

GIFT ACCEPTANCE POLICY

A. Introduction

Oral Roberts University (“ORU”) is a Section 501(c)(3) tax exempt entity organized under the laws of the state of Oklahoma. ORU encourages the solicitation and acceptance of gifts for purposes that will assist the University in furthering and fulfilling its mission.

The mission of ORU – in its commitment to the Christian faith – is to educate the whole person in spirit, mind, and body, thereby preparing its graduates to be professionally competent servant-leaders who are spiritually alive, intellectually alert, physically disciplined, and socially adept. The University seeks to synthesize the best practices of liberal arts, professional, and graduate education with a charismatic emphasis to enable students to go into every person’s world with God’s message of salvation and healing for the totality of human need.

This policy governs acceptance of all gifts made to ORU and any of its subsidiaries or affiliated organizations. This policy exists to assure that gifts are encouraged and accepted in a manner consistent with the University’s stated mission, values, corporate charter, applicable laws and tax exempt status.

B. Acceptable Gifts

ORU will accept only gifts that are consistent with the core educational and Christian values of the University. Acceptance of gifts must be in compliance with the Internal Revenue Code and other federal and state statutes and regulations as well as consistent with ORU’s tax-exempt status.

ORU will respectfully decline the offer of a gift that:

- is inconsistent with applicable federal, state or local statute or ordinance;
- creates a fund to provide for scholarships, fellowships, professorships, chairs or lecture series with restrictive clauses that are not in the best interest of the University or that reserve to the donor or his/her representative the right to designate the recipient;
- contains a condition that requires any action on the part of ORU that is not in the best interest of the University;
- commits ORU to name a fund where the gift is potentially revocable in any way;
- requires ORU to employ a specified person now or at a future date;
- contains unreasonable conditions (i.e. a lien or other encumbrance) on gifts of partial interests in property;
- requires tuition payments or student- related expenses for a family member of the donor;

- exposes ORU to litigation or other liabilities;
- requires the payment of maintenance costs or other expenses (e.g. debt service) for which no specific provision has been made; generates unrelated business income; or otherwise appears to be financially unsound.
- constitutes a “nonstandard contribution” of an item that is not reasonably expected to be used to satisfy or further ORU’s exempt purpose, for which there is no ready market for liquidation of the contribution and the value of the item is highly speculative or difficult to ascertain.

Generally, gifts should be accompanied by documentation that details the purpose, impact, and/or terms of the gift. In accepting a gift, ORU also accepts the responsibility to the donor to steward the gift, i.e., administering the gift in accordance with the donor's wishes; providing the donor with appropriate financial information about the gift's investment and expenditure; and reporting the actual use of the gift to the donor, unless otherwise requested by the donor. Gifts received by ORU must not inhibit it from seeking gifts from other donors. No gift can be received which limits, beyond a general definition of subject area, the educational curriculum or research that a faculty member or student can perform.

C. Gift Acceptance Committee

The Gift Acceptance Committee (“Committee”) shall review and approve the acceptance of proposed gifts that the Vice President for University Relations and Development recommends for acceptance. The Committee receives its authority from the ORU Board of Trustees. All final decisions on the acceptance or refusal of a gift shall be made by the Committee; subject to the requirement that any gift for which there is not unanimous assent of the Committee shall be presented to the Board of Trustees for approval.

The Gift Acceptance Committee shall consist of:

1. The President of ORU
2. The Chair of the Board of Trustees (ex officio)
3. The Chair of the Development Committee
4. A member of the Finance Committee
5. The ORU Provost
6. The Executive Vice President and Chief Financial Officer
7. The Vice President for University Relations and Development

The Chair of the Development Committee shall serve as the Chair of the Gift Acceptance Committee, and the Vice President for University Relations and Development shall staff the Committee. The Chair shall consult with the President prior to any meeting of the Gift Acceptance Committee. The Gift Acceptance Committee shall typically meet by telephone conference, at the request of the Chair, as necessary. The Chair, the President, the Vice President for University Relations and Development and one other Committee member constitute a quorum for any meeting.

At the discretion of the Vice President for University Relations and Development, any proposed gift may be brought to the Committee for approval in advance of acceptance. Members of the University Relations and Development Department, as well as the Deans and Vice Presidents of all divisions of the University and any other University officer engaged in gift discussions, are charged with reviewing gift proposals and advising the Vice President for University Relations and Development on the appropriateness of any gift that should be brought to the Committee's attention.

D. Informed Decision and No Conflict of Interest

ORU and the Committee shall seek the advice of legal, financial and/or tax counsel in matters relating to acceptance of gifts when appropriate. ORU will urge all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences.

