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| **Responsible Lehigh Official:** Vice President, Development and Alumni Relations (DAR)  **Responsible Office:** DAR Operations  **Origination Date:** 1/13/2023  **Last Amended:** |

DEVELOPMENT AND ALUMNI RELATIONS

POLICY ON UNIDENTIFIED DONORS AND UNKNOWN GIFT PURPOSES

# Policy Statement

This policy governs the disposition of all philanthropic gifts made to Lehigh University (Lehigh or the university) for which the donor or purpose of the gift is not able to be determined at the time the gift is received by Lehigh (Pending Gifts).

Lehigh’s Gift Acceptance Policy governs the acceptance and disposition of all philanthropic gifts made to the university. This policy should be read in connection with Lehigh’s Gift Acceptance Policy and incorporates its terms. Other than Lehigh’s Gift Acceptance Policy, this policy supersedes any existing policy, procedures, or practices that may be in place throughout the university related to the disposition of Pending Gifts.

# Reason for Policy/Purpose

* Provide standards for the disposition of Pending Gifts by Lehigh University
* Ensure consistent application of policies and processes governing the disposition of Pending Gifts
* Ensure that gifts further the mission of and impose no undue burden on the university

# Compliance with Law, University Policies, and Higher Education Standards

All philanthropic gifts to the university will be accepted in accordance with: (a) the Internal Revenue Code and applicable IRS regulations pertaining to charitable gifts; (b) all Lehigh University governance documents and university policies and procedures; and (c) all applicable laws and regulations governing fundraising and higher education. Lehigh is committed to following accepted standards of higher education professional organizations for gift acceptance, such as those recommended by the Council for the Advancement and Support of Education (CASE).

# Who Needs to Know This Policy

* Development and Alumni Relations staff
* The university president, provost, vice presidents, deans, other senior leadership, and financial managers
* Finance and Administration staff and the Office of the General Counsel staff
* Lehigh faculty and staff involved in the discussion, solicitation, acceptance, recording, or other administration of philanthropic gifts

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# Policy

## Unidentified Donors

### Guiding Principles

The university will use reasonable efforts to ensure that the identity of a donor is identified before a gift is received by the university. However, the university also recognizes that this may not always be possible. In such cases when the identity of a donor is not known at the time a gift is received by the university, the university will thereafter use reasonable efforts to determine the identity of the donor.

If the identity of a donor is unable to be determined, but the gift is deemed acceptable by the university, the university may accept the gift without attributing it to a specific donor.

### Receipting

If the identity of a donor is unable to be determined, no receipt will be issued.

### Determining Donor Identity

#### Gifts of $99.99 or Less

The Information Processing team will use reasonable efforts to determine the identity of a donor based on available source material (e.g., accompanying letters, checks, etc…).

If the donor is not identified within **one (1) week** following arrival of the gift, the gift will be attributed according to the standards set in A.4 Default Identity.

#### Gifts of $100.00 or More

In addition to the efforts made in A.3.a Gifts of $99.99 or Less, Donor Relations staff, gift officers, Finance and Administration staff, and other university staff will be engaged, as appropriate, to help determine the identity of a donor.

Additionally, the topic of gifts with unidentified donors will be brought up as a standing agenda item at meetings` where gifts of such types are discussed.

If the donor is not identified within **one (1) month** following arrival of the gift, the gift will be attributed according to the standards set in A.4 Default Identity.

#### Gifts of $100,000.00 or More

The efforts identified in A.3.a Gifts of $99.99 or Less and A.3.b Gifts of $100.00 or More will be used to attempt to determine the identity of donors at this gift level. However, the university will not accept gifts of $100,000.00 or more without having knowledge of the identity of the donor.

For gifts of $100,000.00 or more (or such other threshold as required by applicable law or regulation from time to time), the university is required to meet state and federal reporting requirements which are not possible without knowledge of the identity of the donor.

Additionally, the university recognizes that gifts of this size, for which the identity of the donor is not known, may present a risk to the university’s educational, research, and service missions; could damage the reputation of the university; and could unknowingly violate the university’s values or ethical standards.

#### Gifts from a Group Not Identifying Individual Donors

In the event that a group collects gifts to benefit the university, but does not collect donor identities, the gifts will be attributed to “Unknown Donors” as a single gift. The university will not try to identify individuals donors who’s gifts are part this type of collection.

Such gifts will not be subject to the standards for identification set forth in A.3.a Gifts of $99.99 or Less and A.3.b Gifts of $100.00 or More, but will be subject to rejection for the reasons set forth in A.3.c Gifts of $100,000.00 or More.

Lehigh will not track groups of broadly identified donors (e.g. class of 2022, parents of engineering majors, friends of the football team, etc…), but only refer to them as “Unknown Donors”.

#### Gifts of Securities

Gifts of securities from unidentified donors shall **not** be sold upon receipt notwithstanding the university’s policy when a donor’s identity is known. Such gifts will only be sold once the identity of the donor has been determined, or the gift is attributed according to the standards set in section d. “Default Identity” (including the grace period outlined in section 3 “Grace Period”).

### Default Identity

If the identity of a donor is not identified, and the gift is determined to be acceptable, the gift will be attributed to “Unknown Donor” pending the grace period as defined in section 3. “Grace Period”.

## Unknown Gift Purposes

### Guiding Principles

The university will use reasonable efforts to ensure that a donor’s intended purpose for a gift is known before a gift is received by the university. However, the university also recognizes that this may not always be possible. In such cases, the university will use reasonable efforts to determine the donor’s intended purpose for all gifts. This includes, but is not limited to, direct contact from Lehigh by Information Processing staff, Donor Relations staff, gift officers, and other university staff via phone, email, and physical letters.

