorities include scholarship support for 1st generation students and the establishment of endowed professorships and chairs.

D. All other philanthropic gifts to Loyola University during the campaign period will be counted toward the achievement of the campaign goal, in accordance with the following guidelines:

(1) **Cash Payments**: All outright gifts by cash or check made during the campaign will be credited to the campaign at face value, provided these gifts are not payments on pledges that were counted in previous campaigns.

(2) **Pledges**: All pledges of five years or less will be counted toward the campaign goal provided that they are initiated during the campaign, and are documented in writing, including pledge amount, designation,

payment schedule, donor signature, matching gift information if applicable, and date.

For promises to give greater than $1M, and on a case-by-case basis, the pledge payment period may be extended to longer than five years.

(3) **Securities**: Securities will be accepted and counted toward the campaign according to the following:

(a) **Marketable Securities**: Such gifts will be valued at the mean market value on the date the donor relinquishes control to the institution, consistent with existing Loyola University New Orleans gifts and pledge policy and procedures.

(b) **Closely Held Securities**: Gifts of closely held stock exceeding $10,000 in value will be reported at the fair market value placed on them by a qualified independent appraiser as required by Loyola University New Orleans gifts and pledge policy and procedures for valuing gifts of non-publicly traded stock. Gifts of $10,000 or less may be valued at the per-share cash purchase price of the most recent transaction.

(c) **S-Corporation Stock**: Because of significant tax and legal implications for Loyola, proposed gifts of stock in S-Corporations must be authorized in advance by the university's Board of Trustees and/or appropriate university officers as authorized by the president of the university. For income tax purposes (including substantiation), the donor will need to follow the guidelines for valuation of closely-held stock outlined in Section 3.b. above. For campaign counting and naming opportunity purposes, the donor will be apprised that the gift will be credited at its after-tax value to Loyola.

(4) **Property**: Gifts of real estate, tangible personal property (e.g. artwork, books, cars, boats, animals, jewelry) and intellectual property valued in excess of $5,000 require an independent appraisal of fair market value paid for by the prospective donor before being credited to the campaign goal.

(5) **Charitable Remainder Trusts**: Charitable remainder trusts (including charitable remainder trusts administered outside the institution) will be credited to the "future commitments" section of campaign totals at the discounted present value of the remainder interest allowable as a deduction by the Internal Revenue Code, provided Loyola is named irrevocable beneficiary.

(6) **Charitable Gift Annuities**: Gift annuities will be credited to the "future commitments" section of the campaign totals at the discounted present value of the remainder interest allowable as a deduction by the Internal Revenue Code.

(7) **Remainder Interest in a Residence or Farm**: A gift of a remainder interest in a personal residence or farm will be credited in the "future commitments" section of campaign totals at the face value of the asset transferred.

(8) **Charitable Lead Trusts:** For lead trusts whose terms extend within the campaign period, the face value of the income stream may be reported under the current "gifts and pledges" section of campaign totals.

(9) **Wholly Charitable Trusts Administered by Others**: The fair-market value of the assets, or a portion of the assets, of such a trust administered by an outside fiduciary should be counted in the "gifts and pledges" section of campaign totals for the year in which the trust is established, provided that Loyola has an irrevocable right to all or a predetermined portion of the income of the trust.

(10) **Limited Partnerships, Mortgages and Notes, Patents and Copyrights**: Acceptance of these types of gifts requires prior approval by the university's Board of Trustees and/or appropriate university officers as authorized by the president of the university, and will be determined on a case-by-case basis. Those that can be assigned a fair market value will be counted toward the campaign.

(11) **Non-Government Grants and Contracts:** Grant income from private, non-government (domestic) sources, or foreign governments should be reported; contract revenue should be excluded.

(12) **Matching Funds:** Gifts received in cash from organizations or corporations to match gifts of cash or securities by individuals associated with that organization or corporation will be credited to the corporate donor's gift record for the campaign. The individual donor whose gift is matched will receive associate and recognition credit for the matching amount. Matching government funds (i.e., Board of Regents) will not be counted in the totals of philanthropic contributions in support of a private campaign but may be counted in the overall campaign attainment figures, if the campaign's priorities include scholarship support for 1st generation students and the establishment of endowed professorships and chairs.

(13) **Trust and Estate Distributions**: All distributions from estates or trusts received during the campaign period will be counted at face value to the extent that no gift amount has been counted in a previous campaign.

(14) **Bequest Intentions and Other Revocable Deferred Gifts**: Bequest Intentions and other revocable deferred gifts accompanied by appropriate documentation within which a defined gift commitment is specified to be fulfilled by the gift, and adequately documented will be counted to the future commitments section of the campaign totals as follows, subject to the limitation below:

(a) The donor must be age 60 or older. On a limited case-by-case basis, properly verified bequest intentions may be recognized and counted in the campaign future commitments totals for donors who are not yet 60 but will attain the actuarial age of 60 on or before the end of the campaign.

(b) The commitment is for a single life only or all other beneficiaries are also over 60.

(c) There is a specified amount or percentage specified in the will based on a credible estimate of the future value of the estate at the time the commitment is made.

(d) The gift amount will be reported at face value in the deferred/future commitment portion of campaign reports.

(e) Verification should be provided in one of the following forms:

(i) A letter from the donor or the donor's attorney; or

(ii) A bequest intention form, a deferred pledge agreement, a contract to make a will, a letter, or a copy of appropriate sections of the will or of the insurance or trust document, etc.

(15) **Life Insurance:** Life insurance policies will be counted in the future commitments section of the campaign totals only if Loyola is the owner and irrevocable beneficiary of the policy and the policy is fully paid-up.

(a) Life insurance policies will be counted in one of two ways:

(i) If the donor is less than 60 years of age, the policy will be counted at the interpolated terminal reserve (approximately the cash surrender value), in the future commitments section;

(ii) If the donor is 60 years of age or older, the policy will be counted at the death benefit value, counted at the face value in the future commitment totals.

(b) **Realized Death Benefits**: The insurance company's settlement amount for an insurance policy whose death benefit is realized during the campaign period, regardless of whether the policy is owned by Loyola, will be counted in campaign totals, to the extent that no gift amount was counted in a previous campaign.

Naming Policy

Authority: Vice President for Institutional Advancement
First Issued: May 18, 2012
Last Revised: October 7, 2016

I. <u>Statement of Policy</u>

Loyola University New Orleans, through the Office of the President and in consultation with the President's Cabinet, establishes minimum gift level amounts and approval guidelines for naming opportunities, as outlined in this document.

The gift levels are intended as minimum amounts necessary to name physical and academic entities at Loyola University. Such minimums are important in order to ensure that the physical or academic entity has sufficient funds available to accomplish the mission of the program or function named by the donor.

