Questions for Advancement & the GMU Foundation

The George Mason University Foundation, Inc., and the Office of Advancement and Alumni Relations are two distinct and separate entities, each with its own mission. The Office of Advancement and Alumni Relations is the fundraising arm of the University. The George Mason University Foundation, Inc., is an independent 501(c)(3) organization governed by its own Board of Trustees. The Foundation was first established in 1966 to manage, invest, and administer private gifts, including endowment and real property donors have given to provide private support for the University.

Philanthropic Donation Process

1. What are the differences between a gift, pledge, grant, and contract? How is a donation determined to be a gift, grant, contract, pledge, or something else?
   a. What factors go into making that determination?
   b. Who makes that determination?

Please note the following definitions:

Outright Gift – A voluntary and irrevocable transfer of cash, publicly traded securities, non-liquid business interests, real estate or tangible personal property without the expectation of, or receipt of, direct economic benefit.

Matching Gift – Many companies have matching gift programs that will match employee donations to 501(c)(3) organizations.

Pledge – A promise to make a gift over a period of time or at a future date. The pledge agreement outlines the amount of the gift, any donor designations, and the anticipated payment date or dates.

Philanthropic Grant – Grant/gift support from corporations or foundations which are charitable in nature and are reported as contributions.

Deferred (Planned) Gift – A gift that the Foundation will receive at a future date (usually upon the death of the donor or beneficiary) or over a period of time. Deferred gifts include: bequests and retirement plan designations, life insurance policies, charitable gift annuities, charitable remainder trusts, charitable lead trusts and remainder interests in real property.

Sponsored Grant – Funding for sponsored grants is conditional and is guided by written sponsor documentation. A sponsored grant is an exchange transaction for specified services or activities (e.g. research and development) with a stipulated expectation of deliverables or commercial benefit.

The words “grant” and “gift” are sometimes used interchangeably and incorrectly. Gifts and grants are different and are administered accordingly.
The Mason Office of Sponsored Programs is responsible for administering sponsored project support for Mason from all entities including state, local, national and foreign governments, as well as non-profit and for-profit private sector sponsors. Contracts and sponsored research grants are exchange transactions and are administered by the Office of Sponsored Programs. The Office of Advancement seeks gifts and donations from private sector donors for the benefit of the University. The Foundation accepts gifts and donations from private sector donors.

2. How can faculty determine whether an idea (for research, curriculum, etc.) might be “fundable” through philanthropy? Faculty should consult with the dean or department chair, as well as assigned Advancement staff for their school, college or unit, who are responsible for fundraising.

3. Who should faculty contact if they believe they have a project that might attract donors, or if they believe they know a person or entity who might be interested in giving to GMU? They should consult with the dean or department chair, as well as assigned Advancement staff for their school, college or unit, who are responsible for fundraising.

4. Can a donor make a donation directly to GMU (or to a center/institute/unit affiliated with GMU), or does it have to go through the Foundation? If they can make a donation directly, why might a donor want to donate to the Foundation rather than directly, or vice-versa? The Foundation was first established in 1966 to manage, invest, and administer private gifts, including endowment and real property donors have given to provide private support for the University. The Foundation, an independent 501(c)(3) organization governed by its own Board of Trustees, is the designated entity for philanthropic support of the University.

5. In what circumstances (if any) must an authority of GMU first authorize the acceptance of a philanthropic donation before the GMU Foundation can accept it? In what circumstances (if any) does an authority of GMU not need to authorize the acceptance of a philanthropic donation before the GMU Foundation can accept it? a. What is the authorization process? The majority of gifts the Foundation receives are for existing programs, are documented with a customary gift agreement, if necessary, and do not require review and approval. The Gift Acceptance Committee convenes periodically to review for acceptance certain non-standard gifts, gifts of real and personal property and gift plans.

