



Policies & Guidelines
Updated October 16, 2017

This document serves to guide and regulate the development activities of the University of Montana Western Foundation in support of the students, faculty and staff of University of Montana Western.

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Policy & Guideline Overview

To ensure the integrity of fundraising activities, the following policies and guidelines have been adopted by the Board of Directors of the University of Montana Western Foundation. These policies and guidelines may be revised by the Foundation Board of Directors as needed on an ongoing basis.

Gift Solicitation & Acceptance Policy

OVERVIEW

To ensure the orderly acceptance and transfer of charitable gifts to the University of Montana Western Foundation, the gift acceptance policy has been developed.

BACKGROUND AND AUTHORITY

The objective of the University of Montana Western Foundation is to encourage, accept, and hold gifts made to the foundation for the purpose of advancing the welfare and development of University of Montana Western and to aid it in carrying out its commitment to provide educational opportunities.

The board of the University of Montana Western Foundation has authority over policies and procedures for all fund-raising activities and acceptance of all gifts and grants from non-governmental sources. With certain exceptions noted herein, such authority has been delegated to the foundation's president and Executive Director or designees. The Board of Directors retains the power of final approval of the policies and procedures that govern all fund-raising activities and for special board decisions as are required by these policies and procedures.

SOLICITING CHARITABLE CONTRIBUTIONS

In soliciting charitable contributions, no staff member or representative of the University of Montana Western or of the University of Montana Western Foundation is authorized to commit the foundation or university to an agreement which is in conflict with the university's or foundation's mission, vision, established policies and procedures, or which compromises in any manner the position of any office or department in the performance of its assigned responsibilities.

Any member of the University of Montana Western faculty or administrative staff who wishes to seek a grant or other contribution of any kind from an individual, corporation, foundation, or other non-governmental agency for the purpose of continuing, enlarging, or initiating a university approved program, project or activity, should coordinate such solicitation effort from its inception with the foundation's Executive Director or her/his designee.

TYPES OF GIFTS

Types of gifts accepted by the University of Montana Western Foundation include:

- Cash
- Securities/mutual funds/IRA's/bonds or other fixed income investments
- Real estate/real property
- Personal property
- Grants from private and public sources
- Annuities
- Trusts
- Wills/bequests
- Insurance
- Royalties
- Patents/copy rights
- In-kind services and products
- Businesses/companies/corporations
- Other assets of value

Any one of these gifts or a combination of these types of gifts may be used to create a current or deferred gift. Gifts are invested within policy guidelines of the University of Montana Western Foundation.

APPROVAL OF GIFTS

Acceptance of one or more of the types of gifts listed above may, from time to time, require approval from the board of directors or an assigned sub-committee designated for that purpose. The board of directors may be called upon to evaluate and ultimately approve or decline the acceptance of any particular gift.

Acceptance of real estate gifts, gifts of personal property or royalties may require appraisals, environmental studies, deed or title searches or tax liability inquiries before approval is given to accept a gift. Typically, the donor assumes the expense of such appraisals and/or studies, but, in some instances, the University of Montana Western Foundation may assist a donor in the funding of these activities. The philosophy guiding this process and committee is to be prompt and grateful to donors, but also prudent and judicious concerning foundation liabilities.

GIFT DOCUMENTATION

Appropriate documentation must be secured before a gift is recorded. Acceptable documentation may include:

- Donor gift/pledge form
- Letter of intent from donor or designated representative
- Copy of trust document
- Copy of annuity document
- Copy of Will
- Copy of insurance policy
- Deed, legally processed and deeded to the University of Montana Western Foundation
- Receipt of gift (including cash, check, securities, real property, etc.)
- Other method which may be approved by the board of trustees

All personal gift records identifying a donor will be treated with professional discretion and will be subject to the normal listings and uses of the foundation. Gift records of donors requesting confidentiality or anonymity will be recorded with such confidentiality. However, the foundation Executive Director or treasurer may disclose such information or documentation as authorized by such a donor or as may be required by law.

