MASSART
foundation

Massachusetts College of Art and Design Foundation
Gift Acceptance Policy

Voted: September 28, 2026

1. OVERVIEW STATEMENTS

A. Board Commitment

It is the policy of the Board of the Massachusetts College of Art and Design Foundation, Inc. (the Foundation) to offer the donor the opportunity to make gifts to the Foundation for the benefit of Massachusetts College of Art and Design (MassArt), both of cash and non-cash assets, in a manner beneficial to the donor while protecting the fiscal and legal integrity of the institution. It is also the policy of the Board to allow the donor to make gifts, reserving life income for the donor and other beneficiaries through their wills or current giving.

B. Ethics in Receiving Gifts

The Foundation authorizes the acceptance of gifts only where there is genuine donative intent, where there has been full disclosure between the donor and the Foundation including, to the best of the Foundation's ability, full disclosure of any tax ramifications to the donor, where the donor has been encouraged to seek her/his counsel on legal and financial matters, and where the gift is in the best interest of both parties. This Board does not authorize the acceptance of gifts that would jeopardize the financial, legal, or moral integrity or reputation of the institution, or where the gift would cause embarrassment to the donor or her/his family.

If at any time, in the reasonable discretion of the Foundation, the Fund name compromises the public trust or the reputation of the Foundation or MassArt, including acts of moral turpitude, the Foundation has the right to remove the name from any Massachusetts College of Art and Design and/or Foundation assets or any publications or materials.

C. Gift Valuation

The Foundation authorizes the MassArt Office of Institutional Advancement to value cash gifts at face value and in consonance with sound accounting principles. The value of a gift of stock is the fair market value of the stock on the day the gift is received by the Foundation, which is the average of the highest and lowest selling prices on a public stock exchange.

For campaign crediting purposes, irrevocable planned gifts (including, but not limited to, charitable remainder and lead trusts, life estate agreements, and paid-up life insurance policies in which the Foundation is named as both owner and beneficiary) will be valued at their fair market or principal value, or at present value where required by IRS

regulations or CASE standards. Revocable planned gift commitments (such as bequest intentions or beneficiary designations in which the donor retains the right to amend or revoke) may be eligible for campaign credit if they are (a) documented in writing, (b) state a specific dollar amount or credible estimate of value, and (c) are made by donors who are age 75 or older at the time of documentation.

The Foundation requires written confirmation of any such revocable commitment—such as a copy of a will, codicil, trust provision, or signed bequest intention form—before credit is awarded. Campaign credit for revocable gifts will be contingent upon receipt and verification of documentation and may be adjusted if the commitment is modified or rescinded. The Foundation reserves the right to decline or adjust credit for any planned gift that cannot be reasonably valued, imposes restrictions inconsistent with institutional priorities, or creates undue administrative or financial burden.

Full disclosure must be made to the donor when the gift is valued higher than the value placed on the gift by the Internal Revenue Code in determining the amount of deduction for the donor's income gift or estate taxes. When necessary, the Foundation authorizes the MassArt Office of Institutional Advancement or other appropriate office to adjust the value given to a gift in case of revaluation by the IRS.

Full responsibility for the valuation of in-kind gifts rests on the donor for claiming any deductions, including filing Form 8283, and any appraisals or other documentation. Full responsibility also rests on the donor for the value given to tangible personal property or services, and donors will be expected to give the Foundation a written statement of value for these types of gifts.

D. Pledges

A pledge to the Foundation is a written, unconditional promise by a donor to contribute cash or other assets to the Foundation. The Foundation will accept and record written pledges following generally accepted accounting standards (GAAP) and Financial Accounting Standards Board (FASB) rules. The Foundation will not record a multi-year pledge on advancement or general accounting records unless it is substantiated in writing via a Foundation-approved gift agreement signed by both the Foundation and the donor. The agreement must include the gift amount and the schedule of pledge payments. The agreement will also state the designation of the gift, such as an indication of preferences or restrictions on the use of the funds.

Conditional pledges, such as those received in emails from the donor reflecting the gift amount and schedule of pledge payment(s), will be accepted after approval by the Foundation Executive Director. Such pledges will be recorded in Institutional Advancement fundraising totals only and not be recorded within general accounting ledgers.

