

FUNDRAISING POLICY AND PROCEDURES
FOR WEST CHESTER UNIVERSITY OF
PENNSYLVANIA

Revised May 2018

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Fundraising Policy and Procedures for West Chester University of Pennsylvania

I. Background and Philosophy

West Chester University (“WCU” or the “University”) recognizes that its future success will depend upon its ability to develop a variety of funding sources including gifts and grants from private donors such as alumni, parents, other individuals, corporations and foundations. The purpose of this policy is to outline the way in which WCU will pursue private gift income and how University employees may participate in that process. Gifts in support of WCU may not be solicited or processed through any other office, group, chapter or affiliated organization.

On or about April 15, 2014, the University and the West Chester University Foundation (“The Foundation”) executed a Memorandum of Understanding (MOU) that appointed the Foundation as the coordinating organization for all restricted and unrestricted fundraising efforts to benefit the University. On May 19, 2015, the University and West Chester University Foundation executed a Fiduciary Agreement that addresses the Foundation’s responsibilities for administering University gifts and charitable grants. On July 11, 2017, the University and West Chester University Foundation executed a Fundraising Agreement that states the annual performance expectations of the Foundation. (The MOU, the Fiduciary Agreement, and the Fundraising Agreement are referred to collectively as the “Agreements.”) This Policy is intended to be consistent in all material respects with the Agreements, and the Agreements are intended to be consistent with this Policy. Any inconsistencies that might be identified will be discussed and addressed by the parties to the Agreements.

WCU adheres to the standards of the Council for the Advancement and Support of Education (CASE – www.case.org) in conducting fundraising programs and reporting fundraising results. However, this policy does not govern reporting for the University’s financial statements. Questions relating to CASE standards may be addressed to the Foundation.

II. Fundraising Efforts and Award Definitions

Responsibility for all private and government support (not including PASSHE allocations) is assigned to either the Foundation (via the existing service contract) or the WCU Office of Sponsored Research.

Definitions

A gift is a voluntary transfer of money, property (e.g., equipment), or other assets made with philanthropic intent and without any expectation or receipt of direct economic benefit or any other tangible compensation (e.g., goods and services). There is no quid pro quo that is commensurate with the worth of the gift. WCU operates under a donor-centric model of

fundraising within the parameters of giving outlined by the Internal Revenue Service and other applicable legislative and regulatory agencies. A donor may, within these parameters, restrict his or her gift to specific activity or a specific program area or purpose (e.g., fund a scholarship, endow a professorship, establish a research center, or construct a building). The recipient of the gift is responsible for using the funds received through the gift for the purposes specified by the donor.

Funds based on an agreement between the University and another entity to provide an economic benefit or services to that entity in return for compensation, services or other benefits are not gifts but contracts. Such agreements are binding and create a quid pro quo relationship between the University and the entity. Such contracts are excluded from fund raising totals.

A charitable grant is a written agreement that creates a voluntary relationship between a sponsor and a recipient in which: 1) the principal purpose of the relationship is the transfer of the money, property, services or anything of value from the sponsor to the recipient; 2) a public purpose is specified with a defined scope of work enumerating certain performance objectives to be achieved during a specific period of performance; and 3) no substantial involvement is anticipated between the sponsor and recipient during the accomplishment of the public purpose. The award agreement includes provisions for the assignment of proprietary rights to and provisions of work products derived from the performance of the scope of work, as well as requirements for formal financial or technical reporting by the recipient as to the actual use of the money or assets provided by the sponsor. In competitive situations, the sponsor states its willingness to provide support for work of a general type in a request for applications or proposals (RFP) and solicits proposals from potential recipients. Respondents compete for the grant award, with the sponsor using evaluation criteria to review submitted applications. The final award may involve negotiations between the sponsor and the recipient. Multi-year grant awards are possible, disbursed on an annual basis by the sponsor with the requirement for the recipient to submit a continuation application as each subsequent grant period approaches. Although the recipient makes no guarantees other than the work will be done as described and that generally accepted management practices will be followed, the award agreement is enforceable by law with the transfer of support revocable only for cause, or as defined by any mutually agreed upon contract or writing that governs the relationship.

Based on Council for the Advancement and Support of Education definitions, two categories of charitable grants are considered philanthropic in nature and thus countable in annual giving or campaign reports:

1. Nonspecific grant

A grant received that did not result from a specific grant proposal and does not commit specific resources or services or require reports to the donor on the use of the funds. An unsolicited grant from a corporation or foundation for unrestricted purposes is an example of a nonspecific grant.

