

FUNDRAISING AND GIFT ACCEPTANCE POLICY

Purpose

The Lebanese American University (“**LAU**”) developed this Fundraising and Gift Acceptance Policy (“**Policy**”) to establish standards and guidelines by which all gifts, and fundraising will be evaluated in light of the ever-increasing generosity of the donors.

Objectives

The objective of this Policy is to ensure that fundraising at LAU is carried out in a cohesive manner, with the appropriate and authorized constituencies, and in a manner that supports LAU’s mission and serves LAU’s strategic development and advancement goals.

The generosity of Board of Trustees members, Board of International Advisors, alumni, parents, students, friends, corporations, foundations, and other individuals and groups plays a vital role in upholding the mission of LAU. Optimizing LAU’s fundraising efforts requires appropriate coordination among all those concerned to ensure that solicitations are made properly and effectively in order to match donors’ interests with LAU’s priorities, and maximize donors’ giving potential. This Policy aims to govern all solicitations made on behalf of LAU to preserve its credibility among its financial supporters as well as to maximize resources.

Policy Statement

The principles underpinning this Policy are:

1. Transparent and ethical processes for the acceptance and management of gifts and fundraising activities.
2. Protection of the confidentiality of donors consistent with their wishes and to the extent provided by law and permissible by LAU applicable policies.
3. Adequate identification of funds and using them for the purpose which they were provided.
4. Compliance with all relevant legislation and applicable LAU policies and procedures.
5. Strategic, uniform and coordinated approach for the seeking and acceptance of gifts.

Part 1. Fundraising Activities

I. Authority and Responsibility:

1. The Development Office.

The Development Office, which is part of LAU Advancement Department headed by the Vice President for University Advancement, is the unit responsible at LAU for fundraising and for managing LAU's relationship with donors and prospective donors.

The Development Office develops and maintains relationships between LAU and its key constituencies, including Board of Trustees and Board of International Advisors members, alumni, parents, students, friends, corporations, foundations, and other individuals and groups, to help them fulfill their charitable interests for the purpose of securing charitable gifts that would enable LAU to fully accomplish its mission.

Only authorized individuals at LAU may make formal approaches for fundraising purposes, as approved by the Development Office, and the President, who must approve all fundraising activities all in accordance with the terms of this Policy.

2. President's Fundraising

The President is LAU's principal fundraiser.

3. Deans' Fundraising

The Deans' primary role in fundraising is to create the conditions in their respective Schools that attract significant philanthropic investments and to solicit contributions. To assist Deans in this effort, LAU employs a special mechanism that is managed by the Development Office, and overseen by the President, to ensure there is constant coordination and support between Development Officers and Deans to effectively partner and reach their fundraising goals. This mechanism also ensures that Deans have the resources and knowledge to raise funds in an organized and methodological manner than most benefits Schools and their needs.

The President is also involved throughout the Deans' fundraising efforts. This guidance includes offering support on defining a Dean's case for support and identifying inspiring programs and projects that are aligned with both LAU and School strategic objectives and initiatives. It also entails helping formulate the roles and responsibilities of the Dean, the faculty, and the School Development Officers in relation to fundraising priorities. The President also helps to distinguish the Deans' roles in the fundraising process including cultivation, solicitation, donor stewardship, major gift initiatives, comprehensive campaigns, and piloting new models for fundraising and volunteer management.

For the Dean's fundraising procedures, please click [here](#).

II. Gift Solicitation

Gift solicitation is carried out through LAU's Development Office.

The Development Office carries out its functions by:

1. Defining and championing LAU's fundraising priorities.
2. Setting an overall fundraising strategy to identify prospective donors, determine their interests, and assess cultivation opportunities.
3. Working closely with Board of Trustees members and senior LAU officers to cultivate and solicit current and prospective donors.
4. Assuring that all senior LAU officers support, as appropriate, the fundraising process and abide by this Policy.
5. Stewarding donors on the use and impact of their charitable gifts.

III. Fundraising Internal Coordination and Clearance

Written and oral requests for support – whether financial or in-kind – to any prospective donor by any member of LAU community require prior approval from the Development Office and should be conducted according to the Fundraising Internal Coordination and Clearance Procedure available [here](#) :

In case a fundraising project/activity needs more time to complete its goals, a time extension request can be made by contacting the Development Office, via the Dean or relevant senior administrator – or the individual to whom the Dean or senior administrator delegated this responsibility.

In case a donor indicates interest in other projects/activities, as a result of the original solicitation, the Development Office must be notified in order to develop a solicitation targeted to the donor's stated preference.

Part 2. Gift Acceptance

I. Nature of Gifts

LAU will only accept gifts where they are ethical in nature and consistent with the missions, goals of LAU and in compliance with the terms of its Charter, Governing Documents, Policies, and/or any applicable laws, rules and regulations.