The Foundation, under no circumstances, will book a verbal pledge. Additionally, donors may not use a Donor Advised Fund to fulfill a pledge.

II. ASSETS ACCEPTABLE AS GIFTS

The following assets are acceptable as described, as outright gifts, as bequests or devises (estate gifts), or when appropriate, as funding for a charitable remainder trust, gift annuity, pooled income fund gift, or lead trust as determined by the Internal Revenue Code.

A. Cash

Cash is acceptable.

B. Securities

Listed securities, or securities actively traded in the public stock exchange, are acceptable. Securities in closely held corporations, S corporations, or otherwise privately held securities are acceptable upon the approval of the Foundation's Director of Finance in consultation with the Foundation Executive Director.

C. Real Estate

Real property that is mortgage-free is acceptable with a minimum value of $500,000. Full interests, partial interests, and remainder interests in real property are all acceptable. Remainder interests are contracts. In the case of such gifts, the donor will be expected to agree to pay all property taxes, maintain the property, and provide adequate insurance on the property.

Conditions for acceptance shall include salability and annual maintenance costs, including evaluation of any liens against property and any real estate taxes. Donors may also be asked to sign a statement regarding liability for previous and current environmental or other conditions if the Foundation deems it appropriate.

D. Bargain Sales

Definition: A bargain sale is one in which the Foundation is provided the opportunity to purchase property at less than its fair market value. The gift is usually the difference between the sale price and the market value.

Bargain sales are not acceptable unless it serves to benefit the Foundation and is submitted by the Foundation Executive Committee and passed by the College Board of Trustees' Administration and Finance Committee before acceptance.

E. Tangible Personal Property (In-Kind Gifts)

Gifts of tangible personal property are acceptable, but it is Foundation policy to make the

best effort to accept only gifts that align with the College's mission and values. Conditions for accepting gifts include salability or as-is usability and current College needs for the type of property offered, physical condition of the property, cost of any storage or insurance needed, and any other unusual feature or condition involved in the transfer. The College does not currently accept donations of artwork, collectibles, or similar tangible property as it is unable to manage, store, appraise, or find a related use for such items. Exceptions will be considered at the sole discretion of the Foundation Executive Director.

College staff and faculty members are not responsible for assigning a value to these gifts - any valuation must be provided by the donor. Donors are responsible for packing, shipping, and/or delivery of gifts once acceptance has been confirmed. Based on guidelines from the IRS and CASE, the costs related to shipping may not be considered part of the value of the charitable contribution. The Foundation reserves the right to decline any gift that does not further the College's mission or values.

F. In-Kind Services and Volunteer Expenses

Gifts of professional or volunteer services, as requested by the College, are acceptable. Donors are expected to discuss with the recipient department the nature and value of the service in advance of giving it.

Volunteers may receive gift credit for expense reimbursements directly related to In-Kind Services donated to the Foundation.

G. Insurance

Gifts by contract, particularly life insurance, through which the Foundation will receive a future benefit, are acceptable with a minimum face value of $25,000, so long as the Foundation is not required to expend funds from sources other than the donor to maintain the contract. The Foundation may be named as a percentage or contingent beneficiary of any life insurance policy.

H. Other Assets and Forms Gift May Take

Other types of gifts not mentioned in this policy may be acceptable within reason for the purpose given and in an amount appropriate for the gift type. The Foundation Executive Committee is expected to use fiscally and legally sound rationales for acceptance. This policy should serve as a general guideline under such circumstances.

I. Donor-Advised Funds (DAF)

A Donor-Advised Fund (DAF) is a charitable giving vehicle administered by a public charity. When the Foundation receives a grant from a DAF, hard credit (the legal tax

credit) is issued to the sponsoring DAF entity, while soft credit is assigned to the individual, family, or organization recommending the gift for recognition purposes.