2. Specific grant

A grant received resulting from a grant proposal that is not in response to a specific request for proposals (RFP) issued by the grantor. WCU may commit resources or services as a condition of the grant, and the grantor may request an accounting of the use of the funds and of results of the programs or projects undertaken. The grantor's requirement of regular status reports or other reports does not negate the philanthropic (and countable) nature of a specific grant. Examples of such gifts include challenge grants and grants for scholarships, construction or operating purposes from non-governmental sources.

Funds based on an agreement between the University and another entity to provide an economic benefit or services to that entity in return for compensation, services or other benefits are not gifts but contracts. Such agreements are binding and create a quid pro quo relationship between the University and the entity. Such contracts are excluded from fund raising totals.

A. WCU Foundation

The WCU Foundation is responsible for all aspects of individual and private corporate and foundation donor identification and assignment, recordkeeping, cultivation, solicitation and stewardship.

When any of the following conditions are met, the WCU Foundation shall be responsible for receipt and administration of the funds:

1. The donor is a corporation, foundation, or other private sector entity that voluntarily transfers funds or other assets to the university with the intent to treat the transfer as a charitable contribution for income tax purposes.
2. The donor is an individual who transfers funds or other assets to the University to support a defined set of activities (e.g., fund the scholarship or creative activities of a particular faculty member), a specific program area (e.g., endow a professorship), or purpose (e.g., construct a building).
3. The donor makes the award without expectation of direct economic benefit or other tangible benefits, although business or personal good will and miscellaneous benefits may be derived from the donor's close association with the University.
4. The donor does not participate in the precise use of the award.
5. Any conditions or stipulations placed on the intended use of the award by the donor are reasonable and serve to direct the award to a broadly defined activity or a specific program area or purpose of interest to the donor (e.g., scholarships, professorships, research center infrastructure, capital campaign, building construction, instructional program support, special projects, and professional development).

6. The donor makes no claim on patents, copyrights, or other intellectual property rights that may result from the activities supported by the award, and the award does not restrict or stipulate delays or advance notice or prior donor approval of the publication or dissemination of information derived from activities support by the award.

B. WCU Office of Sponsored Research

The Office of Sponsored Research is responsible for sponsored research grants, pre-award grant management, the Grants Accounting Office is responsible for post-award accounting, funding and financial reporting, and the Principal Investigator is responsible for ensuring that the ground terms and all internal and grant management requirements are fulfilled (for more information on the WCU Office of Sponsored Research, see Appendix A).

III. Assignment of Fundraising Responsibilities and Functions

The University has entered into a formal agreement with the West Chester University Foundation (“the Foundation”) to oversee all fundraising efforts that benefit the University. As an independent, affiliated non-profit organization, the Foundation is able to accept and manage gifts effectively and efficiently. As outlined in its Bylaws, the WCU Foundation performs the following services in support of WCU:

1. Solicits funds and other property to advance the charitable, scientific, and educational interests of the University in accordance with priorities set by the University;
2. Receives, manages, and liquidates material assets, including unique gifts such as jewelry, artworks, and real property, to benefit the University;
3. Contributes resources to the University, any of its affiliated entities, and any institutions, or organizations that become affiliated with the University;
4. Manages the relationship, including the selection and negotiation of the services, with financial institution or institutions for the purposes of holding endowment funds, life income gifts, and similar financial contracts at the request of the University for its benefit;
5. Manages contracts for the advancement of the University; including the construction, operating, management, and maintenance of student housing facilities, or any other facilities or projects for the benefit of the University and its educational, scientific, and charitable purposes whether directly or through a single member limited liability company created and owned by the Foundation;

6. Manages the Foundation's endowment fund, and upon request and with proper approvals, the endowment fund of the University; and
7. Engages in any and all acts and in all lawful business which a nonprofit corporation may do consistent with or in furtherance of the Foundation's mission: The WCU Foundation supports the goals of West Chester University through fundraising activities, the management of donated resources, and the promotion of the University's needs to prospective contributors.

The Foundation's sole organizational and operational purpose is to engage in activities that benefit WCU, including raising funds. As a result of its agreement with the Foundation, the University encourages that all private gifts of any type in support of WCU be given through the Foundation.