6. If a philanthropic donation is for the support of a new University program, what faculty (if any) are consulted before the donation is accepted, and how does any such consultation occur? The Foundation only accepts gifts for new University programs authorized by the University President, Provost, one of the University vice presidents, or a dean. The Foundation does not determine the nature of University programs. Appropriate University leadership determines the need for faculty consultation.
7. Who is involved in drafting donor agreements?
   a. How does this drafting process typically take place, from beginning to end?

   Not all gifts require a comprehensive gift agreement. Donor intent can often be expressed through a memo line on a check or a hand-written or typed note or letter sent with the donor’s gift. In circumstances that require an official gift agreement the attached templates are used.

8. How do you gauge whether a certain philanthropy “merits the respect and trust of the general public” (from the Donor’s Bill of Rights) and, more specifically, the University community?
   a. Are there guidelines on the types of people or organizations (e.g., identified hate groups) who can make philanthropic donations to the University? If so, where are these guidelines described (or if they are not described, how are they known)?
   b. Are there guidelines on the types of philanthropic donations that should and should not be accepted (e.g., specific “lines” that cannot be crossed)? If so, where are these guidelines described (or if they are not described, how are they known)?

   The Foundation is a recognized 501(c)(3) organization as designated by the Internal Revenue Service. As such, the Foundation is under the supervision and direction of its Board of Trustees, and it must uphold and comply with applicable federal and state laws as well as its own operational bylaws. Donors and gifts are evaluated on a case by case basis. Should a concern arise regarding a specific donor or gift, leadership would be consulted and would advise accordingly.

9. Are there any specific parameters in place regarding anonymous giving? Can anyone give anonymously (this is somewhat related to question 6a)?
   a. If a donor wishes to remain anonymous, who within GMU and the GMU Foundation is aware of their identity?
   b. On average, how many anonymous philanthropic donations are given per year, and what is the monetary range of these donations?

   Any donor may give anonymously. In cases of anonymity, responsible leadership is aware of the donor’s identity. Data related to anonymous giving is confidential.

10. Would a philanthropic donation be accepted if the agreement provided the donor with:
    a. control over decisions regarding how funds are dispersed? No
        Funds are disbursed in accordance with foundation procedures. A donor may restrict a gift for a program, research, scholarship, faculty support, endowment, etc.
    b. the ability to withdraw funding after the agreement is signed? Yes
        Donors may elect to discontinue gifts or pledges at any time, but rarely do so once they have signed a gift agreement.
    c. the ability to access student information, such as email addresses? No
    d. influence over the creation or staffing of an advisory board? No
        Individuals who are donors may occasionally serve on any number of advisory boards, but gift agreements do not and would not ever include language related to the creation or staffing of an advisory board.
    e. influence and/or veto power over the retention, hiring, or promotion of faculty? No
    f. influence and/or veto power over curriculum, textbooks, reading lists or other educational materials? No
    g. the ability to review, approve, or reject dissertation topics? No
11. Would a philanthropic donation be accepted if it limits GMU or the GMU Foundation from being able to publicly acknowledge the donation or the existence of an agreement related to the donation? Donors may request that their gifts not be publicly announced or acknowledged except as required by law.

12. Has the GMU Foundation ever rejected a philanthropic donation, and why? The Foundation may reject a philanthropic donation if the donation would violate state or federal laws or fail to serve a valid purpose benefiting the University. Recent examples of rejected donations include a donor who wanted to contribute scholarship funding but select the recipients, a potential gift of a petting zoo, and a donation to establish an equestrian program.

Philanthropic Fund Expenditures

1. How are donors kept informed of how their money is being used, particularly when they have made a restricted philanthropic donation? Please include formal methods, as well as standard practices. In keeping with industry standards, donors who establish endowed funds receive annual endowment reports. Many donors also have longstanding relationships with Advancement staff, deans and program staff. Donors may also be kept informed through personal outreach.

2. How are the expectations for how restricted philanthropic donations are to be used relayed to the people/programs who expend the funds? The use of restricted philanthropic donations is guided by the Foundation’s account establishment documentation.