Because donors receive a full tax deduction at the time they contribute assets to their DAF, IRS regulations prohibit DAF grants from providing any non-incidental personal benefit to the donor, advisor, or their family members. Consequently, DAF funds cannot be used to pay for event tickets, gala seats, or sponsorships that include non-deductible perks such as meals or entertainment. Additionally, DAF grants may not be used to satisfy legally binding personal pledges, though donors are welcome to direct DAF contributions toward non-binding intents to give.

III. LIFE INCOME VEHICLES

The following life income agreements are acceptable when in compliance with the Internal Revenue Code at the time the gift is established and are subject to reformation as tax laws change. The Foundation willingly acts as a trustee and/or gift manager for these life income vehicles where the Foundation is to receive no less than 50% percent of the remainder interest.

A. Gift Annuity

A gift annuity contract may be established for a minimum gift of $50,000. Annuitants must be 60 years of age or older when payments begin. Annuities may have no more than two annuitants.

B. Charitable Remainder Trusts

Both charitable remainder annuity trusts and charitable remainder unitrusts are acceptable. A minimum funding amount of $50,000 is required to establish these gifts. The number of life income beneficiaries and the generations across which beneficiaries may span are negotiable based on meeting the Internal Revenue Code for remainder values, generation skipping tax implications for the donor, and the funding amount. Minimally funded trusts are limited to two income beneficiaries of the same generation.

IV. ENDOWED FUNDS

A. General Guidelines

The Foundation encourages donors to establish permanent endowed funds and allows donors to name these. The Foundation accepts unrestricted endowed funds, preferred use endowed funds, and restricted endowed funds. Funds must be $25,000 or more at the time of establishment to be held and invested separately from the Foundation's endowment portfolio. (Donations of any size for endowed funds or life income gifts may be held and invested separately from the endowment portfolio temporarily

without conflicting with this policy.)

Restricted endowments must contain the following language: "Should the provisions for the use of the income from this endowment cease to be effective or practicable in the sole determination of the Foundation, the Foundation is authorized to use such income in a manner consistent with the IRS guidelines and the general intent of such provisions."

Establishing a term-of-years endowed fund is permitted when recommended and approved by the Foundation Executive Director.

B. Types of Endowed Funds

1. Scholarships

Endowed scholarships may be established with a minimum gift of $25,000. (Cash and cash equivalent gifts below the minimum, which are designated for scholarships, will be placed in the general scholarship endowment, unless a pre-existing scholarship is designated.)

Donors may accumulate gifts toward the minimum funding of an endowed scholarship with a gift of one-fifth the required minimum and a signed endowed fund agreement. Any exceptions to this minimum must be approved by the Foundation Executive Director. Accumulations toward the endowed fund minimum must be completed within five (5) years from the date of agreement. If accumulation is not completed, the agreement will be considered terminated, and gift amounts will be placed in the Foundation's unrestricted endowment.

Scholarships may be established with estate or planned gifts. Scholarship money received by the Foundation through a will or other planned gift, which is less than the required minimum funding at the time of distribution, will be placed in the Foundation's unrestricted endowment, unless legally impossible, in which case, the Foundation reserves the right to decline the gift.

Scholarship payments to student recipients will not be made until the minimum for the endowment has been received, the endowed fund agreement is signed and approved by the Foundation Executive Director, and sufficient income has been generated for distribution, which is generally at least one full calendar year. Donors accumulating gifts toward minimums or waiting for the endowed fund to generate sufficient income, may provide for a current use distribution in the agreement, which is supported by an additional temporarily restricted gift.

Endowed Fund agreements shall be signed by the donor and by the Foundation Executive Director. In the event of a leadership transition, scholarship agreements can be signed by the Chair of the Foundation Board of Directors.

2. Endowed Department & Program Chairs

Endowed chairs, highly distinguished faculty positions, may be established with a minimum funding of $3,000,000. Donors may structure their commitment through an outright gift, a multi-year pledge (typically 3-5 years), or a combination of current and planned gifts. The initial installment should be at least 20% of the total commitment.

