



DECEMBER 2018



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6.3 STUDENT THANK-YOU NOTES .....24  
6.4 ENDOWED FACULTY AND PROGRAM FUNDS .....25  
6.4.1

Building enduring relationships that maximize the advocacy and philanthropy to support North Dakota State University.

document, subject to regular review and revision. The standards and guidelines defined in this document will be revised as necessary to better serve the University and its donors.

## 1.2

Sound donor relations practice requires clear roles and responsibilities. Various departments within the NDSU Foundation and the University work together to provide strategic stewardship to cultivate, engage donors, and promote timely, effective donor relations responsibilities across the University.

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- o Major and leadership giving
- o Planned giving
- o Prospect research

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[Fund Compliance Guidelines](#) - Outlines the fiduciary responsibility to ensure that the terms and conditions under which donations are received and utilized are adhered to.

[Fund Disbursement Guidelines](#) - Governs the use of funds available to NDSU units in restricted gift funds held at the Foundation.

[Fund Guidelines](#) – Establishes the guidelines on how the Foundation manages funds.

[Gift Acceptance Policy](#) - Includes more detailed descriptions of the types of gifts that can be accepted and related policies and procedures.

[Investment Policy Statement](#) – This policy statement provides a framework for the investment and management of the endowed assets.

[Naming Guidelines](#) – Outlines consistent guidelines for naming opportunities.

[Open Meetings and Records Guidelines](#) – Summary of the laws pertaining to open records and open meetings.

[Privacy Policy](#) – Describes the type of information that the Foundation collects, how it is used, and how it is protected.

[Scholarship Guidelines](#) – Summary of the scholarship process, including awarding and confidentiality.

[University Student Privacy Policy](#) – The Family Educational Rights and Privacy Act of 1974 (FERPA) affords students certain rights with respect to their educational records.

## 1.4

Most donors give to specific colleges, departments, programs, or units within NDSU. Because of the enormity of our university, faculty and staff directly affiliated with those colleges/departments are best able to provide meaningful stewardship to donors. North Dakota State University's stewardship program aspires to provide a coordinated, organized structure that empowers and supports colleges/departments in their personalized stewardship efforts, in collaboration with the NDSU Foundation.

College / department contact is key to the success of this coordinated, organized, and personalized effort. It is most desirable to have one key stewardship contact in the college/department identified to work in collaboration with a designated director of development from the Foundation.

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Donor information is maintained in a centralized Foundation database. The Foundation has a series of privacy and data security policies that protect donor information. The [Privacy Policy](#) describes the type

of information that the Foundation collects and how it is used and is available on the Foundation's website. The Vice President of Information Services is responsible for assigning and approving access to Blackbaud's Financial Edge and also the Foundation's stewardship leaders for the team. Therefore, all users must be cognizant that all information made available through Foundation systems must remain confidential and be treated as such. The Blackbaud interface provides access to information from the alumni and friends database, therefore, adherence to all Foundation policies is required. Separate databases of donors, alumni, etc. should not be maintained by the University or colleges/departments.

The Vice President of Information Services is also responsible for routine maintenance of the network Active Directory, Blackbaud User Administration directory, Raiser's Edge, and Financial Edge Security directory to ensure that users are coded with the need to know access or removed if they no longer require system access.

Additionally, there will be donor information available in the Office of Financial Aid and Scholarships within the AcademicWorks database system. That Office is responsible for the confidentiality and integrity of the data in that database.

Members of the Prospect Research team should also review Contact Reports for all college/department donors/prospects as agreed upon by the Vice President of Development. This will update the stewardship team on current engagement/communication/stewardship efforts regarding college/department donors.

## 2.1

All donor, student, and financial information made available through the Foundation systems and other databases is confidential and should always be treated as such. Any faculty, staff, or volunteer receiving information from these databases is responsible for safeguarding and protecting the data and will be required to sign a confidentiality agreement. This institutional data shall be used solely for legitimate University and Foundation business.

Donor information may be subject to state and/or federal laws requiring public disclosure of certain donor information and/or confidentiality protections of certain donor information, such as North Dakota's Open Records Act. The Foundation shall always utilize the exemption of fundraising and donor records, absent extraordinary circumstances. See the Foundation's [Open Meetings and Records Guidelines](#) for further information. Discretion should be used when entering action reports and other donor-related information into the database.

Users of this data must understand and abide by the Foundation's Confidentiality Agreement. The confidentiality form is available from the Foundation's Vice President of Information Services.