This policy also establishes the Named Gifts Program Committee. (See Section V. B., page 25.)

Loyola University, through the Office of the President and, when appropriate, the Board of Trustees (See Section V.M., 2nd Paragraph), reserves the right of final approval for the name(s) recommended for any of the opportunities in the sections that follow. University approval cannot be granted until the donor's name or the name(s) of the person(s) being memorialized are known.

Where early discussions between Loyola representatives and prospective donors involve discussions of naming opportunities and specific gift levels, whether accompanied by the use of an official approved naming opportunity list or not, the prospective donors shall be informed that all proposed naming opportunities are not final until approved by the Named Gifts Program Committee, following the procedures outlined in this document.

Additionally, any gift that includes the naming of an endowment or physical space or academic entity or collection must be documented in a formal Gift Agreement. Policy and procedures related to gift agreements are contained in the Gift and Pledge Policy and Procedures.

The selection process for holders of all endowed faculty positions is coordinated by the Office of the Provost and Vice President for Academic Affairs through specific faculty appointment policies which must, in all cases, be followed for such appointments.

The university may name physical and/or academic entities to recognize exceptional contributions, philanthropic or meritorious [honorific], which honor the university's heritage and legacy. Naming must be consistent with the overall mission, vision and values of the university.

II. Purpose

It is the policy of Loyola University to apply these guidelines for named gift opportunities in order to recognize those individuals, businesses, or organizations (1) that have made exemplary or meritorious service contributions or enduring financial contributions to the university; or (2) whose extraordinary accomplishments advance the university's educational mission, its standing in the community, and/or its aesthetic quality.

This policy is intended to encourage private support through naming opportunities. In some circumstances, this policy allows structures, facilities, collections and academic entities to be named without a gift. This policy is consistent with the university's strategic goal of maintaining fiscal responsibility in all operations, programs, and facilities.

III. Applicability

This policy applies to all situations in which a charitable gift is given with the intention of creating a named endowment or named physical entity (facilities including buildings and structures, interior spaces, landscapes, roads, etc.), academic entity (programs, endowed funds, academic positions, scholarships, schools and colleges on the various campuses of the university), or collection.

IV. Definitions

A. **Academic Entities**: All non-physical entities, to include: colleges, schools, academic departments, and academic centers, institutes, programs, public information presentations, laboratories, clinics, and equipment, as well as divisions, research centers, chairs, professorships, lectureships, fellowships, teaching awards and prizes.

B. **Collections**: Libraries or parts of libraries and other collections of significant size and continuing scientific, historic, artistic or cultural value.

C. **Endowments**: An endowment is a fund that can be established through gifts from private individuals, corporations, foundations, associations, and other organizations, so long as those gifts meet university guidelines on endowment minimums by type (below) and are accompanied by a signed gift agreement.

   Endowments are invested to allow for the principal to remain intact (nonexpendable) in perpetuity, while a portion of endowment earnings are distributed annually to support the purpose designated by the donor(s) through a formal gift agreement with the university.

Endowments may be designated to benefit academic or non-academic positions, students, programs, physical space (buildings, facilities, and grounds, or portions thereof), or specific academic or non-academic departments and units. They are typically named after their donor(s) or a person(s) the donor wishes to honor.

Endowments may be established by a one-time gift, a series of gifts, a pledge paid over a period of a specific number of years, wills, trusts, gifts of appreciated assets, or by a combination of these. Gifts can be added to an established endowment at any time.

In certain instances, which must be outlined in a gift agreement, a specific amount of the gift commitment must be received prior to the actual naming of the position, program, building, space, or project.

Certain terms are commonly used with endowments. The National Association of College and University Business Officers (NACUBO) provides the following definitions:

D. **Permanent Endowment:** "Endowment funds are funds received from a donor with the restriction that the principal not be expendable." These endowments are only subject to modification as may be allowed by law and Loyola University regulations. Establishment of any endowed fund requires a minimum gift of $25,000.

E. **Quasi-Endowment:** "A quasi-endowment fund is a fund that functions like an endowment fund but which may be totally expended at any time at the discretion of the governing board." This may be gift funds that the donor did not specifically direct for use as an endowment, or funds available to the institution from other sources that can be designated for an endowment. The funds are invested in the same manner as a true endowment and have the same payout provisions. Establishment of a quasi-endowment requires a minimum gift of $10,000.

F. **Honorific**: Conferring or implying honor or respect; generally defined as recognizing outstanding individuals distinguished in character or attainments.

G. **Philanthropic**: The act of philanthropy; generally defined as gifts to the university that have real or in-kind monetary value.

H. **Physical Entities**: All physical facilities and buildings, to include:

Buildings or portions thereof – For example - laboratories, classrooms, seminar rooms, meeting rooms, lounges, wings, halls, floors, galleries; structures, including, but not limited to, athletic fields, athletic facilities, and other facilities such as wings of buildings or substantial parts of buildings, residence halls, large auditoria, concert halls, plazas, parks, fountains, gardens, natural landmarks, lawns, courtyards, walkways, pathways, parking facilities, roadways.

V. Procedures

A. Proposals for Naming

Proposals for naming of new physical and academic entities and collections, changing the name of an existing physical or academic entity or collection, or naming a previously undesignated physical or academic entity or collection, shall be considered by the Named Gifts Program Committee (See Section V. B. below.), only upon submission of a written request by a trustee, the president, or the appropriate vice president, dean or department chair of the respective academic area, to the committee. Recommendations of the general public may be considered when they are transmitted through one of the above-named officials.

B. Named Gifts Program Committee

The Committee shall consist of the provost, (or his/her designee), the vice president for finance and administration (or his/her designee), the vice president for institutional advancement, the vice president for mission and ministry (or his/her designee), the vice president of student affairs (or his/her designee), the vice president of enrollment management (or his/her designee), the director of governmental and legal affairs, in consultation with the appropriate dean or director for the structure or facility to be named. The Committee shall be chaired by the vice president for institutional advancement.

C. Named Gifts Program Committee Guidelines

The Named Gifts Program Committee shall judge each proposal on its own merits. The Committee is empowered to establish guidelines that can include, but not be limited to the following factors: financial contributions made over a period of time or one-time gifts to the university, timeframes for payment of financial contributions, in-kind gifts to the university, the ability of a gift to stimulate gifts by other donors, duration of naming, dignity and significance to the university, honor to the donor, national and international reputation and achievement of the donor, exceptional contributions of an individual while employed at the university, distinction of the donor, whether the gift advances the reputation of the university, whether the gift increases the understanding and public support for the university program, expiration periods on naming, de-naming when an entity no longer meets acceptable university standards, de-naming upon demolishing and/or replacement of a facility, maintenance of records, background reviews on donors, valuation of physical space, marketing space, and timeframes for honorific naming.