Endowed chairs are held and invested according to the Foundation's endowment investment policy. Annual distributions follow the Foundation's spending policy rate (currently 4% of the trailing 12-quarter average market value). Donors work collaboratively with the Foundation and MassArt leadership to establish:

- The chair's purpose and intended impact
- The academic program or department it will support
- Reporting and stewardship expectations

Partial funding agreements require a signed pledge agreement specifying the funding timeline and completion date (not to exceed five years from the initial gift). If the minimum funding is not completed within the specified timeframe, the Foundation reserves the right to:

- Redirect accumulated funds to support the originally designated program area as temporarily restricted fund
- Rename the commitment to reflect the funding level achieved (e.g., fellowship, scholarship, or programmatic support)
- Return the funds to the donor or donor's estate, if requested within 90 days of notification

Distributions from partially funded chairs may commence once the fund balance reaches 25% of the minimum funding level and generates sufficient annual income to support meaningful program activities.

Estate and planned gift commitments for endowed chairs are welcomed and require documentation through a letter of intent or planned gift agreement. The Foundation reserves the right to redirect bequests that fall short of minimum funding requirements to support the donor's stated charitable intent in the most impactful way possible, in consultation with the donor or the donor's estate representatives.

All endowed chair agreements require approval by the Executive Committee of the Foundation Board of Directors and signature by:

- The donor(s)
- The Foundation Executive Director

- MassArt President
- MassArt Provost

Agreements shall document the approval date and include a summary of due diligence review by relevant institutional leadership.

3. Other Endowed Funds

Gifts of any amount may be made to support the unrestricted endowment.

V. DESIGNATING GIFTS

A. Restricted Current Gifts

1. Gifts Under $1,000

Cash and Securities

The Foundation will accept restricted gifts when the restriction already exists in the form of a gift fund at the time the gift is made. The fund may be endowed, an annual fund, or a campaign fund. Restricted gifts will also be accepted where the gift is usable by the Foundation at the time the gift is made, even if a fund does not exist.

Non-Cash Gifts

Once accepted under this policy, non-cash gifts may be restricted under the same guidelines as cash and securities. Donors must be advised before making the gift whether the gift will be sold, held for eventual use, or put to a "related use" as defined by the Internal Revenue Code.

2. Gifts of $1,000 or Greater

Cash and Securities

Donors may make restricted gifts to the Foundation where the restricted fund exists or where the Foundation Executive Director agrees to the restriction.

Non-Cash Gifts

Restricted gifts are acceptable as above. Donors must be advised before making the gift whether the gift will be sold, held for eventual use, or put to a "related use" as defined by the Internal Revenue Code.

B. Restricted Deferred Gifts

1. Estate Gifts (wills, trusts, life insurance, other instruments)

The College will encourage unrestricted estate gifts to the Foundation or the endowment fund, as specific designations often become inactive or non-existent over time. The Foundation reserves the right to decline restricted estate gifts. If the Foundation believes that all or part of this gift cannot be usefully applied to a specific designation, the funds may be used for any purpose that will most nearly accomplish the wishes and purposes of the donor. Upon the donor's request, the Foundation will provide language to assist in establishing a restricted estate gift.

Gifts received where the Foundation had no prior knowledge of the amount or nature of the gift will be treated as if the language above had been included, unless legally impossible. Gifts will be placed in unrestricted current use or the unrestricted endowment when the restriction no longer exists. This determination will be made by the Foundation Executive Director.

2. Other Planned Gifts (charitable remainder trusts, gift annuities, pooled income fund gifts, etc.)

Gifts established through the planned giving program may be restricted with the approval of the Foundation Executive Director. Designation indicates preferred use for these funds and not an absolute restriction. As indicated above, the Foundation is authorized to use this gift in an alternative way consistent with the general intent of the donor if necessary.

Gifts distributed to MassArt where the Foundation had no prior knowledge of the gift instrument or its restriction will be handled on a case-by-case basis. The Foundation reserves the right to decline restricted gifts from planned giving instruments.

VI. NAMING OPPORTUNITIES

All proposals for naming must be approved by the MassArt President in consultation with the Foundation Executive Director and the Foundation Executive Director.

A. Naming New Construction

Negotiations may be initiated with donors who wish to name the building(s) of new construction or of existing buildings under renovation with a current gift of 50% of the construction cost announced at the beginning of a campaign, construction, or renovation project. The Foundation encourages donors naming buildings to consider endowing the maintenance of the building to prevent the need for renovation and possible renaming.