Users of this data must also understand and abide by the NDSU Guidelines for Protecting Sensitive Data, [https://www.ndsu.edu/its/security/security/data\\_standards\\_hub/data\\_standards/](https://www.ndsu.edu/its/security/security/data_standards_hub/data_standards/) which includes:

- x FERPA – Family Education Rights and Privacy Act of 1974

- x GLBA – Graham Leech Bliley Act of 2000
- x HIPPA – Health Insurance Portability Accountability Act of 1996
- x NDUS Policy 1901.2 Computer Use Policy and Procedure
- x NDSU Policy 710 Computer and Electronic Communication Facilities
- x NDSU Policy 158 Acceptable Use of Electronic Communication Devices
- x NDSU Policy 718 Public/Open Records
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other members of the staff about current activity with the donor, and to document any information that might prove to be helpful or serve as a valuable reference or resource.

If contact with a donor is with someone from outside the Foundation (e.g., a faculty member), that person is to report the content of the contact to their college/department' Director of Development or Vice President of Development who will file a contact report on their behalf.

College/department staff are required to also attach copies of correspondence relating to a specific contact to their Director of Development or Vice President of Edge.

For additional information regarding donor relationship management refer to the [Prospect Management Guidelines](#).

A contact report is a written record of a significant interaction between a fundraiser and a donor or prospect that moves a relationship forward.

- ‡ Prospect's name
- ‡ Details of who was involved (campus colleagues)



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If a gift is received by various individuals and offices, all gifts and accompanying correspondence in the original envelope are to be routed immediately upon receipt to the Accounting office to record the gift. If received at a campus department, campus mail is an appropriate method to send the gift to the Foundation.

– The Gift Processing Coordinator will ensure that all gifts are recorded, that donors are given appropriate credit, and gift receipts are sent within 48 hours after the gift is recorded. This information and any other pertinent documentation should be provided to Accounting when forwarding gifts to be recorded. The gift receipt will include the amount or a description of the gift property, the fund designation of the gift, and will state whether the Foundation provided any goods or services to the donor in consideration for the gift. If the Foundation provided any goods or services in consideration for

- In-kind gifts are contribution

For general funds that are not included in a specific college, the Provost will follow the matrix below with the Director of Admissions, Director of Financial Aid and Scholarships, and others writing acknowledgement letters as appropriate.

\$5,000+	<ul style="list-style-type: none"> <li>‡ College Dean acknowledgement call</li> <li>‡ Department Chair or College/department Head acknowledgement letter</li> <li>‡ Director of Development acknowledgement letter</li> </ul>
\$1,000 - \$4,999	



- x                    -The acknowledgment will be sent by the Accounting office to the individual who has requested matching funds from his/her employer, thanking them for maximizing their giving. It is not necessary to thank the matching gift company.
- x                    - An acknowledgment letter is sent by the Foundation President/CEO thanking the donor for the future gift. For new members of the Heritage Society, the Director of Gift Planning sends a note with a packet of information regarding their gift. Development Operations oversees this process. See section 7.5.3 for more information on the Heritage Society. Deferred gifts will be received from a donor's estate are credited to the donor's record, they are not a liability and will appear on a gift report. The funds are available to spend ONLY after the donor's death. A "realized bequest" gift type indicates that the Foundation received the gift. Colleges and departments should acknowledge deferred gifts using the University-Level Gift Acknowledgement Matrix.

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The Foundation has

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The donor's intentions as to an endowment without function being held in perpetuity. Typically the donor does not want the endowment spending policy applied as they request a specific amount be expended annually. Principal and earnings may be expended according to the gift agreement. It is important for donors to understand with this option 1) the fund is subject to an equitable share of the investment gains and losses of the endowment as a whole, 2) the principal of their gift is not required to be held in perpetuity and could be fully expended in order to comply with the



#### 4.2.1

have externally imposed (donor) limitations or stipulations placed on their use, but are intended for current purposes, such as scholarships, program support, research or maintenance.

have no limitations or stipulations placed on them by external agencies or donors, nor have been set aside for endowment purposes.

#### 4.2

Gifts maintained in expendable funds will not retain earned interest. All interest earned on these accounts will be reinvested into the operations of the Foundation. This will underwrite the Foundation's administration of these funds, which will include interest and disbursement activity.

#### 4.3

Facility funds (or Building or Capital funds) are resources received by the Foundation to provide for construction of new University facilities or renovation of existing facilities, or for the purchase of real property. The Foundation has separate capital project guidelines that cover the process for facility fundraising projects. Pledges to Facility funds should be limited in length due to the nature of construction and financing.

### 4.4

Gift minimums have been established for various types of restricted gift funds, as detailed below and in the Foundation [Fund Guidelines](#). The donor may choose to pledge the minimum amount over a period of up to five years. Pledges over five years require approval of the President/CEO and CFO of the Foundation before acceptance. These minimum levels shall be subject to review and updates based on economic conditions present at North Dakota State University. See the related [Fund Guidelines](#) for further information.