All information obtained from or about donors or prospects shall be held in confidence by the University and disclosed solely for purposes consistent with the acceptance of the gift. Permission must be obtained before any public acknowledgement is made of gifts received by the University. The right of anonymity must always be respected.

E. Types of Gifts

The following describes the more common types of gifts, but this listing is not all encompassing. Other gifts are welcomed and will be considered as they are brought to the attention of the Vice President for University Relations and Development.

1. Cash

Cash is acceptable in the form of currency, money orders, checks or electronic transfer (either through a wire transfer to ORU's bank account or by a verified credit card transaction). The postmark date is the gift date for gifts of cash mailed to the University. Checks should be made payable to "Oral Roberts University." Cash gifts shall be delivered to the University Relations and Development. Cash donations made in accordance with the terms of this policy do not require approval of the Committee, subject to the determination of the Vice-President for University Relations and Development that approval by the Committee may be in the best interest of ORU.

2. Tangible Personal Property

All other gifts of tangible personal property shall be examined in light of the relevant factors including the following criteria:

- Does the property further the mission and purposes of ORU?
- Is the property marketable?
- Are there any undue restrictions on the use, display, or sale of the property?
- Are there any carrying costs or potential liabilities associated with the ownership of the property?

If the tangible personal property satisfies these criteria, it shall be brought to the Committee by the Vice President of University Relations and Development with a recommendation for approval. If ORU intends to sell the property immediately rather than use it, the donor will be informed that IRS rules may condition the amount of the donor's charitable deduction. Appraisals, at the donor's expense, are required for all gifts for which the donor estimates the fair market value to be \$5,000 or more.

3. Securities

ORU can accept both publicly traded securities and closely held securities.

- a. *Publicly Traded Securities* – ORU prefers that donors electronically transfer securities regularly traded on a public exchange to an account maintained by ORU at one or more brokerage firms. Alternatively, publically traded securities may be delivered physically to the ORU's Development Office with the donor's/transferor's stock power attached. The value of the gift will be calculated using the mean share price between the high and low selling prices quoted on the day the stock becomes an asset of ORU. As a general rule, all marketable securities shall be sold upon receipt unless otherwise directed by the ORU's Finance Committee. In some cases marketable securities may be restricted by applicable securities laws; in such an instance, the final determination on the acceptance of the restricted securities shall be made by only after the impact of any such restrictions is determined and approved by the Committee.
- b. *Closely Held Securities* - Closely held securities, which include not only debt and equity positions in non-publicly traded companies but also interests in limited partnerships and limited liability companies, or other ownership forms, can be accepted subject to the approval of the Committee. Such gifts must be reviewed prior to acceptance to determine that:
 - i. there are no restrictions on the security that would prevent ORU from ultimately converting those assets to cash;
 - ii. the security is marketable; and

- iii. the security will not generate any undesirable tax consequences for ORU.

If potential problems arise upon initial review of the security, further review and recommendation by an outside professional may be sought before the Committee makes a final decision on acceptance of the gift. Every effort will be made to sell non-marketable securities as quickly as possible.

4. Real Estate

Gifts of residential, commercial, recreational, and developed or undeveloped real property may be accepted by ORU in accordance with the terms of this policy. Prior to acceptance of real estate, ORU shall require, at the donor's expense, an independent appraisal of the property's fair market value, proof of title, as well as an environmental audit to ensure that the property has no environmental damage or potential exposure. Criteria to be considered by the Committee in determining whether to accept the property shall include:

- a. usefulness of property for the purposes of ORU;
- b. marketability of the property, including consideration of its condition;
- c. restrictions, reservations, easements, or other limitations associated with the property;
- d. carrying costs, which may include insurance, property taxes, mortgages, or notes, etc., associated with the property;
- e. the environmental audit report and any potential liability for cleanup or restoration of the property that may be imposed under current law to a transferee; and
- f. whether the property is burden by any conservation easement or other restriction on its use, maintenance or care.

ORU may accept a remainder interest in real estate. The donor or other named beneficiary may continue to occupy/utilize the real property for their life or other stated term. Expenses for maintenance, indebtedness and real estate taxes are to be paid by the donor or life beneficiary. At the death of the donor, ORU may use the property or reduce it to cash.

5. Oil, Gas and Mineral Interests

- . ORU may accept oil and gas property interests, when appropriate. Criteria to be considered by the Committee in determining whether to accept the interest in property shall include the factors below.

- a. Gifts of surface rights, oil, gas, and mineral interests should generate sufficient annual royalties or other income (as determined by the average of the three years prior to the gift) or have an appropriate marketable value.
- b. The property should not have extended liabilities or other considerations that make receipt of the gift inappropriate.
- c. A working interest is rarely accepted. A working interest may only be accepted where when there is a plan to minimize potential liability and tax consequences.
- d. The property should undergo an environmental review to ensure there is no current or potential exposure to environmental liability or restoration obligations under relevant law.