B. Naming Through Planned Gifts

1. General Policy

The Foundation reserves naming opportunities for current gifts and living donors. Use of

an estate or planned gift to name campus property is not preferred but will be considered on a case-by-case basis.

Unless legally impossible, the Foundation will treat estate and planned gifts with naming elements as a request. The Foundation will honor the request at the final distribution of the gift when the name is appropriate and where the gift meets minimum funding for the naming opportunity at the time of distribution. The Foundation reserves the right to decline gifts with naming restrictions.

2. Campaign Policy

Donors wishing to name an item during a campaign may use the present value of a planned gift only if a) the gift is established during the campaign in which planned gifts are counted, b) the Foundation is given a copy of the gift instrument, c) the present value of the gift equals the minimum funding amount or the naming opportunity, and d) the naming proposal is approved by the President of the College in consultation with the Foundation Executive Director and the Foundation Board of Directors.

C. Honorary Naming

The Foundation reserves the right to honor, through appropriate naming opportunities, any individual or family irrespective of the individual or family's giving record.

D. Donor Recognition Policy

The Office of Institutional Advancement donor recognition policy, including any current campaign guidelines, will govern naming opportunities in all instances not covered by this policy. The donor recognition policy and all campaign guidelines shall conform to this policy and may not supersede it without approval by the President of the College in consultation with the Foundation Executive Director and the Foundation Board of Directors.

VII. POLICY EXCEPTIONS

A. General Exceptions

Exceptions to this policy must receive the recommendation of the Foundation Executive Committee. The Foundation shall be asked to ratify the Foundation Executive Committee's action at regular board meetings.

B. Exceptions for Completed Gifts and Gifts Under Negotiation

Gifts made through estate plans that have been properly executed before the date of this policy, and gifts already received by the Foundation, are grandfathered under this policy. Gifts under negotiation at the time this policy is adopted need not conform to the policy, but will be accepted based upon the spirit of this policy and the specific terms negotiated

with the donor.

C. Renewing Gifts for Conformity

Gifts established with a written agreement shall be reviewed periodically, and action taken to conform the gift agreement to current law and the Foundation policy when necessary or appropriate for the well-being of the Foundation. Donors are responsible for conforming gifts where the Foundation is not the trustee or gift manager.

VIII. GIFT ACCEPTANCE PROCEDURE

A. Authority to Negotiate

The Foundation authorizes the President or any presidential delegate working through the planned giving program, and any advisor or outside counsel deemed necessary, to negotiate life income gifts – charitable remainders trusts, charitable lead trusts, pooled income fund gifts, gift annuities – both *inter vivos* and through estate planning.

B. The Gift Acceptance Committee

The Foundation Executive Committee may serve as the Gift Acceptance Committee.

Potentially controversial gifts are to receive a recommendation for action by the Foundation Executive Committee of this Board for acceptance or rejection.

Examples of potentially controversial or problematic gifts are: offers to endow courses that are not academic priorities, to create new institutes or centers that are not academic priorities, to establish new programs that are not academic priorities, or to build or change facilities that are not academic or administrative priorities. Gifts may be problematic if they are offered with unacceptable restrictions. A gift of a scholarship could be restricted to individuals from a small geographic area and, therefore, problematic, for example, making it unlikely to be awarded regularly. The President of the College is ultimately responsible for approving the acceptance of all gifts to the College. No general or group solicitation of funds may be undertaken by any school, department, or individual without the approval of the Vice President for Advancement (VPA). In cases where the level of priority for a project is not clear, the VPA will consult the Provost of the College and the Vice President for Administration and Finance.

No agent of the College or the Foundation will solicit a donor, whether an individual, foundation, corporation, federation, association, other donative entity, or nonfederal grant-making entities, outside of approved funding priorities without approval from the VPA or his/her designated representative.

The VPA, in consultation with the Provost and Vice President for Administration and Finance, is responsible for the development of gift acceptance policies. Recommended policies will be approved by the MassArt Foundation Board of Directors. The VPA, in consultation with the Provost and Vice President of Administration and Finance, is

responsible for the implementation of Board-approved gift acceptance policies.