IV. Individual Lists and Requests for Information

As an integral part of the WCU Foundation's responsibility to fundraise for the University, the Foundation has ownership and administration of alumni and donor records. The Foundation has agreed to provide WCU with service including e-communications to constituents.

Off-Campus Organizations

The Foundation will not provide any information, lists, or mailing labels for any reason to off campus organizations, such as churches, political groups, or individuals.

On-Campus Organizations and Individuals

Requests for lists and mailing labels must be made in writing, via e-mail, to the WCU Foundation. The request should be made on the West Chester University Foundation's "Data Request form," which can be obtained from the Foundation. All requests must include an original copy of what is to be mailed to the requested list. At least five business days should be allowed for completion of any requests for mailing lists and/or labels. List requests from on-campus student organizations and alumni groups will be approved on a case-by-case basis by the President or Liaison to the WCU Foundation.

After using a mailing list for its approved purpose, WCU employees who obtained the list may not use it for any other purpose and must demonstrate that the list has been deleted (if electronic) or shredded (if hard copy).

As a result of the Foundation's responsibility to maintain lists of alumni, non-alumni individuals, corporations and foundations, no University employee shall maintain list of alumni or other individuals or organizations for purposes of resource development or communications separate from those maintained by the Foundation. In addition, University employees are

encouraged to provide the Foundation with information about their interactions with alumni, individuals, and organizations that occur in their capacity as a University employee as it could lead to future fundraising opportunities and success.

V. The University's Role in Fundraising

It is the University's responsibility to establish all fundraising priorities and to share those priorities with the Foundation. Fundraising priorities and goals are established and approved by the President. While the University is in an active capital fundraising campaign, only a limited number of non-campaign fundraising projects can be undertaken. Depending upon the desires and interests of some donors, opportunities may arise to secure support for and fund additional projects.

WCU employees are directed to consult with their division heads, who will forward granted requests to the President for final approval and communication to the WCU Foundation. Each college has an assigned major gift officer who is the primary contact for these initial discussions after authorization is approved.

The solicitation of gifts for the University outside these parameters are inconsistent with the goals of the University, and are therefore prohibited.

VI. Role of the WCU Foundation Liaison

West Chester University's Liaison serves as the University's primary contact between WCU and the Foundation.

The liaison, who is appointed by the President of West Chester University, is responsible for monitoring the contractual relationship between the University and the Foundation and ensuring that the Foundation fulfills the goals outlined in that agreement. In addition, the liaison consults with the President and University leadership to communicate fundraising needs and priorities to the Foundation.

VII. Gift Processing

In order to serve the University best, the University seeks to have all gifts made payable to the WCU Foundation. In the event the University receives a gift made payable to the University, the gift should be forwarded to the Foundation liaison so that appropriate donor gift acknowledgement and recording processes can be followed.

VIII. External Advisory Committees

University management encourages the development of advisory committees, boards, and councils. Formation of these external advisory committees is accomplished through communication with your direct supervisor, and further communication by them with University administration. Based on the Board of Governors Policy on volunteers, only the President authorizes the formation of these external advisory committees. These committees, boards and councils will serve the following purposes:

1. Provide advice about program planning, development, and operations.
2. Promote public awareness of and advocate for the program or activity.
3. In consultation with the West Chester University Foundation, develop and implement fundraising strategies to support the program or activity, if applicable.
4. Recommend new members for the committee.
5. Perform other roles as approved by the President.

Also, members of these groups may only serve in an advisory capacity (no decision-making authority) and must be approved and appointed by the President. Members are appointed to three year terms and may be reappointed for additional terms.

To establish an external advisory committee, the request must include a summary document outlining the proposed committee's mission, goals, and activities and be approved by the division head who will then provide the liaison and the WCU Foundation with this document. The document is then submitted to the President for action.

Members of external advisory committees may be recommended by University and Foundation employees as well as a member of the committee. Nominees shall demonstrate the following:

1. An interest in the committee's mission and goals.
2. A willingness to attend committee meetings and participate in the committee's activities.

All recommendations for committee membership shall be submitted to the liaison for review in consultation with the WCU Foundation. The liaison and WCU Foundation shall present the President with a roster of nominees for appointment or reappointment.