GIFT VALUATION

Gift in-kind donations will be acknowledged by item description, date and recipient of gift. IRS regulations do not allow us to value gift in kind donations. It is the donor's responsibility to properly value a gift. They can retain our acknowledgment as verification of the donation. Gifts of in-kind services will be recognized through acknowledgement but are not tax-deductible. It is the donor's responsibility to consult their tax advisor as to the tax benefit of the donation.

Gifts of securities will be valued at the average of the high and low market value on the day they are signed over to University of Montana Western Foundation. Gifts of mutual funds will be valued at the market value at the end of the business day on the day they are signed over to the foundation.

Neither losses nor gains subsequent to the date of gift or realized by the foundation's sale of securities, nor brokerage fees or other expenses associated with the transaction will affect the reported value of publicly traded securities or mutual funds. The value of closely held stock will be recorded at the value after liquidation.

Gifts of real property and personal property will be valued at the fair market value placed on them by an independent, qualified appraiser. The process used to value in-kind gifts of products (above) will be used to value small gifts of real and personal property with apparent value of less than \$5,000.

Gifts of businesses, companies or corporations may be valued using a variety of methods. Such gifts values will be calculated, defined and authorized by the executive committee of the University Of Montana Western Foundation Board Of Directors or an appropriate sub-committee of the board of directors.

Gifts of insurance may be accepted as long as the foundation is named both the owner and beneficiary of the policy. The Foundation reserves the right to keep the policy in place or redeem it for its cash value.

LIQUIDATION OF GIFTS

The board of directors has the authority to liquidate any gift of real property, personal property, securities, insurance or other gifts as it deems appropriate and prudent. Exceptions to this policy may be made before a gift is accepted. Cash secured from the liquidation of these gifts will be assigned to the initiative selected by the donor, or if the gift is unrestricted the funds will be allocated under the direction of the board of directors.

ADMINISTRATIVE FEES

To ensure the professional management and sustainability of the University of Montana Western Foundation in its support of the University of Montana Western, any gift may be assessed an administrative and/or management fee. Administrative fees partially recover a portion of the costs incurred in raising and managing gifts and investments.

Management Fee

A management fee shall be charged to the Individual Endowments in order to fund the Foundation Operations. This fee from the endowments shall be based on

the average of the quarterly individual endowments balances during the past eighteen months. This fee will be calculated on June 30 each year and will be based on no more than 1% of the stated average above. Upon completion of the Foundation's annual audit the Foundation shall consider the impacts of any proposed adjustments on the calculation of the management fee. If the Finance & Investment committee proposes an adjustment to the management fee the amount of the adjustment shall be allocated back to the Individual Endowments impacted by the original management fee on a prorated basis.

Should the management fee charged in any year be in excess of Total Proposed Revenue based on the 12 month budget, the excess will be used to establish and unrestricted board designated reserve fund. The Foundation Board may determine through formal action to contribute all, or a portion, of the amounts accumulated in the reserve fund or to continue to hold and accumulate amounts in the reserve fund for purposes as the Board determines are necessary.

Gift Service Fee

- Endowment gifts: A one-time 5% gift service fee is assessed on the value of and deducted from the gift.
- Deferred gifts: A one-time 5% gift service fee is assessed at the time the gift is sold or matures, regardless of designation.
- Real Estate Gifts: A one-time 10% gift service fee is assessed at the time the gift is sold or matures, regardless of designation.
- Stock, and Insurance Policy gifts: A one-time 5% gift service fee is assessed at the time the gift is sold or matures, regardless of designation.

Policy Related to Endowment Gifts & Named Gifts

OVERVIEW

To ensure the responsible and prudent management of assets, the University of Montana Western Foundation Board of Directors endorses the following protocols related to endowment gifts and named gifts.

MEMORANDUM OF UNDERSTANDING

To ensure that the intent and the spirit of a donor's gift for endowment purposes are honored and preserved, a contractual agreement will be completed for each named endowed fund established for the University of Montana Western.

The document will contain information including: (1) who made the gift, (2) the purpose for the gift, (3) how the gift was made, (4) direction of the annual distribution from the endowment fund, (5) information related to University of Montana Western Foundation and its investment management policies, and (5) permission from the donor(s) to share the news of their gift with others as to inspire others to make similar gifts to the university.