#### 4.4.1

Naming a college, school, department, center, institute or academic program shall require a significant endowed gift that shall generate resources to strengthen and build excellence in academic and research programs. The amount needed shall vary by college/department and shall be determined by the size, operating budget, national ranking, and visibility of the

De a n ' s Ch a i r	\$2,000,000- \$5,000,000 (dependent on Academic College/department)		
Faculty Chair	\$5,000,000 (Research)	\$1,000,000 (Research)	\$200,000 (Research)
	\$3,000,000 (Non- Research) \$1,500,000 (Research)	\$600,000 (Non- Research) \$300,000 (Research)	\$120,000 (Non- Research)

Faculty Professorship

Memos of Understanding (MOUs) are key, legal instruments in ensuring that the agreement between donor(s) and the Foundation on behalf of the University is mutually acceptable and understood, and that the gift shall be used according to the donor(s) intentions. MOUs are required when establishing a new endowed fund, expendable fund, or facility fund. An MOU accompanies the restricted gift fund while a gift agreement accompanies the gift, such as a pledge agreement or statement of intent. These are two separate documents that cannot be used interchangeably. An MOU is required for new funds that are setup by the college/department.

Gift agreements generally stipulate the donor(s) name, gift amount, gift designation, and payment period, if applicable, in a written document to the Foundation. These agreements can take several forms, such as a [pledge agreement](#), statement of intent, or a handwritten note from the donor(s). See the Foundation's [Gift Acceptance Policy](#) for further information on gift agreements. Naming guidelines for restricted gift funds are detailed in the separate [Naming Guidelines](#) document.

The MOU includes the following elements:

- x Establishment – describes the legal entities that are entering into the fund agreement including the donor, Foundation, and University
- x Statement of donor intent – includes the purpose for the fund such as scholarship, faculty, facility, or program and the college/department that is benefiting
- x Legacy statement - the donor's reason or motivation for creating a fund



criteria could become problematic if donors contributed to that fund thinking it was for a certain purpose which is later changed.

## 4.6

To ensure that the Foundation adheres to donor preferences when establishing and designating restricted gift funds and making expenditures, and to guard against the creation of idle funds resulting from overly restrictive clauses, these guidelines should be followed when discussing terms with a prospective donor: Fund terms and restrictions should accurately reflect donor intention and allow for maximum use and spending flexibility by the University; Use of the fund may not be administered by a donor, group of donors or designees outside of the University.

Within a fund's restrictions and donor preferences for expenditures must be followed. The only exception to this would be if a preference creates a situation where funds cannot be utilized in a specific situation, for example, a specific scholarship criteria causes no qualified recipients in a particular academic year. There is then flexibility in that instance to broaden the pool based on all other preferences.

Donor restrictions and preferences must be practical, possible and legal. If these three conditions no longer can be met within an existing MOU, the fund cannot be utilized and further communication with the donor needs to take place.

There are several considerations that need to be taken into account when requesting and reviewing scholarship MOUs. For a full description of these considerations, see Reference Section 8.4 for details.

Questions regarding the appropriateness of terms stipulated by the donor(s) should be referred to the Vice President of Development or Senior Vice President of Finance and Operations.

## 4.7

A Statement of Intent (SOI) is used for deferred gifts, i.e. future estate, gift annuity, or charitable remainder unitrust. A Statement of Intent (SOI) is created to capture a donor's intention for the use of funds that will not be received until a future date, most times after the donor's death (i.e. monies from their future estate, the remainder of a charitable remainder unitrust, the residuum of a charitable gift annuity, a beneficiary designation of a life insurance policy, etc.) This also allows the University the opportunity to document the donor's intention, which the donor may choose to change over their lifetime. The SOI can be revised at any time at the donor's request. When the SOI establishes a new fund, an MOU is created at the same time following the process outlined above.

Donors may, however, choose to early activate a future endowment by making annual gifts directly to the incBT1 TJEsty to

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Spending is not a one-time annual occurrence. Proper fund management occurs throughout the year. The college/department needs to monitor funds for new gifts that increase both the principal and spending funds and, as a result, may provide additional funds available to award. At a minimum, the college/department, in consultation with the Donor Compliance Services (DCS) team, should review available spending figures and make spending decisions at least three times a year in an effort to maximize use of all available funds. In addition, funds need to be monitored for student award cancellations that will allow funds to be re-awarded.

On an annual basis, the DCS team will have a meeting with each college/department to review their funds.

## 5.1

The main reasons why a fund is not showing up as available for spending is that either

Scholarship Guidelines that discuss various administrative aspects of student scholarships and awards, including an awarding calendar.