IX. Gift Fees

In 2006, the University and Foundation adopted a gift fee as a means of providing resources to support fundraising operations. The fee amount is a percentage of the gift value

based on the type or purpose of the gift. The fee applies to contributions received with the exception of gifts of real property or services that are to be retained or used by the University or Foundation (e.g., real estate, artwork, equipment, contributed services). The current fees percentages by gift type are as following:

GIFT TYPE	FEE PERCENTAGE
Estate Gifts	5.0 percent
Endowment Gifts	2.5 percent
Capital Gifts	2.5 percent
Operating Gifts (Annual Fund)	2.5 percent

X. Corporations & Foundations

Clearance to solicit any corporation or foundation for any University purpose must be coordinated with the WCU Foundation’s appointed Corporate and Foundation officer. The Corporate and Foundation officer maintains a clearance procedure to confirm that a corporation or foundation is available for solicitation. University employees seeking support from corporations and foundations must complete the Private Gift Support form, which must accompany any proposal submitted through the University approval process.

XI. Student Fundraising

This section deals with fundraising events or meetings that are outside to the working list of funding priorities.

A. Internal clubs, departments, offices, and external groups raising funds for the good of the University.

1. Each group organizing to raise awareness and/or directly solicit gifts for a University purpose must have a University employee as sponsor. This sponsor will be responsible for the activity and its cost to the University. The sponsor should be someone in authority over the department who will approve and guide activities, and who will coordinate with the liaison and the WCU Restricted Funds and Facilities Management officer.
2. Generally, the cost of the event is borne by the sponsoring department or will be paid out of proceeds from the event (see University Space Use Policy).
3. The department should budget costs to reimburse the University for any wear and tear on facilities, costs of security, clean-up, etc.

4. Tickets for fundraising events must be priced so that event revenues are likely to cover event expenses and generate net income to support the purpose of the event. Ticket prices and event budgets should be established in consultation with the Foundation. Prior to the sale of any tickets, a determination must be made by the liaison with the assistance of the Foundation regarding the portion of the ticket price that is a charitable donation.
5. Contributions received will be deposited and receipted by the Foundation.

XII. Policy Implementation

It is expected that WCU's principal academic and administrative leaders (Vice Presidents, Deans, Associate Deans, and Directors) will be familiar with the Policy and will communicate it within their divisions.

In cases where the Policy is not being observed, the liaison will contact the division head involved to inform them of the problem and correct procedures.

APPROVED AS OF 5/4/2018



Christopher Fiorentino, President
West Chester University

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APPENDIX A

WCU Office of Sponsored Research

The Office of Sponsored Research is responsible for sponsored research grants, pre-award grant management, the Grants Accounting Office is responsible for post-award accounting, funding and financial reporting, and the Principal Investigator is responsible for ensuring that the ground terms and all internal and grant management requirements are fulfilled.

Grants given by governmental entities are to be administered by the office of Sponsored Research.

When any of the following conditions are met, the Office of Sponsored Research shall be responsible for receipt and administration of the funds:

1. The award is from a federal, state, or municipal governmental agency or from an entity that provides a subcontract containing the so-called “flow down” of federal, state, or municipal governmental agency provisions.
2. The sponsor allows the university to recover facilities and administrative costs related to the work to be supported by the award.
3. The sponsor specifies a desire to gain direct economic benefit or other tangible benefits as a result of the University’s activities to be conducted by the award.
4. The award is from a corporation’s Research and Development budget and is considered by the corporation as a cost of doing business rather than as a charitable gift.
5. The award document stipulates a cost sharing commitment of University resources (e.g., personnel, facilities, equipment).
6. The award document specifies adherence to a line item budget with specific limitations, cost accounting and effort reporting standards, financial controls, specific billing requirement, payment contingent upon satisfactory programmatic progress, and prior sponsor approval for such things a pre-award costs incurred by the University or the transfer of funds from one budget category to another and from one budget period to another.

7. The award document stipulates the ownership or disposition of tangible or intangible property resulting as a consequence of the University's activities, including records, data rights, licensing arrangement for patents or copyrights, research-related materials, inventions, and other intellectual property.
8. The award document places restrictions on the publication of data from activities supported by the agreement, including outright restriction of publication or the requirement for prior review or approval by the sponsor.
9. The award document stipulates that the University will focus activities or conduct studies on proprietary substances, products, or processes or an intellectual property owned by the sponsor.
10. The award document requires an authorized institutional signature stipulating research compliance certification (e.g., human subjects, drug-free workplace, and laboratory safety).

If the intent of the sponsor or donor does not correspond with the indicators for classification as a grant or gift as presented above, then an attempt will be made to amend the terms of the award.