NAMED ENDOWED FUNDS

Gifts made for endowment purposes must satisfy the policy and guidelines of this document and the existing policy and guidelines of the University of Montana Western Foundation, and, when necessary, will be subject to the approval of the university or Board of Regents, as applicable. A minimum of \$5000 must be initially invested to create a named endowment fund.

CAPITAL NAMING GIFT OPPORTUNITIES

Named gift opportunities for capital initiatives will be coordinated with university leadership. Foundation staff, in cooperation with university leaders, is responsible for determining the final dollar values placed on any named gift opportunity. The naming of state property must be approved by the Montana Board of Regents.

Donor Recognition Policy

OVERVIEW

To foster goodwill, express its sincere gratitude and create life-long friends for UMW, the following policy is established. The University Of Montana Western Foundation Board Of Directors or an assigned sub-committee will oversee this policy. The board of directors reserves the right to alter the policy as circumstances warrant.

Recognition of donors is essential to the success of the University of Montana Western Foundation's advancement efforts. It is critical to thank donors promptly for their gifts in a manner appropriate to the size of their gifts and consistent with their personal wishes. The guiding principle of all donor recognition endeavors is to abide with donors' wishes for recognition or anonymity. Initial recognition sets the stage for continuing correspondence and involvement with the donor, thus establishing a mutually satisfying relationship between the donor and the foundation/university. Donors who are given opportunities to join in foundation, alumni, and university activities are often the best sources for future gifts.

ANNUAL FUND

A university-wide gift recognition policy will assure consistency in honoring donors and establish the acknowledgment responsibility for the various steps in the recognition process. The objective of this annual gift recognition policy is to honor as many donors publicly as possible, in order to appropriately recognize them for their generosity, and in the hope that doing so will inspire and motivate others to be engaged in the life of the institution.

OVERVIEW

The foundation is to be promptly notified of all gifts received by the University.

All gifts will be recorded in the foundation database. All donors will receive the following benefits and acknowledgments:

- Listing in the annual report
- Gift acknowledgement letter from a foundation representative
- Acknowledgment from the recipient department or program if applicable

Recognition of donors of gifts of \$1,000 and above may be more extensive, and may include a gift acknowledgement letter from the university chancellor, permanent recognition, publicity, invitation to events, and other honors at the discretion of the foundation, the university and/or the recipient college or department.

DEFERRED GIFT RECOGNITION PROGRAM

Anyone who provides written documentation of a deferred gift will become a member of the Beardsley Society. Names of Beardsley Society members will be published annually in the Honor Roll of Donors.

MAJOR GIFTS

Major gift donors and prospects will receive recognition and stewardship as outlined in the annual fund section (above). Additionally, the assigned foundation contact will develop a personalized recognition and stewardship plan which supplements the standard foundation recognition process. The plan will focus on the nature of the gift, the donor's connection to the university and other personal factors. The plan will be coordinated and implemented by appropriate foundation staff members, university leaders and community volunteers.

Investment Policy

Summary of Investment Objectives

INVESTMENT PHILOSOPHY

A. Strategy

The Investment Committee understands the long-term nature of the UNIVERSITY OF MONTANA WESTERN FOUNDATION and believes that investing in assets with higher return expectations outweighs their short-term volatility risk. As such, the objective will be defined as Balanced. This objective incorporates a balanced emphasis between current income and longer-term capital appreciation. Assets are primarily invested in equity and fixed-income securities with a moderate to strong emphasis on capital appreciation and current income.

B. Asset Allocation

Asset allocation will likely be the key determinant of UMW FOUNDATION's returns over the long-term. Therefore, diversification of investments across multiple asset classes that are not similarly affected by economic, political, or social developments is highly desirable. A globally diversified portfolio includes assets with low correlations of returns that should reduce the variability of returns across time. In determining the appropriate asset allocation, the inclusion or exclusion of asset categories shall be based on the impact to the total portfolio, rather than judging each of the asset categories alone.