3. What processes are in place to ensure the appropriateness of expenditures of funds from the GMU Foundation? The use of restricted philanthropic donations is guided by the Foundation’s account establishment documentation. The Foundation has a responsibility to donors to ensure that funds are utilized in accordance with the terms and conditions of their gifts. Any disbursement of Foundation funds must fall within the donative intent of the donor.

Internal Procedures for Advancement and the GMU Foundation

The George Mason University Office of Advancement and Alumni Relations and the George Mason University Foundation, Inc. are separate entities. The Advancement staff serves the entire University. In addition, Advancement staff within schools, colleges and other units work closely with their constituents. The Foundation was first established in 1966 and is an independent registered 501(c)(3) organization operating under the direction and supervision of its Board of Trustees, the majority of whom have no formal affiliation with the University. The Foundation manages, invests, and administers private gifts, including endowment and real property given to benefit the University. It is the designated entity for philanthropic support of the University.
1. What training is provided to the staff who are involved in soliciting donations?
   The University’s Advancement staff receive ongoing training through attendance at
   professional conferences, ongoing educational opportunities and professional
certifications.

2. What training is provided to the staff who are involved in drafting/approving agreements?
   Please refer to question 7(a) found in the “Philanthropic Donation Process” section of
   this document.

3. What guides the goals of the development staff?
   The goals of Advancement staff are determined based on University priorities as set
   forth by the Board of Visitors, University President, Executive Council, deans,
derpartment chairs and faculty.

4. Has the Foundation ever been audited and what were the results of that audit?
   a. Were there recommendations for improvement? If so, what were the
      recommendations?
   b. What steps has the Foundation taken to address concerns?
   The Foundation is audited annually by an independent accounting firm and has
   received unqualified opinions (clean audits), throughout the last decade. The last ten
   years of audited financial statements for the foundation can be found online.

5. Are there any concerns about the Foundation being co-located with the main campus? Does
   that increase potential conflicts of interest?
   No. The Foundation owns, and is located in, Merten Hall.

Interaction with the GMU Community

1. Are development staff informed of faculty/student needs and goals? If so, how are they
   informed?
   Yes. Advancement staff works closely with deans, department chairs and faculty.
   They are informed of goals and needs through their deans, department chairs and
   faculty.

2. What kind of outreach activities does Advancement and/or the GMU Foundation do to better
   inform the GMU community about (a) the philanthropic donations that are successfully
   secured (to increase faculty/staff/student awareness of the importance and value of this work),
   (b) how to find philanthropic sources of support for various causes, and (c) broader issues
   surrounding philanthropy?
   Advancement uses a variety of resources to communicate philanthropic activities and
   practices with faculty and students. These resources include, but are not limited to,
   websites, publications and appropriate campus groups such as the Faculty Senate.
   Advancement staff are located within the schools, colleges and units and work for and
   perform outreach within those areas on a daily basis.
3. How do the Office of Advancement and the GMU Foundation view their roles in promoting shared faculty governance, academic freedom, and academic integrity?

The Office of Advancement certainly promotes and upholds the ideals of shared faculty governance, academic freedom, and academic integrity. The Foundation, of course, is an independent nonprofit foundation whose purpose is to manage private support for the benefit of the University.

4. In what ways are members of the GMU community able to ask questions about philanthropic donations, and what are their rights in receiving “prompt, truthful, and forthright answers (paralleling the rights of donors, as specified in the Donors’ Bill of Rights)?

Members of the Mason community may direct inquiries related to philanthropic donations to their assigned school, college or unit development officer. Responses to such inquiries will be as transparent as possible while still protecting the rights of donors.