D. **Administration**

For administration of this policy, the Named Gifts Program Committee shall review all proposals to name physical and academic entities and collections. (See Appendix A: Guidelines for Adaptation by the Named Gifts Program Committee, page 30.) The committee then forwards its recommendations to the president for his review. The president will forward to the Board when appropriate (See Section V.M., 2nd Paragraph, page 28).

E. **Honorific Naming**

Under appropriate circumstances, Physical and Academic Entities and Collections may be named for individuals who have made exemplary or meritorious contributions to the university or society. A person being recognized by an honorific naming must have exhibited values consistent with the mission and vision of the university, must have an established relationship with the university, and must have contributed measurably to the good of society. The recognition afforded the honoree may also include private financial contributions related to the naming opportunity. Honorees may not be in active service at the university or hold elected office in the United States or abroad at the time of the naming, unless the circumstances are exceptional. At its discretion, the university may choose to name something after a donor even if it is not stipulated in the donor agreement but only after consultation with the person to be honored. When an individual is considered for an honorific naming, the proposal shall be reviewed and approved by the President.

F. **Gift-Related Naming**

A gift-related naming occurs when a donor makes a tax-deductible contribution of a significant level to the university and is recognized with a naming opportunity. Decisions regarding such recognition are made on a case-by-case basis in accordance with the approval process contained in this policy and any other applicable university policies, including the *Gift and Pledge Policy and Procedures*, and shall also take into consideration the total cost of the project, the availability of other funds and the level of financial contribution. All gift-related naming must be documented by a written donor agreement.

G. **Naming Related to a Fundraising Campaign**

When a Naming is contemplated as part of a fundraising campaign, that campaign, the proposed naming and the associated private-fund contributions to be sought shall have prior approval of the president and, when appropriate, the Board of Trustees (See Section V.M., 2nd Paragraph, page 28).

H. **Corporate Naming**

Each Corporate Naming must be approved by the president. The president will consult with the Board of Trustees when appropriate (See Section V.M., 2nd Paragraph, page 28). The vice president for institutional advancement must complete a due diligence review of the corporation prior to any corporate naming. (See Loyola University New Orleans Gift and Pledge Policy and Procedures, May 18, 2012, page 28.) Each corporate naming must be analyzed by the vice president for institutional advancement and the Named Gifts Program Committee to ensure that there are no conflicts of interest. Certain restrictions may also apply to any proposed naming of a facility financed with the proceeds of tax-exempt bonds. Any agreements shall be reviewed and approved by the director of governmental and legal affairs. The university president shall have authority to sign such gift agreements.

I. **Announcements**

No college or department shall announce the naming of any physical or academic entity or collection prior to the final approval required by this policy.

J. **Permanence of Naming**

The naming of physical entities is intended to be in place for the life of the specific physical entity. If, in the determination of the president and, if appropriate, the Board of Trustees (See Section V.M., 2nd Paragraph, page 28.), circumstances change so that the purpose for which the physical entity was established is significantly altered or if the physical entity is no longer needed or habitable, the president and, if appropriate, the Board of Trustees (See Section V.M., 2nd Paragraph, page 28.), in consultation with appropriate academic and/or administrative leadership and the donor(s), if possible, will determine an appropriate way to recognize the donor's naming gift in perpetuity. If the university and the donor(s) previously established a gift agreement or contract that provides a practicable course of action, then that action shall be followed. (See Section V. D. of the Gift and Pledge Policy and Procedures, page 15.)

K. **Removing a Name**

Loyola University naming opportunities shall bear only the name of individuals or entities that exemplify the attributes of integrity, character, and leadership consistent with the highest values of Loyola University. If, in the determination of the president and, if appropriate, the Board of Trustees (See Section V.M., 2nd Paragraph, page 28), those attributes are not maintained, the president and the Board of Trustees reserve the right to remove the donor's/honoree's name from a physical entity at any time. The president may approve removing a name from other entities (e.g., facilities within buildings, academic programs, chairs, scholarships, etc.).

L. **Naming Considerations for a Pledge**

If a naming will be the result of a total gift pledged to be paid over a period of years, the tying of the official naming must be clearly articulated in a formal Gift Agreement. Two options are:

(1) naming will go into effect only after the pledge is fulfilled and the required total amount has been received by Loyola University, or the

(2) naming will go into effect immediately with a clear and documented understanding that the naming will be altered or removed if the full pledge is not paid in a mutually agreed upon time frame.

If the pledge is not fulfilled, but the naming has been authorized by the president and, if appropriate, the Board of Trustees (See Section V.M., 2nd Paragraph, page 28), then this change must be reported to the Board of Trustees – through the appropriate committee – so that it can be reflected in the official minutes. If only partial funding is received that is less than the required naming threshold, yet sufficient for an alternative naming opportunity, the above procedures govern any renegotiation for a suitable naming opportunity.

M. **Minimum Dollar Amounts Necessary for Naming – General Considerations**

Loyola University establishes minimum gift level amounts and approval guidelines for naming opportunities, as outlined in this document. The gift levels are intended as minimum amounts necessary to name the respective fund, program, unit or space. Such minimums are important in order to ensure that the academic unit or program has sufficient funds available to accomplish the mission of the program or function named by the donor. Giving opportunities are based on benchmarking studies and are determined in conjunction with academic leadership and, if appropriate, the Board of Trustees (See Section V.M., 2nd Paragraph, page 28).

For naming opportunities associated with gifts of $5,000,000 or greater, the president will confer with the Board of Trustees before granting approval.

(1) **Buildings and Other Facilities**: Naming of buildings and other facilities must be approved by the president. The criteria for a gift-related naming will consider the value, visibility, improvements and marketability of the location and will be based on a minimum donation valued between 33 percent and 50 percent of the original construction, renovation, or current value of the property.

(2) **Areas within Buildings and Other Facilities**: Naming of areas within buildings and other facilities such as, but not limited to, atriums, specific rooms, lecture halls, laboratories and workshops must be approved by the president upon the recommendation of Named Gifts Program Committee.

(3) **Streets**: The naming of all streets located on the campus of the university or on a property owned by the university must be approved by the president upon the recommendation of the Named Gifts Program Committee. The naming of a street is a rare occurrence for which there is not an established gift requirement.

(4) **Real Property**: Naming of real property must be approved by the president upon the recommendation of the Named Gifts Program Committee. Real property given to the institution may be named in consideration of the gift of the donor's entire interest in the property.

(5) **Programs, Institutes, Centers and Other Organizations**: Naming of programs, institutes, centers and other entities must be approved by the president upon the recommendation Named Gifts Program Committee regardless of the cash value of the gift.