No fundraising consultants, individuals or firms will be hired to work on behalf of MassArt or any school, center, institute, program, or division of the College without the prior approval of the Vice President for Advancement or his/her designee, and the approval of the President of the College or his/her designee.

Definitions

Gift: A gift is a voluntary, irrevocable transfer of cash or other assets to MassArt without consideration of compensation at the time of transfer or any time in the future.

Unrestricted Gift: An unrestricted gift is made with no conditions imposed by the donor and may be used for the general educational purposes of the College.

Restricted Gift: A gift made with time and/or purpose conditions imposed by the donor; such a gift may be for current, endowment, or capital use. Undue conditions may require that the College decline a restricted gift.

Discretionary Gift: A gift made to the College to be used at "the discretion" of a specified individual, such as a member of the faculty, a dean, or the President. This is counted as an unrestricted gift to the College.

Gift-in-Kind: A gift-in-kind is an irrevocable non-cash contribution of tangible property. It may consist of, but is not limited to, equipment, books, collectibles, antiques, or other tangible property.

Grant: A grant is an allocation of assets to MassArt from a foundation, corporation, or non-federal government agency. Usually, a grant is made for a specific purpose, for a defined period, and delineated by a formal agreement between the College and the donor. It is usually subject to reporting requirements.

Pledge: A pledge is a signed and dated commitment to make a gift over a specified period, generally two or more years, payable according to terms set by the donor and accepted by the College. ***During a campaign for MassArt pledge payments will not exceed five years; exceptions to this for very large or other unusual gifts must be granted by the Gift Acceptance Committee.***

Endowment: A permanent fund established in response to an irrevocable contribution of assets to MassArt. The minimum required to establish an endowed fund is $25,000. The fund principal is invested "in perpetuity," and a portion of the earnings, based on the spending policy approved by the MassArt Board of Trustees, is available for support of College programs or projects. Endowments may take several forms: unrestricted endowment: a permanent fund from which earnings may be applied at the discretion of

the College; restricted endowment: a permanent fund from which earnings may be applied only for a specific purpose, such as faculty salaries or undergraduate scholarships.

Quasi-Endowment: A fund sequestered and invested with other College endowments, but whose principal may be invaded at the discretion of the College. Although usually unrestricted, quasi-endowment may be restricted or unrestricted.

MassArt Annual Fund: The organized effort by MassArt to obtain gifts (primarily unrestricted) every year in support of the annual scholarship support.

Matching Gift: Matching gifts are usually provided by corporations. They are most frequently dollar-for-dollar, but may be other ratios that match an employee's gift to a nonprofit organization. Matches are most commonly found within the Annual Fund, but may follow donor intentions should corporate guidelines permit. At MassArt, matches may be counted toward gift society memberships if received within the fiscal year in which the individual's qualifying gift is received.

Budget Relief: A term used at MassArt (and other institutions) to describe gifts for "current operations" or "approved regular items" from a given year's board-approved operating budget. A gift of current-use scholarships, for example, is fungible and budget-relieving.

Budget Augmentation: A term used at MassArt to describe current operating funds (whether gifts or grants) received for purposes outside a given fiscal year's board-authorized operating budget. Usually, such funds are expended in the year in which they are received.

Designation Pending: A term used to describe a gift that is held in a temporary fund while discussions continue with the donor to determine the purpose for which the gift may be used. Designation pending may also be used to hold a gift prior to a College decision as to usage. A gift in designation pending for more than two years will revert to general institutional purposes unless specific arrangements have been made with the donor and the Gift Committee has approved.

Bequest: A bequest is a gift through an estate or trust.

Planned Gift: A planned or deferred gift is a commitment established legally during the donor's lifetime, but whose principal benefits usually do not accrue to the charitable recipient until some future time. Annuities, gifts of insurance, trusts, and commitments through estate plans are all usually referred to as planned gifts.

Major Gift: A major gift at MassArt is a gift of $25,000 or more from an individual, organization, foundation, or corporation.