Related Resources
IRS Publication 526 – Charitable Contributions
Donor Bill of Rights
Association of Fundraising Professionals’ Code of Ethical Standards
CASE Reporting Standards and Management Guidelines for Educational Fundraising
CASE FAQ’s Regarding Institutionally Related Foundations
AGREEMENT TO ESTABLISH THE ______________ ENDOWMENT
AT GEORGE MASON UNIVERSITY

I. INTRODUCTION
Insert Introductory/Gift Context Information Here (This can be anything from one sentence to multiple paragraphs and can focus on the donor, the honoree, the person being memorialized, or the reason behind the decision to make the gift; see example below.)

John Doe graduated from George Mason University in 1978. During his time at Mason he took multiple classes taught by Dr. Joseph Smith. It was Dr. Smith’s charismatic teaching that led Mr. Doe to the field of astrophysics. In 1985, Mr. Doe opened his own astrophysics company, which now employs more than 200 people. Mr. Doe has had a long and successful career in his field and has been the recipient of many professional awards and honors including the 2010 Astrophysicist of the Year Award. His volunteer activities in the Northern Virginia community also have been recognized with a 2009 Fairfax Chamber of Commerce Award and a Distinguished Volunteer Award from the March of Dimes. Mr. Doe attributes his success to Dr. Smith’s teaching and enthusiasm for the field of astrophysics.

In honor of Dr. Smith, John Doe ’78 (Donor) will make a gift to George Mason University Foundation, Inc. (Foundation), to create an endowed fund (Fund) to support George Mason University (University). The Foundation and the University agree to accept and administer this gift according to the following terms and conditions:

II. DESCRIPTION OF THE GIFT
This section describes the details of the gift; confirming the name, purpose, and pledge schedule.

The Fund shall be established and known as The ______________ Endowment. The income of the Fund shall be used to provide lasting and perpetual support for (scholarships/other) in the (College/School) at the University.

The Fund will be created with a (gift or pledge) of $____________ made by the Donor, according to the following schedule:

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<thead>
<tr>
<th>Installment</th>
<th>Amount</th>
<th>Due Date</th>
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<tr>
<td>1</td>
<td>$xx,000</td>
<td>on or before June 30, 20xx</td>
</tr>
<tr>
<td>2</td>
<td>$xx,000</td>
<td>on or before June 30, 20xx</td>
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<td>4</td>
<td>$xx,000</td>
<td>on or before June 30, 20xx</td>
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<tr>
<td>5</td>
<td>$xx,000</td>
<td>on or before June 30, 20xx</td>
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</tbody>
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The Donor does not intend to satisfy this personal pledge with recommended payments from a donor-advised fund or a private foundation.

[Testamentary Language] The Fund will be created by (will/other testamentary document) which specifies that the Donor will bequeath to the Foundation assets totaling no less than $_____ or
___% of the total assets. The Donor may, during his/her lifetime, satisfy any part of this Testamentary Pledge by making gifts to the Foundation. Such gifts should be specifically designated in writing as being given in satisfaction of the Testamentary Pledge. Gifts without a written designation will not be presumed to be in satisfaction of this Testamentary Pledge. The Donor agrees to keep in place estate planning documents that provide for the payment of the remaining balance following the Donor’s death.

III. PURPOSE AND ADMINISTRATION

Standard language for fund types may be inserted here.

[Scholarships and Fellowships] The purpose of the Fund is to provide scholarship support for....insert criteria for intended recipients. For fellowships or other student support, also note what monies may be spent on. Awards are renewable unless otherwise specified. (Scholarship/Fellowship) recipients will be selected by a committee appointed by the Dean of the (School) in coordination with the Office of Student Financial Aid.

[Chairs or Faculty Positions] Holders of (Chairs/Positions) will be selected in accordance with the established policies of George Mason University for the appointment of faculty chairs or professorships with the approval of the Provost of the University. Appointments will be held for terms of (number of years; if more than three years, needs prior approval by the University Provost), renewable, by an eminent scholar whose academic activity includes (subject area). The Fund’s income shall be used to specify here what the Fund will be spent on, i.e. salary stipend, benefits, research expenses, etc.