(6) **Colleges and Schools**: Naming of colleges and schools will consider the value, visibility, improvements and marketability of the college or school and must be approved by the president, upon the recommendation of the Named Gifts Program Committee.

(7) **Academic Positions and Faculty Excellence Funds**: Naming of academic positions and faculty excellence funds must be approved by the president.

(8) **Financial Aid Funds (Scholarships)**: Naming of financial aid funds must be approved by the president.

(9) **Grounds, Outdoor Renovations, Gardens, Trees and Benches**: Naming of grounds, outdoor renovations, gardens, trees and benches must be approved by the president regardless of the cash value of the gift.

(10) **Miscellaneous Naming Opportunities**: Naming opportunities that are not otherwise set forth in this policy must be approved by the president regardless of the cash value of the gift.

Appendix A: Guidelines for the Named Gifts Program Committee

I. Naming of Physical Space (Buildings, Facilities, Outdoor Areas, and Portions Thereof)

As delineated in the Naming Policy above, the President and, if appropriate, the Board of Trustees (See Section V.M., 2nd Paragraph, page 28), will have final approval in any decision to name buildings or grounds. In consideration of such naming, the following guidelines will be followed:

A. When the naming opportunity concerns a new building or substantial renovation of an existing building, a donor will be required to provide not less than 33 percent to 50 percent of the total new construction, renovation or replacement cost, with 10 percent of the gift amount used to establish an endowment to support the overhead and maintenance of the facility.

Example: A building with a construction cost of $100,000,000 would require a naming gift of $33,333,333 to $50,000,000. Of that gift, $30,000,000 to $45,000,000 would be used for construction and $3,333,333 to $5,000,000 of that sum would be dedicated toward endowment.

B. For naming of improved outdoor areas (such as landscaping) the minimum required gift will be equal to the cost of the initial improvement project, with an appropriate portion of the gift dedicated to an endowment whose income would provide for the upkeep of the space.

C. If donated funds are for new construction or renovation/refurbishment, they will be directed to the actual cost. If, however, the donated funds are to establish naming for an existing building or space, their specific designation will be determined by the dean in consultation with the provost and president. These funds will typically support the unit or department supported by the building or space.

D. Naming of a building or an area requires a completed gift agreement and receipt of cash or assets that can be converted to cash immediately. Generally, buildings will not be named in honor of a donor in return for an estate commitment.

II. Naming of Colleges, Schools, Departments, Institutes, and University-Wide Centers

The president and, when appropriate, the Board of Trustees (See Section V.M., 2nd Paragraph, page 28) will have final approval in any decision to name a college, school, department, institute, and university-wide center. In considering the naming of one of these important, socially valuable areas, it is critical that Loyola University proceed with extreme sensitivity considering a number of factors in addition to the level of gift. Therefore, in consideration of such naming the following conditions must be satisfied:

A. Naming is already a well-accepted practice among the leaders nationally in the domain of the unit under consideration, or naming is so obviously compatible with the mission of the unit that Loyola University can be comfortable in taking the lead in setting a new pattern.

B. Any particular proposal for naming is clearly and broadly supported as being consonant with the reputation and aspirations of the unit. Critical voices, of course, include the dean; director or unit head; the faculty leadership; the alumni leadership of the unit; the administrative leadership of the university; and the Board of Trustees.

C. If naming is in recognition of a gift, the scale and nature of the gift should be such that the unit is enabled by the gift itself to improve its competitiveness materially. This criterion implies that the gift will allow the unit to undertake a well-defined series of program improvements that will elevate the unit into a more distinguished group of national peers.

D. The present value of any proposed gift should be used as the basis for testing the potential for material improvement through a well-defined program.

E. The background, character, reputation, and other qualities of the person for whom the unit is to be named are consistent with the reputation of Loyola University.

III. Minimum Funding Guidelines for Naming Academic Entities

Listed below are minimum dollar amounts for naming opportunities. The donor shall give at least 50 percent of the gift prior to the official naming opportunity taking effect.

One of the colleges within the university	\$20,000,000-\$50,000,000
A department or school within a college	\$5,000,000-\$15,000,000
An institute, program, or center within a college	\$1,000,000-\$10,000,000

IV. Endowment Funding Minimums by Type

The dollar amounts listed below represent the minimum funds needed for various sized programs. Depending on program needs and the donor's objectives, higher amounts may be necessary to achieve the desired outcome.

Note on philanthropic funds matched by governmental funds:

The Board of Regents for the state of Louisiana encourages philanthropic support of scholarship and teaching through a matching gift programs for Endowed Chairs for Eminent Scholars and Endowed Professorships.

For Endowed Chairs for Eminent Scholars, the minimum philanthropic investment at Loyola is $2 million.

For endowed professorships, the minimum philanthropic investment at Loyola is $100,000.

The Board of Regents encourages requests for matching funds at a 40:60 ratio of state matching funds to private donations. Upon receipt of a gift for an endowed chair or professorship, Loyola will apply to the Board of Regents for matching funds. As the matching gift process is competitive, there is no guarantee that Loyola will receive the matching funds.

Endowed Leadership Positions:
$5 million minimum gift—or more, depending upon the size and scale of the unit—is necessary.

> Purpose: To provide discretionary funds to support the strategic vision of the academic or non-academic unit, as determined by the dean, director, or vice president. In such cases, the position—not the person—is supported by the endowment.

Endowed Unit Director or Department Chairperson Positions:
$2 million minimum philanthropic gift—or more, depending upon the size and scale of the unit—is necessary.

> Purpose: To provide discretionary funds to support the strategic vision of the unit, as determined by the unit director or department chairperson. In such cases, the position—not the person—is supported by the endowment.

Endowed Chair for Eminent Scholars:
$2 million minimum philanthropic gift is necessary (to be combined potentially/possibly with a prospective $800,000 or $400,000 match from the Board of Regents).

> Purpose: To recruit, retain, and reward superior faculty members. To enhance the faculty member's scholarly efforts and/or research program. May also provide salary supplementation.

Endowed Faculty Chair:
$1 million minimum philanthropic gift is necessary.

> Purpose: To recruit, retain, and reward superior faculty members. To enhance the faculty member's scholarly efforts and/or research program. May also provide salary supplementation.

Endowed Faculty Professorship:
$100,000 minimum gift is necessary (to be combined with a prospective $40,000 match from the Board of Regents).

Purpose: To recruit, retain, and reward outstanding faculty members. To enhance the faculty member's scholarly efforts and/or research program. May also provide salary supplementation.

Endowed Visiting Professorship:
$3,000,000 minimum philanthropic gift is necessary.

Purpose: To support outstanding, visiting faculty members. Intended to rotate to new visiting faculty on a pre-determined time frame. To enhance the faculty member's scholarly efforts and/or research program. May also provide salary supplementation.