6. Bargain Sales

ORU may enter into a bargain sale arrangement - the sale of property for less than its fair market value (part gift and part sale) - in instances in which the bargain sale furthers the mission and purposes of the University. All bargain sales must be reviewed and recommended by the Committee and approved by the Board of Trustees. Factors used in determining the appropriateness of the transaction include:

- a. ORU must obtain an independent appraisal substantiating the value of the property.
- b. If ORU assumes debt with the property, the debt ratio must be less than 50% of the appraised market value.
- c. ORU must determine that it will use the property, or that there is a market for sale of the property, allowing sale within 12 months of receipt.
- d. ORU must calculate the costs to safeguard, insure, and expense the property (including property tax, if applicable) during any holding period.

7. Life Insurance

ORU must be named as both beneficiary and irrevocable owner of an insurance policy before a life insurance policy can be recorded as a gift. ORU prefers paid up policies as gifts. The gift is valued at its interpolated terminal reserve value, or cash surrender value, upon receipt. If the donor contributes future premium payments, ORU will include the entire amount of the additional premium payment as a gift in the year that it is made. If the donor does not elect to continue to make gifts to cover premium payments on the life insurance policy, the Committee shall determine whether to:

- a. continue to pay the premiums;

- b. convert the policy to paid up insurance; or
- c. surrender the policy for its current cash value.

No insurance products and no insurance companies or agents are endorsed by ORU for use in funding gifts to the University. ORU does not furnish donor's names to third parties for the purpose of marketing life insurance to donors or for any other purpose.

8. Charitable Gift Annuities

A charitable gift annuity is a contractual arrangement between a donor and ORU in which the University accepts a transfer of cash, cash equivalents, or publicly-traded securities from the donor in return for guaranteed, fixed rate, periodic payments to the donor and/or one other named beneficiary for life. (The maximum number of income beneficiaries is two.) A portion of the annual payment is tax-free income to the donor, being considered return of principal. Upon the death of the donor (or, if applicable, the other named beneficiary), the balance of the principal is retained by ORU.

The University may enter into charitable gift annuity contracts with a minimum gift level of \$10,000 and a minimum age for life income beneficiaries of 55. Deferred annuities may be offered by ORU which satisfies the minimum criteria of the gift level and minimum age. Exceptions to these minimum requirements require approval of the Committee. Gift annuity contracts are governed by the laws of the state in which the donor resides and ORU registers in states when appropriate.

9. Charitable Remainder Trusts

ORU may accept designation as remainder beneficiary of a charitable remainder trust. Upon approval of the Committee, ORU may accept appointment as trustee of a charitable remainder trust.

10. Charitable Lead Trusts

ORU may accept a designation as income beneficiary of a charitable lead trust. Upon approval of the Committee, ORU may accept an appointment as trustee of a charitable lead trust.

11. Retirement Plan Beneficiary Designations

Donors will be encouraged to name "Oral Roberts University" as primary or secondary beneficiary of their retirement plans, including 403(b), 401(k), Individual Retirement Accounts (IRAs) and qualified pension and profit-sharing plans. Gifts from retirement plans may be established by sending a new beneficiary designation to the donor's plan administrator.

Such designations will be recorded as pledges to the University at the time when they are made. When the receipt of funds is not due until a future date, the present value will be recorded.

12. Bequests

Donors and supporters of ORU will be encouraged to make bequests to “Oral Roberts University” under their wills and trusts. Such bequests will not be recorded as gifts to ORU until such time as the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable. Bequests may be given as unrestricted gifts or gifts designated to a purpose of the donor's preference. Donors may also establish a life income gift in their estate plans in which the principal will pass to the University after the death of the life income beneficiary (ies).

13. Life Insurance Beneficiary Designations

Donors and supporters of ORU will be encouraged to name “Oral Roberts University” as beneficiary or contingent beneficiary of their life insurance policies. Such designations shall not be recorded as gifts until such time as the gift is irrevocable. Where the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

14. Other Property and Interests

Property not otherwise described above, whether real or personal, of any type (including copyrights, trademarks, royalties, servitudes, easements or other incorporeal rights) may be accepted after review by and approval of the Committee.

F. Miscellaneous Provisions

ORU’s University Relations and Development Office may produce materials that educate and inform prospective donors and their advisors about the various forms of giving. ORU pays no fees or commissions of any kind to any party as consideration for directing a gift to the University. While the donor retains the responsibility and discretion to select any service providers, ORU may recommend third party entities to donors for assistance in disposition of gifts.

Adopted 4-16-09 by ORU Board of Trustees