

Policy for the Request and Acceptance of Donations and Sponsorships

Effective on: July 23, 2021

Purpose

The Office of Development and University Relations promotes a philanthropic culture among the University community, graduates, the private sector and Puerto Rican society, in order to advance the Universidad del Sagrado Corazón's (the University) institutional project. The Policy for the Request and Acceptance of Donations and Sponsorships sets the foundation for the process to be followed to assess the request and acceptance of a donation or sponsorship, its recordkeeping and donor recognition.

This policy intends to provide uniform guidelines to assist academic, student services and administrative units, programs and student associations that carry out activities on behalf of the University. This policy applies to all stakeholders of the University community. This includes, and is not limited to, the Board of Trustees, Presidency, administrative staff, academic units and/or departments, student services units, student associations, the institution's special proposals or projects, and faculty initiatives.

All University units will be governed by the policy; and the staff of the Office of Development and University Relations will be responsible for evaluating due process and compliance.

Definitions

Donation – Any money, property or asset transferred to the Universidad del Sagrado Corazón by a public or private donor voluntarily and for mere liberality. The University requests donations to:

- a) Strengthen the Endowment Fund
- b) Support academic programs
- c) Support student development programs and projects
- d) Provide financial support to students
- e) Support social and community impact projects

Gift-In-Kind - A non-monetary gift, commonly identified as “gift-in-kind”, is a voluntary contribution of assets other than cash that can be used to advance the mission and vision of the Universidad del Sagrado Corazón (Sagrado) or can be readily converted to cash and may qualify as a charitable deduction for the person(s) making the gift. It includes negotiable instruments, movable goods, real estate, or services, among others.

Sponsorship - A contribution, usually economic or in kind, so that a certain action can be carried out. The University requests sponsorships to:

- a) Defray costs related to institutional activities or projects
- b) Support construction projects and improvements to our physical plant

The request for sponsorships entails awarding a contract/agreement, in which the sponsor delivers a certain amount of money or Gift In-Kind to the University, in exchange for which the University disseminates the vendor's name in its activities. As it is in essence an advertising

contract, the vendor pays to receive advertising on its behalf in the activities of the University. It is important to note that not all projects or activities qualify for sponsorships.

General Provisions

The University welcomes expressions of interest and financial support that are consistent with the University's mission and vision, regardless of size or shape, of any individual, family, company, corporation, or organization. Cash donations and/or negotiable instruments are the forms of donor support that will have the greatest immediate impact on the University, so they should be encouraged.

Persons wishing to donate items or real estate (Gifts In-kind) shall demonstrate their ownership and the market fair value of the donation. The University is NOT obliged to accept In-Kind donations in the absence of a prior agreement between the parties. Refer to the Procedure for the Request and Acceptance of Gifts In-Kind.

The staff of the Office of Development and University Relations is available to meet with any potential donor and their financial advisors, without obligation, to discuss areas of interest, University funding priorities, types of donations, contribution options, and appropriate donation management and recognition to provide as much assistance as possible. However, final responsibility for asset valuations, tax deductibility, and/or similar federal, state, and/or local law enforcement issues rests with the donor or its financial advisors. No University employee will provide financial planning services for any donor. Potential donors should be encouraged to seek the assistance of their own financial advisers in matters related to their gifts and the consequences resulting from tax and estate planning.

The University will not request or accept a donation, regardless of size, designation, or other condition, if it understands that it is not in the best interest of the prospective donor or the University.

When and where appropriate, the Finance Office may establish donor-restricted funds in accordance with the agreement signed between the parties, to maintain and administer temporarily or permanently restricted donations as per the donor's wishes. This type of donation will be governed by the University's Donor Restricted Endowment Fund Policy.

If, all or part of a donation cannot at any time be useful or practically applied for the purposes expressed by the donor; or if the purpose cannot be achieved due to a change in law, policy, procedure or unforeseen circumstances, it may be used for any related purpose with the approval of the VP for Development and University Relations in consultation with academic executives and directors, the Finance Office and the final approval of the President as it may be deemed necessary, so long as it is aligned with the main spirit of the donor's original wishes.

Guidelines for the Request of Donations or Sponsorships

The University will make every effort to accommodate and accept all donations and sponsorships. However, donations and sponsorships will not be accepted if they:

- Violate the terms of this policy.