Endowed Faculty Fellowship:
$100,000 minimum gift is necessary.

Purpose: For any rank of faculty member. For research and teaching efforts, and for visiting scholars while in residence. May also provide salary supplementation.

Endowed Lectureship:
$50,000 minimum gift is necessary.

Purpose: To be used to support expenses associated with planning and implementing lectures in specific areas and/or on specific topics. Can pay administrative costs, publications, advertising, travel, and honoraria.

Endowed Scholarships:
$25,000 is necessary for a scholarship

Purpose: To support an undergraduate, law, or graduate student.
Academic merit may be a consideration. Financial need may be a consideration. The donor may suggest other preferential criteria.

Endowed Book Fund:
$25,000 minimum gift is necessary.

Purpose: To purchase books, library technology, or other materials in a specified field. May also be used for preservation of books. May also be used for repair, cataloging, and other expenses of the library.

Program Support Endowments:
$25,000 minimum gift is necessary.

Purpose: To support specific or general programs of Loyola University or of a particular unit/department. Can support areas such as faculty, staff, students, operations, research, etc. May be at the discretion of a dean, director, unit director, or department chairperson.

Endowed Laboratory:
$100,000 minimum gift is necessary, depending on the discipline and size and scope of the program.

Purpose: To be used for equipment, research, and general laboratory support.

V. Naming Through Non-Endowed Funds

Non-endowed funding commitments can, in certain circumstances, qualify for a naming opportunity. In such cases, it is critical that funding streams be committed to—in writing—for a period of no less than five years and that the annual funding amount is equivalent to the approximate payout of the corresponding established endowment minimum.

It is also necessary that the donor and Loyola University establish—in writing—that the naming is to last no longer than one year after the end of the fiscal year in which the last payment was received.

Non-Endowed Professorship: To establish a term professorship without any provision for endowment requires a minimum gift commitment of $25,000, payable at a minimum rate of $5,000 a year for not less than five years.

Non-Endowed Lectureship: To establish a term lectureship without any provision for endowment requires a minimum gift commitment of $10,000, payable at the rate of $2,500 a year for a period of not less than four years.

Non-Endowed Scholarship: To establish a term scholarship without any provision for endowment requires a minimum gift commitment of $5,000, payable at the rate of $1,250 a year for a period of not less than four years.

VI. Other Named Funds

The endowed funds and other funding requirements described above are listed because of their broad appeal to the donors of most colleges, schools, departments, and other units of the university. A variety of other purposes requires funding and offers numerous gift opportunities. Each college, school or department can establish named funds to support the particular activities of its programs so long as the endowment funding minimums stated above are observed and the approval procedures defined in this document are followed.

Appendix B

Loyola University New Orleans
Naming Opportunity Approval Form
(To be used to obtain approval for naming opportunities in accordance with policy and procedure as outlined in the University Naming Policy)

Submitted by: ______________________________ **Date:** ________________________

Description of what is to be named: ____

Proposed name: ____

Justification for naming (select as appropriate): _____ **Gift** _____ **In-Honor-Of**

Gift Amount: $____________________

Schedule of Payments: ____
____

Additional Information *(attach supporting documentation):* ___________________________
____
____
____
____

Approval Signatures and Date:

____
Dean of requesting unit (if applicable) Date

____
Vice President of requesting office (if applicable) Date

____
Vice President for Institutional Advancement Date

____
President Date

____
Designee of University Board of Trustees (if appropriate) Date

SPONSORSHIP POLICY AND PROCEDURES

Authority: Vice President for Institutional Advancement
First Issued: October 7, 2016

I. PURPOSE:

A. This policy provides guidance to colleges, schools, departments, academic or administrative units, and registered student organizations (RSOs) of Loyola University New Orleans, regarding the sponsorship of university or RSO events, programs, publications or other activities by non-university entities.

B. Sponsorship of Loyola activities, programs or events by non-university entities can, when conducted in an appropriate manner, be beneficial to the sponsored college, school, department, unit or RSO, as well as to the sponsoring entity, to the university community. However, it is also necessary to recognize that Loyola University's mission and reputation must be protected, and that they must not serve to advance unduly the interests of one non-university entity or organization over another. Finally, university entities should be mindful of the significant value to non-university entities that results from the exposure and association with the university that a Sponsorship relationship provides.

C. The Office of Institutional Advancement is the clearinghouse for all fundraising activities of the university (Gift and Pledge Policy and Procedures, Board of Trustee approved 10/18/2013, page 3). Accordingly, all sponsorship opportunities at Loyola University are to be coordinated in advance through the Office of Institutional Advancement. Questions pertaining to this policy and all requests for approval of sponsorships must be directed to the Office of Institutional Advancement.

D. The vice president for institutional advancement (or his/her designee), in collaboration with the vice president for finance and administration (or his/her designee), the vice president of marketing and communications (or his/her designee), and the director of governmental and legal affairs, and where appropriate or when the proposed sponsorship falls within their areas of authority, in consultation with the vice president for mission and ministry (or his/her designee), the vice president of student affairs (or his/her designee), the vice president of enrollment management (or his/her designee), deans, and/or faculty advisors, will grant final approval of all sponsorship requests. Sponsorship recommendations will be forwarded to the Office of the President for review and approval.

E. The Office of the President and, when appropriate, the Board of Trustees (see Section V.M., 2nd Paragraph, page 28), reserves the right of final approval for all sponsorships recommended for any of the opportunities in the sections that follow.

II. KEY PROVISIONS:

A. As practiced in accordance with this policy, Loyola faculty, staff, and administrators are encouraged to consider support of programs via external gifts (philanthropy) or sponsorships (which can include philanthropy); such support can be an important part of the long-term well-being of Loyola initiatives.

B. This policy encourages the pursuit of sponsorships that are structured to meet IRS requirements so that sponsorship money is considered a tax-free gift (e.g., a charitable contribution) and not considered as taxable advertising payments or corporate endorsements which may trigger unrelated business income. In addition to unrelated business income, sponsorships must be vetted to avoid private use restrictions in tax exempt, bond-financed buildings.

C. The University reserves the right to decline sponsorship requests that contain both non-taxable acknowledgements (as defined below) and taxable advertising or other benefits.

D. The University also reserves the right to decline sponsorships from organizations that engage in activities that are incompatible with Loyola's mission and values.

E. Support, or sponsorships, may be in the form of a gift of money or a gift-in- kind of goods and/or services.

F. The procedures and the type of documentation and/or approvals required may vary based on the corporate sponsor expectations, the business of the sponsor, and certain other aspects of the arrangement.

G. Special university guidelines apply when a department or unit uses a sponsor's name and/or logo together with a University or RSO name and/or logo in recognition of the sponsorship or in the marketing or promotional materials for the sponsored activity. Sponsors may only use a university name, trademark, logo or mascot with permission from the vice president of marketing and communications or designee.