IV. RECOGNITION AND REPORTING

In recognition of the Donor’s generosity, in order to enhance the Fund and to help attract gifts for similar purposes, the University and the Foundation may make announcements through internal and external publications and to the media and provide other recognition as appropriate. In the event that the Donor wishes to maintain anonymity or wishes to approve announcements prior to University or Foundation distribution that information also can be included in this section.

[Naming Opportunity] In recognition of the Donor’s generosity, the (school, building, department, program, etc.) shall hereafter, during the usable lifetime of the (building or other relevant named space), be known as the _______________________________________________________________________.

The Donor, or their designee, shall receive annual reports regarding the assets of and expenditures from the Fund. The Donor designates the following individual(s) to receive annual reports and communication regarding the Fund.

Name _______________________________
Address ______________________________
City, State, Zip ________________________
Phone _______________________________
Email _______________________________

V. INVESTMENT
The Fund shall be invested and income defined and expended in accordance with the provisions of the Virginia Uniform Prudent Management of Institutional Funds Act, Virginia Code section 64.2-1100 *et seq.*, as amended or the corresponding provisions of any subsequent Virginia law and in accordance with the policies established by the Board of Trustees of the Foundation. Endowed funds are assessed an annual fee on the market value average of the assets of the Fund. The amount of the fee is determined annually by the Board of Trustees of the Foundation.

VI. UNFORSEEABLE CIRCUMSTANCES

In the unlikely event that the Donor does not fulfill his/her payment obligations under Section II in the amounts and by the due dates as set forth above, the Foundation may transfer the assets of the Fund to another existing endowment fund held by the Foundation with purposes deemed to be most consistent with those of the Donor. Any such transfer shall be made with the approval of the Donor, if the Donor is living.

In the unlikely event that, at some future time, it becomes impossible to fulfill the original purpose of the Fund, the President of the Foundation in consultation with the Board of Visitors and the President of the University and, if possible, the Donor or their representatives, shall direct that the principal and income from the Fund be devoted to purposes that are deemed to be the most consistent with the original wishes of the Donor.

VII. MISCELLANEOUS

This agreement may be amended at any time by written agreement signed by each party. This agreement contains the entire understanding of the parties with respect to the subject matter of this agreement. This agreement supersedes and cancels all other agreements and understandings, both written and oral, between the parties relating to the subject matter of this agreement. This agreement shall be governed by the laws of the Commonwealth of Virginia. The effective date of this agreement shall be the date this agreement is fully executed by the parties.
Dear NAME:

Thank you for (your or Organization’s) thoughtful decision to support George Mason University (University). This letter of intent confirms your wishes and the details of your (gift or pledge or amendment). Your (gift or pledge) of $\text{(Amount)} will be made to George Mason University Foundation, Inc. (Foundation) to support the University and will (support or establish) the _______ (Fund). The purpose of the Fund is to (insert details about the purpose. i.e. scholarships, fellowships, etc. and relevant criteria and selection information).

Your generous commitment will be fulfilled through _x_ annual installments of $\text{(Amount)} beginning on or before (Date). In accordance with Foundation policy, gifts designated to non-endowed funds will be assessed a fee upon receipt. The amount of the fee is determined by the Board of Trustees of the Foundation and is currently six percent (6%). You agree not to satisfy this personal pledge with recommended payments from a donor advised fund or a private foundation. In recognition of your generosity the University and the Foundation may make announcements through internal and/or external publications and to the media. You may also be eligible for other recognition opportunities. If the donor wishes to remain anonymous, details about the level of anonymity should be included here.

I want to thank you again for your support of George Mason University. If the above information accurately reflects your intent, please sign and date this letter in the signature block below and return one original copy to me. Should you have any questions regarding your (pledge or gift) please feel free to contact me at 703-993-xxxx.

With gratitude,

Name

The above information accurately reflects my plans to support George Mason University through a gift to George Mason University Foundation.

Donor, Title, Organization (if applicable)  Date