Furthermore, LAU will assess, prior to accepting any gift:

- whether the gift requires any unacceptable expenditures of LAU resources;
- whether the acceptance of the gift exposes LAU to undue adverse publicity or reputational risk;
- whether the acceptance of the gift inhibits LAU from seeking gifts from other donors;
- whether the gift involves unlawful discrimination; and
- whether the gift comes with any binding terms that unethically force LAU to hire, promote, contract, or admit certain people.

II. Types of Gifts

Through the Advancement Services Office within LAU's Advancement Department, LAU receives the following gifts from donors in accordance with the terms of this Policy and other applicable procedures:

1. **Cash gifts:** in the form of currency, check, bank transfer, or credit card contributions.
2. **Gifts-in-kind:** of a residential, rental, commercial, or touristic real estate nature, on the condition that the President or his/her designee visits the site first and deems it appropriate for LAU's use. LAU also accepts gifts-in-kind in the form of personal property, such as artwork, collections, and equipment. Thereafter, an independent assessment of the value of the gift-in-kind will be sought from a field expert, and the assessment will be used as the official basis for the value of the gift.
3. **Securities:** both publicly-traded and closely-held on the condition that the securities are studied by the President and the Vice President for Finance and deemed as not exposing LAU to any undue risk.
4. **Pledges:** of commitments to donate a specific monetary amount within a certain fixed schedule and the donor must provide a legally binding commitment enforceable against his/her estate until the pledge is retired. Any pledge with naming opportunities cannot exceed five (5) years and the naming is contingent upon fulfillment of the pledge. Any exception to the five (5) year term pledge is subject to the prior approval of the President through consultation with the President's Cabinet.
5. **Bequests:** of gifts of cash property, or other assets made in a donor's will or living trust.

There are special gifts or circumstances that may require a case-by-case review by the President and might not be addressed by this Policy.

III. Scholarship Funds

LAU accepts monetary contributions specifically for scholarships, as long as these scholarships are awarded through the Financial Aid and Scholarships Office according to their criteria and requirements.

IV. Ways to Direct Gifts

Donors have the ability to direct how their contributions may be used for the greatest benefit in serving the LAU's mission. Gifts to LAU can be divided into two classes:

1. **Unrestricted gifts:** are gifts that have been allocated by donors for a specific purpose but which do not create a legal obligation, or gifts that donors allow LAU to allocate. These enable LAU to allocate funds wherever the need is greatest, and to take advantage of unique opportunities as they arise. These gifts must be spent in the fiscal year in which they are received.
2. **Restricted gifts:** are gifts that donors have placed conditions on, thereby creating a legal obligation to expend the funds in a manner consistent with the donors' restrictions. Due to this legal nature, the extent of this obligation must be clearly expressed in writing. The terms of each restricted gift will be reviewed by the Development Office to ensure that they do not hinder the usefulness and desirability of the gift. Potential gifts/pledges with complex restrictions will be referred to the President, prior to acceptance, for review. If a gift is deemed unacceptable because of a donor's restrictions, the donor will be counseled to remove or modify the restrictions. Otherwise the gift will be declined. There are two types of restricted gifts:
 - **Annual restricted gifts:** are contributions to be spent according to donor restrictions during the same fiscal year in which they are received.
 - **Endowed restricted gifts:** are contributions made to establish funds that will never expire. The amounts contributed by donors will stay intact and will be invested. Up to 4% of the return of the 3-year moving average of the established fund will be distributed annually as per donor restrictions.

V. Legal Review

LAU's Legal Counsel will be called on for advice on all agreements and arrangements related to the acceptance of gifts of all types.

VI. Gift Acknowledgment

The Development Office and Advancement Services Office are solely responsible for acknowledgement of all gifts made to LAU. To ensure this, both offices must be notified of any gift made to LAU as soon as it is received by an academic or administrative unit. Both offices should be provided with all the documents and communications related to the gift.

All gifts made to LAU, irrespective of their source and value, must be recorded and processed by the Advancement Services Office and must be acknowledged by the Development Office within 48 hours.

Receipting

The Advancement Services Office is the only office at LAU authorized to issue gift receipts to donors in acknowledging gifts, whether cash, checks, securities, or gifts-in-kind.

All gifts-in-kind that have a specified monetary value will be issued an LAU receipt by the Advancement Services Office. If the donor requires a gift value on the receipt, usually for tax purposes, it is the responsibility of the donor to provide LAU with an independent appraisal indicating the value of the gift. LAU has the right to ask for a second independent professional appraisal.

Written Acknowledgment

The Development Office is the only office at LAU authorized to handle acknowledgment letters. All gifts of \$5,000 or more are normally acknowledged in writing by the President. Gifts that are less than \$5,000 are normally acknowledged in writing by the Development Office.