H. If there are questions, contact the vice president for institutional advancement with questions.

III. DEFINITIONS:

A. ***Sponsorship*** means the provision by a non-university entity of money, goods or services to a school, college, department, unit, or RSO in support of one or more activities, events or programs. Sponsorships may fall into one of two categories, Qualified and Non-Qualified Sponsorship.

B. ***Qualified Sponsorship Activities*** include the soliciting and receiving qualified sponsorship payments that are not considered unrelated trade or business, and the payments are not subject to unrelated business income tax.

C . ***Qualified Sponsorship*** means a Sponsorship where the financial or other support meets the IRS guidelines for "qualified sponsorship payments." IRS regulations define qualified sponsorship payments as "any payment by any person engaged in trade or business with respect to which there is no arrangement or expectation that the person will receive any <u>substantial return benefit</u> other than the <u>use or acknowledgement</u> of the business name, logo, or product lines in connection with the organizations activities."

D . ***Acknowledgment*** is a term used to signify the recognition of Sponsorship support. A typical Acknowledgment of Sponsorship is the placement of a sponsor's logo, and/or certain information about a sponsor, in the promotional material for the University event or activity being underwritten or supported by the sponsor. This might be on signage or a departmental website, or in the marketing or promotional information about an event. An Acknowledgment on an institutional website may contain a link to the sponsor's website.

E. ***A Qualified Acknowledgement*** can contain only such information as follows:

(1) The sponsor's name, logo, and products
(2) Slogans that are an established part of the sponsor's identity that do not contain qualitative or comparative descriptions of the sponsor's products, services, facilities or company
(3) A list of the sponsor's locations, telephone numbers, or Internet address
(4) Value-neutral descriptions, including displays or visual depictions, of the sponsor's products or services
(5) The sponsor's brand or trade names and product or service listings
(6) Display or distribution of a sponsor's product by the sponsor or by a Loyola representative to the general public at the sponsored activity

<u>A Qualified Acknowledgment</u> should not contain Advertisements such as qualitative or comparative statements (e.g., Sponsor makes the best shoes), price information or indication of savings or value (e.g., Sponsor's gumbo is the best price in town), call to action (e.g., Don't miss Sponsor's huge tent sale) or endorsements (e.g., the computer hardware preferred by Loyola University faculty and staff).

F. ***Return Benefit*** is any item or service provided to a sponsor in return for the sponsor's support, or Sponsorship, of a University activity, event or program.

Examples may include, but are not limited to, event tickets, food and beverages, t- shirts, mugs or access to University services.

G. If there is a **Substantial Return Benefit,** then the payments are no longer considered qualified sponsorship payments. The IRS determines substantial return benefit by looking at the fair market value of the items received by the corporation.

(1) If the aggregate fair market value of the benefits received from the organization is greater than 2% of the sponsorship payments, the return benefit is considered substantial and may trigger unrelated business income tax (IRS Reg. §1.513-4(c)).

(2) If the fair market value is considered less than 2% of the sponsorship payments then these benefits are disregarded as nominal or *de minimus,* will not trigger unrelated business income, and therefore be considered as qualified sponsorship payments.

(3) Because this is a complicated area, additional steps must be considered, as described below, before approval can be obtained.

H. ***Non-Qualified Sponsorship*** means a Sponsorship where the financial or other support does not meet the IRS guidelines for "qualified sponsorship payments." A Sponsorship may fall into this category because the Acknowledgment or the Return Benefit(s) go beyond what is permissible to be considered a ***Qualified Sponsorship***.

I. ***Advertisement*** shall mean messages containing qualitative or comparative language, price information, or other indications of savings or value; Endorsement, as defined below; and inducements to purchase, sell, or use the products or services.

J. ***Endorsement*** shall mean any statements or depictions which can be reasonably construed to contain or imply a preference by the University, by any of its units or employees speaking or acting as representatives of the University, or by an RSO for one non-university interest over any other.

K. ***Unrelated Business Income*** (UBI) is income from a trade or business regularly conducted by an exempt organization, like Loyola, and not substantially related to the performance by Loyola of its exempt purpose or function, except that Loyola uses the profits derived from this activity. The IRS imposes taxes on UBI under IRS Code §511 but exempts Qualified Sponsorship Payments under §513.

It is important to note that even if a sponsorship payment does not qualify for exemption from tax as a qualified sponsorship payment, it might fall outside of unrelated business taxable income (UBTI) for some other reason. Again, this is a complicated area, and additional steps must be considered, as described below, before approval can be obtained.

L. ***Contingent payments*** are those payments that are contingent upon the level of attendance, broadcast ratings, or other factors indicating the degree of public exposure. These payments are not qualified sponsorship payments and could be subject to UBTI. A payment that is contingent upon an event or activity being held will not cause the payment to fail to be a qualified sponsorship payment.

M. ***Exclusivity Arrangements*** that acknowledges the payer as the exclusive sponsor of an activity does not generally result in a substantial return benefit. However, ***Exclusive Provider Arrangements*** that limit the sale, distribution, availability, or use of competing products, services, or facilities can result in a substantial return benefit. For example, a payment by Coca-Cola for the right to be the sole beverage sponsor of an event would not be taxable. A payment by Coca-Cola to have only its products, and not of a competing beverage company, sold at the sponsored event would be taxable.

N. ***Gift-in-Kind*** is a product or service donated, in lieu of a cash gift, to a school, college, department or unit.

O. ***Gift of Money*** is a cash donation or pledge made directly or through the University to a school, college, department or unit.

IV. SPECIFIC POLICY AND PROCEDURES:

A. Sponsors

(1) Acceptable Sponsorship

Any support or underwriting for university events or activities may be sponsors. <u>As indicated in this policy, it may be necessary to decline an offer of support or Sponsorship.</u>

University entities should accept Sponsorship support only from non-university entities whose mission or image is compatible with the mission or image of the University entity or the sponsored program, event or activity. When a school, college, department, unit or RSO (collectively, "University Entity") acknowledges a sponsor, invariably an association in the mind of the public is created between the sponsor and University Entity being sponsored.

(2) Unacceptable Sponsorship

The University has the right to and will refuse Sponsorship from unacceptable sources, or with an unacceptable message. These may include but are not limited to these, a Sponsorship is unacceptable that (1) is in conflict with University policies; (2) adversely affects the University's reputation; (3) appears to create an Endorsement by the University of a particular company, product, political candidate, or position regarding public policies; (4) is considered to contain obscene, indecent or profane material; (5) ridicules, exploits, or demeans persons on the basis of their age, color, creed, disability, national origin, race, religion, sex or sexual orientation.