The Office of Financial Aid and Scholarships (FAS) is the University's central administrative processing unit for all forms of financial assistance to students. FAS is responsible for preparing and communicating information on financial aid and scholarships and helping students apply for and receive student loans, grants, scholarships and other types of financial aid. Federal and state regulations require FAS to be informed of all forms of financial assistance student

The establishment of a college/department stewardship team is a valuable resource for managing endowment, expendable, and facility funds. Responsible fund management begins with an understanding of how the college/department's endowments and gifts will be used and establishing a plan, in coordination with appropriate college/department faculty and staff, to keep donors informed about how these endowments and gifts are being used.

Effective fund management responsibilities include, but are not limited to:

- x Requesting Memoranda of Understanding through the Donor Compliance Services department;
- x Depositing and recording gifts promptly and properly;
- x Tracking gifts to ensure they are deposited to the correct restricted funds;
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If a donor is deceased, it may be appropriate to have students write thank-you notes to the fund contact person which may be surviving family members. In these cases, the students should be informed that they are not writing to the donor, but to another interested party or relative. As a general rule of thumb, if someone is receiving an annual endowment report they are the fund contact and should also be the person receiving a thank-you note.

Where there are no individuals to receive thank-



## 6.5

Faculty responsible for overseeing donor supported programs, centers, and the like should provide donors with regular updates on work being accomplished.

In cases where available funds were not expended during the fiscal year, the college/department should contact donor compliance prior to May 1 and provide an explanation of why the money was not spent, along with future plans for utilizing the funds in the next fiscal year.

The Foundation Finance and Operations division should inform college/department administrators when the annual endowment report is being mailed to donors. Sample reports are provided to the college/department, these samples should be shared with appropriate staff members to familiarize them with the report and the type of information contained in the personalized financial/beneficiary pages.

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examples of students doing timely work, or studying in interesting locations, or being cited by a faculty member in his or her work.

If the fund supports a visiting speaker series, identify the speaker for the academic year and briefly describe why that person was important to the campus beyond the college/department. Also indicate if the funds allowed the speaker to stay an extra day and meet with students and if so, describe the outcome.

If the fund is for program support or a general college/department budget, describe the tangible progress the college/department made over the past year. Tell of any new hires directly related to the support, any rise in ratings, any other praise the college/department has received, or if enrollment in the major has increased.

Pinpointing one specific thing that was affected by a donor's generosity may be difficult. In that case, it may be best to find a specific story or bit of good news that can serve as a representative example of how your college/department is doing well and is related to the generous support of the donor.

It is also helpful to connect the donor gift to the college or division and/or to the current campaign. For example: "your gift for student scholarships supports the top priority of the campaign," or "our goal is to be a student-focused, land grant, research university, and your generosity is leading us there."

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Donors want to know about the people they have helped. If the college/department awards scholarships, students often talk about their goals and accomplishments in letters to donors. Consider how this translates to the college/department and incorporate into the letter.

Each college/department or program has stronger and weaker parts, and department heads or directors are always trying to find ways to strengthen both areas. Consider briefly mentioning those areas and why it is important to develop them.

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Most donors give to the University for a number of reasons; one main reason is to feel connected to their alma mater and the good work being done here. Therefore, a thank you letter is a great place to provide an opening for them to increase their level of involvement. However, do not offer involvement if the college/department is not able to follow through. Consider the donor's interests and affiliations; provide information on or informally invite them to campus events, visiting lectures, alumni tailgates, alumni advisory groups, or student networking opportunities.

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When possible and appropriate, noting other interactions with the donor or significant events in their personal life can provide a more personal connection. Examples include: "I'm glad your grandson will be joining NDSU," or, "thank you also for your leadership to our advisory board."



**FUND PURPOSE**

Graduate Scholarship in: \_\_\_\_\_  
\_\_\_\_\_

Graduate Fellowship in: \_\_\_\_\_  
\_\_\_\_\_

Faculty Fellowship in: \_\_\_\_\_  
\_\_\_\_\_

Other (specific program, project, or focus area) \_\_\_\_\_

ENT:

LEGACY STATEM

ORMATION:

ADDITIONAL INF





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- o Scholarships funded through a business with a preference for employees or employees' children are to be discouraged. There are tax implications for the donor if the University inadvertently awards a scholarship to a key employee or his/her child. The selection committee for these scholarships would need to ask donor companies, each year, to submit a number of current employees and the number of employee's children who are enrolled or planning to enroll in the University that year. This gives the number of possible candidates an 0 1 c( gi)3(v)-4hel3(e)-34(m)-roe(m)-4e nuuJTJnll in b(o)-5all uranuployee's chps/aren are

work for the scholarship committee to review. This may result in scholarships not being awarded in a timely manner or at all.

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- o Be careful when drafting donor restrictions and preferences too specifically with things like technology. Think about 50 years from now, will the criteria still be possible or practical?