If the donor’s desired purpose for a gift is unable to be determined, and if A.3.c Gifts of $100,000.00 or More does not require the university to reject the gift, the university will designate the gift to such other purposes that will, in its judgment, perpetuate any known desires of the donor and will further the educational mission of the university.

### Receipting

All gifts, once accepted, regardless of known purpose will be receipted in a time frame consistent with the university’s standard operating procedures on receipting. If a purpose is not known at the time a receipt is generated, the receipt will indicate the gift has been designated to, “Account Awaiting Donor Preference.”

### Determining Purpose

#### Gifts of $99.99 or Less

The Information processing team will use reasonable efforts to identify the donor’s desired purpose based on available source material (e.g., accompanying letters, checks, etc…) received, reasonable outreach to the donor, and/or review of the donor’s prior giving.

If the purpose is not identified in **one (1) month**, the gift will be designated according to the standards set in B.4 Default Purposes.

#### Gifts of $100.00 or More

In addition to the efforts made in B.3.a Gifts of $99.99 or Less, Donor Relations staff, gift officers, and other university staff will be engaged, as appropriate, to help determine the donor's desired purpose for the gift.

Donors will also receive communication via an appropriate channel (e.g. physical, email, etc…) stating that the university requires their cooperation to determine the purpose of their gift. This communication will happen at an appropriate frequency to be determined by operational procedures.

Additionally, the topic of gifts with unidentified donors will be brought up as a standing agenda item at meetings where gifts of such types are discussed.

If the purpose is not identified in **three (3) months**, the gift will be designated according to standards set in B.4 Default Purposes. Donors will receive communication via an appropriate channel (e.g. physical, email, etc…) stating that their gift has been allocated according to the standards set in B.4 Default Purposes.

#### Gifts of $100,000.00 or More

In addition to the efforts made in B.3.a Gifts of $99.99 or Less and B.3.b Gifts of $100.00 or More, the Gift Acceptance and Naming Committee (GANC) will be required to review and approve the final designation for all gifts designated according to standards set in B.4 Default Purposes.

#### Gifts of $5,000,000.00 or More

In addition to the efforts made in B.3.a Gifts of $99.99 or Less, B.3.b Gifts of $100.00 or More, and B.3.c Gifts of $100,000.00 or More, the Board of Trustees will be required to review and approve the final designation for all gifts designated according to standards set in B.4 Default Purposes.

### Default Purposes

#### No Known Purpose

If the only desire of the donor that can be determined is overall support of Lehigh University, the gift will be designated to the Lehigh Fund - Unrestricted pending the grace period as defined in C Grace Period.

#### Current Use

If it can be determined that the donor desired to support current use activities, the gift will be designated to the purpose which, in the university’s judgment, perpetuates any known desires of the donor which were determined based on source material (e.g., accompanying letters, checks, etc…) received, reasonable outreach to the donor, and/or review of the donor’s prior giving.

If no such information is available, the gift will be designated to the Lehigh Fund - Unrestricted pending the grace period as defined in C Grace Period.

#### Endowment

If it can be determined that the donor desired to support the endowment of the university, the gift will be designated to the purpose which, in the university’s judgment, perpetuates any known desires of the donor which were determined based on source material (e.g., accompanying letters, checks, etc…) received, reasonable outreach to the donor, and/or review of the donor’s prior giving.

If no such information is available, the gift will be designated to the unrestricted endowment pending the grace period as defined in C Grace Period.

### Gift Types

#### Gift Commitments

If the university receives a Gift Commitment for a purpose that cannot be determined after **three (3) months**, the gift commitment will be canceled.

The university should make every effort to ensure this situation is rare, and that all Gift Commitments clearly indicate the purpose of the gift.

#### Planned Gifts

The university recognizes the long-term nature of planned gifts (e.g. bequests, life income gifts, etc…), as such, even though they are Gift Commitments, it is possible that planned gifts will not have a designated purpose at the time of acceptance by the university. As such, planned gifts for which a designation cannot be determined after **three (3) months** will be designated according to standards set in B.4 Default Purposes, and will not be subject to the standards set forth in B.5.a Gift Commitments.

## Grace Period

Prior to a gift with an unidentified donor being subject to the standards set in A.4 Default Identity or a gift with an unknown purpose being subject to the standards set in B.4 Default Purposes, a daily report will be provided to the Vice President, Development and Alumni Relations and Executive Team of DAR identifying such gifts.

Recipients of the report will have **fourteen (14) days**, from the day on which the default identity or purpose was determined, to request an exception to the actions being taken as indicated in the report.

## Exceptions

All exceptions to this policy must be approved by the Vice President, Development and Alumni Relations.

## Adoption

Upon adoption of this policy, all current Pending Gifts, regardless of the length of time for which they have been pending, will be given a three (3) month grace period before this policy applies.

# Contacts

For policy clarification, or additional information regarding Pending Gifts, please contact the Assistant Vice President, Information Services for DAR.

# Related Information

*Lehigh University Gift Acceptance Policy*

*Lehigh University Gift-In-Kind Policy*

*Lehigh University Naming Policy*

*Named Gift Threshold Guidelines*

*Lehigh University Campaign Counting Policy*

# History/Revision Dates

**Origination Date:** 1/13/2023

**Last Amended Date:**

**Next Review Date:**