B. Approval Process

(1) All school, college, department, unit or RSO sponsorship activities, including the solicitation of potential sponsors and receiving of sponsorship payments, shall be coordinated in advance with the Office of Institutional Advancement.

(2) Unsolicited prospective sponsorships that are presented to any school, college, department, unit or RSO by potential sponsors are to be relayed to the Office of Institutional Advancement as soon as possible.

(3) All RSOs shall consult with their faculty advisors and act through their faculty advisors during the approval process.

(4) Upon notification of any sponsorship activities, the vice president for institutional advancement (or his/her designee) will work with the school, college, department, unit or RSO (through faculty advisors) to investigate and evaluate the sponsorship opportunity.

(5) After gathering the information, the vice president for institutional advancement (or his/her designee) will collaborate with the appropriate administrative leadership, including vice president for finance and administration (or his/her designee), the vice president of marketing and communications (or his/her designee), and the director of governmental and legal affairs.

(6) <u>Qualified Sponsorship</u>: Once a determination has been made that the

potential corporate sponsor has no expectation of receiving a substantial return benefit for its payment, the qualified sponsorship can be approved. Factors that usually indicate charitable contributors are as follows:

(a) Acknowledgements that include the sponsor's name, logo, general phone number, locations, and internet address in printed media, or on a website.

(b) Value-neutral displays of a sponsor's products or services, or the distribution of free samples of a sponsor's products at a nonprofit's event.

(c) No request for endorsement.

(d) A single static internet website link that takes the viewer only to the sponsor's home page- not to a page where a product or service is marketed or sold.

(7) After receiving approval via the Office of Institutional Advancement, Loyola colleges, schools, departments, units or RSO (through faculty advisors) can enter into a Sponsorship arrangement by providing the sponsor with a letter (template available from the Office of Institutional Advancement) summarizing the nature and duration of the Sponsorship and the specifics of the Qualified Acknowledgment, and which incorporates or attaches the Standard Sponsorship Terms and Conditions (Appendix A to this Policy, page 47).

(8) Once the sponsor countersigns the letter to confirm agreement with the aspects of the arrangement, and returns the letter to the university representative, the Sponsorship may be accepted and the Qualified Acknowledgment provided without further approvals. If it consists of a Gift-in-Kind of products, see IV. D., page 44.

(9) Non-qualified Sponsorship: If the vice president for institutional advancement (or his/her designee) in consultation with appropriate administrative leadership, including the vice president for finance and administration (or his/her designee), the vice president of marketing and communications (or his/her designee), and the director of governmental and legal affairs determine that a Sponsorship arrangement provides a sponsor with a Return Benefit that is substantial (fair market value over 2%), creates UBI, and/or triggers UBTI, next steps must be considered. Factors that may result in taxable income:

(a) Exclusive provider rights

(b) Endorsements

(c) Inducements

(d) The provision of more than token services or other privileges in return

(e) Payments that are contingent upon participation

(f) The provision of specific advertising opportunities, at no charge, in regularly scheduled publications that usually require paid advertising

(10) In addition to UBI, sponsorships must be vetted to avoid private use restrictions in tax exempt, bond-financed buildings.

(11) Next Steps to be Considered:

(a) Can the Sponsor Agreement be restructured?

(b) Are there alternative strategies?

(c) Could the sponsorship payment fall outside the definition of UBTI for some other reason? To be taxable, as UBTI, the income must be from a trade or business that is regularly carried on and that is not substantially related to the exempt purposes of the sponsored organization.

(d) Can the sponsorship payment be allocated between the non-taxable acknowledgement and the taxable advertising or other benefits? If so, the burden will fall upon Loyola to establish that the sponsorship payment exceeds the fair market value of all substantial return benefits. In such cases, Loyola will have to report the advertising portion of the income as UBI, subject to UBTI on IRS Form 990-T. Failure to report has the potential to make the entire Sponsorship payment subject to tax.

(12) If these next steps are unacceptable, Loyola reserves the right to reject the request for Sponsorship.

(13) If the steps are acceptable, and it is deemed beneficial for Loyola to accept the Non-Qualified Sponsorship after weighing the pros and cons, the Sponsorship will be approved. A determination will be made about the nature of any written agreement that will be required. In some cases, it may be sufficient to provide the sponsor with a letter summarizing the nature and duration of the Sponsorship and the specifics of any Acknowledgment, incorporating or attaching the Standard Sponsorship Terms and Conditions (Appendix A to this Policy, page 47).

C. Implementation and Compliance

(1) The vice president of marketing and communications (or his/her designee) shall be responsible for overseeing the implementation and continued compliance of all approved Sponsorships.

(2) The vice president for institutional advancement (or his/her designee) will be responsible for stewarding the gift which includes acknowledging the qualified sponsorship payments, thanking the donor, and maintaining regular and consistent interaction with the donor, including annual reporting and recognition ceremonies.

(3) The vice president for finance and administration (or his/her designee) will continue to be responsible for reporting any UBI to the IRS.

D. **Special Rules for Sponsorship Agreements that include Gifts-in-Kind**

(1) **Use of Gift-in-Kind Contribution Form.** When an Approved Sponsorship arrangement includes a Gift-in-Kind of products (not services), the school, college, department, unit, or RSO (through faculty advisor) should prepare and submit a Loyola University Gift In-Kind Contribution Form (Appendix B to this policy, page 48) prior to or at the time the Gift-In-Kind is accepted. The Policy regarding acceptance of Gifts- in-Kind are found in the Gift and Pledge Policy and Procedures, Tangible Personal Property, pages 10 and 11.

(2) **Purchasing Rules**. When a sponsor provides a Gift-in-Kind of goods or services to the university that would ordinarily be obtained through the purchasing system, providing tangible Return Benefits to the sponsor has the potential to be seen as circumventing purchasing requirements. If the Return Benefits provided to a sponsor are valued at $10,000 or less, the transaction is exempt from purchasing requirements. If the Return Benefits to the sponsor are valued at more than $10,000, a gift officer from Institutional Advancement will contact the Purchasing Department to discuss prior to the finalization of any agreement.

E. Use of University Marks or "Official" Designations

If a Sponsorship arrangement contemplates either the use of University marks by the sponsor or an "official" sponsor designation, see M&C's Graphic Standards and Brand Guide requirements on Loyola's website.

Acknowledgments must be secondary and subordinate to the name, marks and other representations of the University school, college, department, unit, program or event to which the Sponsorship relates. For example, a banner promoting a departmental conference should prominently identify the conference and the department, with sponsor logos or other Acknowledgment placed on the bottom of the banner in a smaller script. Institutional or unit-specific policies may restrict locations on institutional web sites where Acknowledgments may be placed. For inquiries or permissions, please contact the Office of Marketing and Communications at (504) 861-5757 or marcomm@loyno.edu.