If anyone of the Vice Presidents, Deans, or others believe that an additional note of appreciation should be sent by them to the donor, they must coordinate with the Development Office, which will handle the forwarding of the note following the official acknowledgement letter.

VII. Donor Recognition

LAU acknowledges donors for their voluntary contributions through donor recognition, which is the practice of providing recognition to donors for their gifts through formal and informal, personal and public expressions of appreciation.

For the purposes of recognition, corporate matching gifts will be credited to the donor securing the gift. Gifts or pledges received or committed from individuals, corporations, foundations and/or selected government entities are recognized as a single donor. Gifts from a group of family members may be recognized for the combined total of gifts from the individual family members.

In cases where support is received from a corporation or government agency composed of numerous individuals, recognition will be given to the corporation or government agency rather than the numerous individuals in the organization, unless otherwise agreed upon as part of the gift agreement.

Gifts received in full will be recognized for the amount received. Gifts pledged over time will be recognized in agreement between the donor and the University.

Recognition might be carried through any of the following:

1. **Donor recognition events:** organized by the Development Office to honor donors whose support of LAU is deemed exemplary. Such events include:
 - **Agreement signing/check submittal ceremonies:** to sign the gift agreement that governs the use of the gift and the relationship between LAU and the donor, as well as to secure the needed gift. Such events are usually hosted by the President in the presence of concerned internal constituencies and guests from the donor’s side.
 - **Dedication ceremonies for naming physical entities:** to recognize a donor who made a gift towards naming a physical entity on campus. Such ceremonies are usually preceded by a signed agreement and check submittal, and include a reception attended by both concerned internal constituencies and guests from the donor’s side.

2. **Named recognition:** to recognize a donor’s generosity by naming an entity of LAU in honor of the donor (for more information, please refer to section: IX. Named Gift Opportunities Recognition).

3. **Donor recognition in LAU publications:** to further recognize donors for their gifts. This is coordinated by the Development Office who liaises with concerned internal constituencies to arrange for highlighting donors in one or all of the following ways:
 - **Profiling donors:** in LAU Magazine, on the LAU website and on the LAU Development website with the aim of recognizing major and annual donors by writing an article about them or including their quotes.
 - **Listing donors:** in the LAU Contributors Report, LAU President’s Report under the appropriate annual giving recognition levels, the President’s Fund, and named funds, as well as online via a webpage devoted to supporters.

The annual giving recognition levels include:

Annual Giving Recognition Level	Range of Giving
Founder’s Society	\$25,000 or more
Trireme Society	\$10,000 to \$24,999
President’s Circle	\$5,000 to \$9,999
President’s Council	\$2,000 to \$4,999
President’s Forum	\$1,000 to \$1,999
Dean’s List	\$500 to \$999
University Associates	\$200 to \$499
Century Club	\$100 to \$199
Friends	Up to \$99

VIII. Anonymous Contribution:

Gifts made to LAU are appropriately processed and acknowledged in accordance with this Policy, enabling LAU to be open and transparent regarding the source and purpose of gifts received. Donors who wish to make an anonymous contribution will have their anonymity respected by LAU to the extent permissible by LAU policies and procedures and applicable laws.

IX. Named Gift Opportunities Recognition

Naming opportunities offer the highest form of public recognition available at LAU and celebrate the generosity of donors whose support is invaluable to its ongoing mission.

In addition to the level/amount of the gift, the background, character, reputation and other qualities of the person or entity for whom LAU's facility is to be named after must be consistent with the reputation, missions and values of LAU.

Advised by the Development Office, the President solely, or following the approval of the Board of Trustees or its Executive Committee as further detailed in the Approval Procedures Section, is the only officer of LAU authorized to approve the terms of named gift opportunities such as scholarship grants, endowed funds, physical entities, or others.

The President or its designee, along with the Development Office are the only persons authorized to carry out discussions for securing such named gifts. Internal constituencies who are contacted by probable donors interested in establishing such gifts must first consult with the Development Office before any commitment is made on behalf of LAU.

It is the responsibility of the Development Office to keep the donor informed of the use of their named gifts. In addition, no officer, employee or volunteer associated with LAU shall promise or imply that, in return for the gift, favorable consideration will be given to the donor.