The target asset allocation should provide an expected total return equal to or greater than the primary objective of the Foundation, while avoiding undue risk concentrations in any single asset class or category, thus reducing risk at the overall portfolio level. To achieve these goals, the asset allocation will be set with the following target percentages and within the following ranges:

General Asset Allocation Guidelines:

	Asset Allocation Target Range	Minimum and Maximum Range
Cash Equivalents	3%	0-10%
Fixed Income	31%	20-50%
Equities	40%	30-60%
Real Assets	10%	0-20%
Alternative Assets	16%	0-25%

Conflict of Interest Policy

Conflict of Interest Policy for the University of Montana Western Foundation

The purpose of the following policy and procedures is to complement the University of Montana Western Foundation bylaws to prevent the personal interest of staff members, board members, and volunteers from interfering with the performance of their duties to, or result in personal financial, professional, or political gain on the part of such persons at the expense of or its Members, supporters, and other stakeholders.

Definitions

Conflict of Interest (also Conflict) means a conflict, or the appearance of a conflict, between the private interests and official responsibilities of a person in a position of trust. Persons in a position of trust include staff members, officers, and board members of the University of Montana Western Foundation. *Board* means the Board of Directors. *Officer* means an officer of the Board of Directors. *Volunteer* means a person -- other than a board member -- who does not receive compensation for services and expertise provided to the University of Montana Western Foundation and retains a significant independent decision-making authority to commit resources of the organization. *Staff Member* means a person who receives all or part of her/his income from the payroll of the University of Montana Western Foundation or University of Montana Western. *Member* means a Member of the University of Montana Western Foundation which shall be a state association of nonprofit organizations that represent a statewide and multi-sector or subsector 501 (c)(3) constituency with a diverse range of corporate identities, or a regional association of nonprofit organizations that represent a specific region within a state or multi-state geographic area and a multi-sector or subsector constituency with a diverse range of corporate identities. *Supporter* means corporations, foundations, individuals, 501(c)(3) nonprofits, and other nonprofit organizations who contribute to .

POLICY AND PRACTICES

1. Full disclosure, by notice in writing, shall be made by the interested parties to the full Board of Directors in all conflicts of interest, including but not limited to the following:
 - a. A board member is related to another board member or staff member by blood, marriage or domestic partnership.
 - b. A staff member in a supervisory capacity is related to another staff member whom she/he supervises.
 - c. A board member or their organization stands to benefit from a transaction or staff member of such organization receives payment from any subcontract, goods, or services other than as part of her/his regular job responsibilities or as reimbursement for reasonable expenses incurred as provided in the bylaws and board policy.
 - d. A board member's organization receives grant funding from the University of Montana Western Foundation.
 - e. A board member or staff member is a member of the governing body of a contributor to the University of Montana Western Foundation.
 - f. A volunteer working on behalf of the University of Montana Western Foundation who meets any of the situations or criteria listed above.
2. Following full disclosure of a possible conflict of interest or any condition listed above, the Board of Directors shall determine whether a conflict of interest exists and, if so the Board shall vote to authorize or reject the transaction or take any other action deemed necessary to address the conflict and protect the University of Montana Western Foundation's best interests. Both votes shall be by a majority vote without counting the vote of any interested director, even if the disinterested directors are less than a quorum provided that at least one consenting director is disinterested.
3. An interested Board member, officer, or staff member shall not participate in any discussion or debate of the Board of Directors, or of any committee or subcommittee thereof in which the subject of discussion is a contract, transaction, or situation in which there may be a perceived or actual conflict of interest. However, they may be present to provide clarifying information in such a discussion or debate unless objected to by any present board or committee member.

4. Anyone in a position to make decisions about spending the University of Montana Western Foundation's resources (i.e., transactions such as purchases contracts) – who also stands to benefit from that decision – has a duty to disclose that conflict as soon as it arises (or becomes apparent); s/he should not participate in any final decisions.
5. A copy of this policy shall be given to all Board members, staff members, volunteers or other key stakeholders upon commencement of such person's relationship with the University of Montana Western Foundation or at the official adoption of stated policy. Each board member, officer, staff member, and volunteer shall sign and date the policy at the beginning of her/his term of service or employment and each year thereafter. Failure to sign does not nullify the policy.
6. This policy and disclosure form must be filed annually by all specified parties.

Adopted October 17, 2007 by the University of Montana Western Foundation Board of Directors.
Updated October 16, 2017 by the University of Montana Western Foundation Board of Directors.