F. Naming an "Official" Sponsor of a University Activity or Event

(1) **General Rule**. Because the use of the term "official" in connection with a Sponsorship activity may constitute a prohibited Endorsement, the University will permit use of the "official" designation only under certain conditions. **"Official" Sponsorships are different from standard Sponsorships.**

(2) **Factual Descriptions of Certain Vendor/Sponsor Relationships.**

(a) Use of the term "official" can be used when the "official" designation extends only to the campus unit or activity with which the business, product or service relates, and not to the University as a whole (e.g., "the Official Bake Sale of Monroe Library" would be permitted, but not "the Official Muffin of Loyola University");

(b) The rationale for permitting the "official" designation, and the method for determining the value of the designation, is made clear when looking at how the business, product or service was selected. In terms of selecting the vendor or sponsor, use of a competitive solicitation process is preferred.

(c) The vendor's or sponsor's promotional or marketing activities in connection with the "official" designation do not indicate an Endorsement of or preference by the University for the vendor's or sponsor's business, product or service, and any Acknowledgment by the University, school, college, department, unit, or RSO (through faculty advisors) meets the requirements of this Policy.

(3) **Example of a permitted "official" designation.**

RSO X solicits sponsors for its annual conference. Company Y offers to supply ball point pens with the conference logo printed on them, in exchange for an Acknowledgment of Sponsorship. Company Y offers to provide $500 in cash to offset conference expenses if its pens can be designated as the "official" pen of the conference. The value of the pens is below purchasing threshold. The RSO documents that it has contacted two other pen vendors, and these vendors are interested in supplying the pens on similar terms as offered by Company Y. The brochures and a page on the Department's website promoting the conference contain an Acknowledgment of Sponsorship, which includes Company Y's logo and a designation of Company Y's pens as the "Official Pen of the RSO X Conference."

(4) **Procedure.**

All colleges, schools, departments, academic or administrative units, and RSOs (through faculty advisors) requesting approval for "official" designations, must submit an "Official" Designation Sponsorship Checklist (Appendix C) to Institutional Advancement. Thereafter, the vice president for institutional advancement (or his/her designee) will collaborate with the appropriate administrative leadership, including vice president for finance and administration (or his/her designee), the vice president of marketing and communications (or his/her designee), and the director of governmental and legal affairs to approve "official" designations.

V. Sponsorship Policy Review

The vice president for institutional advancement (or his/her designee) will oversee a periodic review of this policy, or review on an as-needed basis when questions arise.

Appendix A

STANDARD SPONSORSHIP TERMS AND CONDITIONS

1. Subject to Loyola University Policy. This Agreement, any Acknowledgment of Sponsorship, and/or marketing and promotional activities of Sponsor that relate to the Sponsorship, are subject to all applicable University policy, including the "Loyola University Sponsorship Policy.”

2. No Rights to Loyola University Trademarks. This Agreement does not provide Sponsor with any rights to use names, trademarks or logos of the University. Approval for use of University names, trademarks, and logos must be separately obtained from the Office of Marketing and Communication, and approval may not be granted or may be conditioned upon a separate licensing agreement.

3. Liability. Sponsor agrees to protect, indemnify and hold harmless the University, its officers, employees, agents and students, from any and all liability, including claims, demands, losses, costs, damages and expenses of every kind and description or damages to persons or property arising out of or in connection with or occurring during the course of this agreement.

4. No Endorsement. This Agreement shall not be construed or represented as an endorsement by University of Sponsor or Sponsor's goods or services.

5. No Partnership or Joint Venture. This Agreement does not constitute and shall not be construed as constituting a partnership or joint venture between the parties, and the parties shall be treated as independent contractors in all respects.

6. No Assignment. This Agreement is specific to the parties, and may not be assigned or sublicensed by Sponsor without the prior written permission of University.

7. Controlling Law/Jurisdiction for Disputes. This Agreement shall be construed under the laws of the State of Louisiana, and jurisdiction for any disputes under this Agreement shall be in Orleans Parish, Louisiana.

8. Sponsor agrees to notify University at the time of sponsorship payment if it intends to claim a charitable contribution deduction on account of a sponsorship payment, so the University can prepare the appropriate gift receipt.

Name:

Name:

Company/Organization:

Loyola University Department/Unit:

Appendix B

LOYOLA UNIVERSITY NEW ORLEANS

GIFT IN-KIND CONTRIBUTION FORM

Donor Name: ______________________________ ID#: __________

Contact Person: ______________________________

Address: ______________________________

City: ______________ State: __________ Zip: __________

Phone: ______________ Fax: ______________

Email Address: ______________________________

Choose one: ____ Item/Gift ____ Certificate (attach copy to form) ____ Other

Value of gift: ______________ (receipt/appraisal/etc. should be attached to this form)

Description of Gift (required): ______________________________

____

____

Fund designation: ______________________________

Special Instructions or ______________________________

Restrictions (if applicable): ______________________________

____

Given by:

____
Signature of Donor/ Contact Person

Received by:

______________________________ ______________
Signature of Loyola University Representative Date

Please attach a copy of gift certificate, appraisal, and/or receipt.

Appendix C
"OFFICIAL" DESIGNATION SPONSORSHIP CHECKLIST

***NOTE**: This form to be used only when naming an official sponsor. All other (standard) sponsorships use Appendix A.*

Department/Unit: ______________________________

Responsible Administrator/Employee: ______________________________

Sponsor/Vendor: ______________________________

Sponsor Contact Name/Address: ______________________________

____

Term of Sponsorship: ______________________________

Product/Promotional Item: ______________________________

Use by department/unit: ______________________________

Venue: ______________________________

How sponsor solicited/selected: ______________________________

____

Cash Sponsorship: __________ Gift-in-Kind: __________

Amount/value (of cash and/or product): ______________________________

Increment attributable to "official" designation (e.g., additional cash or product provided in order to receive "official" designation): ______________________________

Incentives, if any, provided as part of "official" designation sponsorship package (e.g., tickets, admissions, parking): ______________________________

____

Value of incentives: __________ "Net" to department/unit: __________

Acknowledgment expected to be provided to “official” sponsor: ____________________

____

Specialized institutional marks (if any) expected to be made available to sponsor as part of “official” designation: ____

____

Please attach artwork for any such marks that can be incorporated into an exhibit to M&C.

[Note: the use of any specialized institutional marks must be the subject of a limited license from the University, attached as an addendum to the sponsorship agreement.] How

used: ____

Any request to use other institutional trademarks:_____If, yes, what marks: _________

____

[Note: the use of any institutional trademarks must be pursuant to a separate limited license granted by the University Marketing and Communication Office.]

APPROVED:

____

Vice President of Institutional Advancement

Date: ____________________