Named gifts include the following, but are not limited to:

1. ***Naming a physical entity on campus:*** involves gifts that recognize a donor who provides financial support to LAU provided such gifts meets LAU guidelines on minimum level/amount gift. Such entities include but are not limited to: buildings, classrooms, laboratories, lounges, and conference rooms, etc. Requests for naming physical entities must be submitted by the Development Office to the President for approval, in accordance with the Approval Procedures section herein.
2. ***Naming an academic opportunity:*** involves gifts that recognize a donor who provides financial support to LAU provided such gifts meets LAU guidelines on minimum level/amount gift. Such opportunities include but are not limited to: schools, departments, institutes, centers, titled positions (i.e., chairs, professorships, and fellowships), lectureships, research funds, academic programs, and scholarships. Requests for naming an academic opportunity must be submitted by the Development Office to the President for approval, in accordance with the Approval Procedures section herein.
3. ***Naming an annual scholarship grant:*** involves gifts that provide annual financial assistance to LAU students provided such gifts meets LAU guidelines on minimum level/amount gift. It is the responsibility of the Development Office to pursue the establishment of such grants and agree with the donor on clear restrictions for distribution to beneficiaries if applicable, in line with LAU policies and procedures and in accordance with the Approval Procedures section herein.

4. ***Naming an endowed scholarship fund:*** involves gifts that provide sustainable financial assistance to LAU students provided such gifts meets LAU guidelines on minimum level/amount gift. It is the responsibility of the Development Office to pursue the establishment of such funds and agree with the donor on clear restrictions for distribution to beneficiaries if applicable, in line with LAU policies and procedures and in accordance with the Approval Procedures section herein.

The appropriate guidelines for minimum funding levels/amounts required for naming endowed funds, named spaces or other naming opportunities, as well as a list of naming opportunities, are determined by LAU and are available at the President's Office.

Named gift opportunities are subject to the following terms:

1. ***A university review:*** which includes a thorough due diligence review of each donor and the person/entity in whose honor the gift naming opportunity is to be named and the implications for LAU.
2. ***Permanence of name:*** The naming of spaces and facilities is intended to be in place for the life of the specific physical space of the entity or facility. If, in the determination of LAU, circumstances change so that the purpose for which the physical space was established is significantly altered, or if the physical space is no longer needed or habitable, the President, with the donor, if possible, will determine an appropriate way to recognize the donor's named gift in perpetuity and in accordance with the terms of this policy.
3. ***Name removal:*** University naming opportunities shall bear only the name of private individuals, corporations, foundations, or associations that exemplify the attributes of integrity, character and leadership consistent with the highest values of LAU. If, in the sole determination of LAU, those attributes are not maintained, LAU in accordance with the terms of this policy, reserves the right to remove the donor's name from a physical space, school, department, lab, classroom or facility at any time. LAU also reserves the right to remove any name should the donor not fulfill the related pledge.
4. ***Name selection:*** is a privilege of the donor who has the opportunity to choose which name is to be associated with the space or entity to be named. However, LAU reserves the right to approve the chosen name. Named gifts may bear the donor's name or may be named to honor a spouse or other family members, a colleague, a favorite professor, a firm or other persons or organization deserving recognition.
5. ***Honorific Naming:*** strictly honorific naming of spaces or facilities without fundraising will not be accepted unless otherwise decided by the Board of Trustees or its Executive Committee.

Approval Procedures

The President recommends to the Board of Trustees or its Executive Committee, after due diligence, a naming opportunity as stated above. All naming of schools and buildings, irrespective

of the monetary amount, must receive the final approval of the Board of Trustees or its Executive Committee. All gifts and endowments that are equivalent to three million US dollars in value or less, are subject to the President's approval in consultation with the President's Cabinet. All gifts and endowments that are greater than three million US dollars in value, are subject to the approval of the Board of Trustees or its Executive Committee.

The Board of Trustees or its Executive Committee shall have the latitude ~~to approve the establishment of named funds in amounts less than those stated above,~~ or to determine minimum levels for naming of positions, programs or facilities not outlined in this policy or the relevant procedure. In the case where a donor provides a gift for a building that is already funded through other means or already constructed, lower minimum gifts may be appropriate.

X. Stewardship

The Development Office, in coordination with other offices under LAU Advancement, is responsible for ensuring appropriate stewardship of the donors. Stewardship comprises activities aimed at bringing donors closer to the outcomes they are making possible through their philanthropy, demonstrating the fiscal accountability of LAU in using the gifts according to donors' intentions. LAU demonstrates this primarily by providing donors with reports on their gifts' impact in a narrative manner as well as through financial reports indicating how the gift was used.

Stewardship includes reporting to donors on their endowment fund contributions. Reports, which are mailed by the Advancement Service Office to relevant donors, provide information on the performance of the LAU portfolio fund, the date of the fund's establishment, the amounts that were disbursed from the fund, criteria for distribution, date of last payment, and financial status of the fund, as well as information on beneficiaries.

Donors who contribute to establish a named annual scholarship grant also receive reports, which are prepared by the Advancement Services Office. They provide information on the amount disbursed and the beneficiaries.

Once the Development Office is notified by the Advancement Services Office that the endowment and annual scholarship grant reports were mailed, the Development Office shall ensure the receipt of the report through proper follow-up with the donors.