- Violate federal, state, or other law.
- Violate other contractual agreements.
- Are too difficult or costly to manage.
- Were acquired by non-legal means, or if the asset to be donated is not transferred directly from the donor to the University.
- Are too restrictive in their purpose or compromise the academic freedom of the University community.
- Would create unacceptable responsibility on the part of the University or cause the University to incur in unforeseen or anticipated future significant expenses.
- Are intended for purposes that do not advance the mission and vision of the University.
- Cause a conflict of interest to the University.
- Would damage the University's reputation or are contrary to the institution's values.
- Would jeopardize the University's tax exemption status; or
- Provide a donor with goods or services of financial value in exchange for the donation, unless such value is disclosed in its entirety in the manner required by federal and state law and regulations.

Any request for a donation or sponsorship for initiatives or projects of the administration, faculty or student bodies must be pre-approved by the Office of Development and University Relations following the process stated in the Procedure for the Request and Acceptance of Donations and Sponsorships.

Recognizing that opportunities for support can suddenly arise, whether through a conversation with a benefactor, corporate or individual, it is important that the provisions established herein be fully observed to be more effective in soliciting and receiving support for institutional purposes. Upon receipt of the monetary donation or sponsorship, the proponent will notify the Office of Development and University Relations, following the established procedure.

To accept non-monetary donations (in kind), the interested party must comply with the procedure established in the Procedure for the Request and Acceptance of Gifts In-Kind.

These procedures will ensure compliance with documentation and reporting obligations and will guide stakeholders through the established stewardship guidelines with all benefactors.

Process for Making a Donation

The Universidad del Sagrado Corazón will accept donations made by check or money order in the name of the institution. Likewise, donations can be made through the electronic tools provided by the Office of Development and University Relations, including the University's web page or any other electronic means developed for such purposes.

To complete a donation by bank transfer, stock, or bonds transfer, you must contact the Office of Development and University Relations for instructions.

Donation Agreements

A Donation Agreement documents the mutual understanding between a donor and the University regarding the donation. A formal donation agreement is generally required for new

donor-University obligations, both for multi-year commitments and for direct donations of \$25,000 or more for a specific purpose. This applies, but is not limited to:

- New endowment funds (for minimum amount required to establish an endowment fund, please contact de Office of Development and University Relations)
- Scholarship funds (private)
- New and/or newly named physical spaces (e.g., building, installation, or part thereof) (for more information on naming requirements, refer to the [Naming Gifts Policy](#))
- New buildings and/or newly named academic units, programs, or centers. (for more information on naming requirements, refer to the [Naming Gifts Policy](#))

In general, the terms of any donation should be as flexible as possible to enable the most productive use of funds over time, while clearly indicating the donor's intent. The information in a Donation Agreement includes, but is not limited to:

- The dollar amount of the donation/commitment
- The purpose and use of the funds
- The timetable for contribution commitments
- Recognition to the donor, as well as any other requirements or obligations agreed by the donor and the University.

Donations/promises that are not documented by a formal donation agreement generally need to be documented in some other way. Wills, trusts, or other estate planning documents are acceptable forms of donation documentation. However, to help ensure that the donor's philanthropic intent is fully realized, it is recommended that the donor also have a signed donation agreement in the University's file.

For donations under \$25,000, a signed letter of intent is generally sufficient documentation. The University will provide donors with a letter of intent model if necessary or requested by the donor. Such donations could be added to an existing fund that shares common donor intent.

The Vice-President for Development and University Relations, in consultation with the President and the Office of Legal Counsel, as necessary, will make final decisions on matters related to donation agreements to the University.

Tax Benefits, Recognition and Appreciation

Both state and federal laws provide the parameters for the deduction of donations made to non-profit organizations such as the Universidad del Sagrado Corazón. In order benefit of this right, the donation must be recorded, and the donor must have a certification of receipt of the donation issued by the University.

The Office of Development and University Relations will be responsible for maintaining the dossier of donations as well as information from sponsors, and collaborators. This Office will determine the ways in which donors will be recognized and honored according to the nature, value or frequency of the donation received.

Consultations on this Policy

Consultations on the scope and interpretation of this Policy should be addressed to the Development and University Relations Unit at 787.728.1515, exts. 1252 or 1207.


Allegations of Policy Violations

Violations of this Policy should be directed to the Office of General Legal Counsel at 787.728.1515, ext. 1221, or by email to cameliac.fernandez@sagrado.edu, or to the Compliance and Integrity Officer.

Violations of This Policy

The Universidad del Sagrado Corazón reserves the right to interpret this Policy in its administration and implementation. Any violation of this Policy by an employee, faculty member or any other person may result in disciplinary action that may include termination of employment (teaching and administrative staff) or other appropriate legal actions.

If there is any ambiguity in any provision of this Policy, the University reserves the discretion to interpret it in accordance with the purpose for which it was established, the impact on the University's operations and good faith, unless otherwise required by any law.

Approved: 
Gilberto J. Marxuach-Torrós
President