

EAST TENNESSEE STATE UNIVERSITY  
BOARD OF TRUSTEES  
FINANCE AND ADMINISTRATION COMMITTEE  
SEPTEMBER 2017 MEETING

10:15-11:45 am EDT  
Friday  
September 8, 2017

Third Floor Meeting Room  
D.P. Culp University Center  
412 J.L. Seehorn Road  
Johnson City, TN

AGENDA

- I. Call to Order
- II. Roll Call
- III. [Approval of the Finance and Administration Committee Minutes of June 9, 2017](#)
- IV. [Capital Project Approval](#)
- V. [Advancement Policies](#)
  - A. Responsibility and Ethics Policy
  - B. Confidentiality and Data control
  - C. Naming of Facilities
  - D. Planned Giving Policy
  - E. Endowment Amounts Policy
  - F. Gift in Kind Policy
  - G. Gift Receipts and Acknowledgements Policy
  - H. Soft Credit Policy
  - I. Pledges Policy
  - J. Acceptance of Gifts of Real Estate Policy
  - K. Distinguished President's Trust - Cumulative Giving Recognition Societies
- VI. [Naming of the Arts Center](#)
- VII. [Quarterly Report of Agreements \\$250,000 or greater](#)
- VIII. Other Business
- IX. Adjournment

EAST TENNESSEE STATE UNIVERSITY  
BOARD OF TRUSTEES

ACTION ITEM

DATE: September 8, 2017

ITEM: Approval of the Minutes of June 9, 2017

COMMITTEE: Finance and Administration Committee

RECOMMENDED ACTION: Approve

PRESENTED BY: B.J. King, Acting Chief Financial Officer

The minutes of the June 9, 2017 meeting of the Finance and Administration Committee are included in the meeting materials.

**MOTION: I move that the Board of Trustees adopt the resolution, approving the minutes as outlined in the meeting materials.**

**RESOLVED: The reading of the minutes of the June 9, 2017 meeting of the Finance and Administration Committee is omitted, and the minutes are approved as presented in the meeting materials, provided that the Secretary is authorized to make any necessary edits to correct spelling errors, grammatical errors, format errors, or other technical errors subsequently identified.**

EAST TENNESSEE STATE UNIVERSITY  
BOARD OF TRUSTEES  
FINANCE AND ADMINISTRATION COMMITTEE

MINUTES

June 9, 2017  
Johnson City, Tennessee

The East Tennessee State University Board of Trustees' Finance and Administration Committee met at 9:40 a.m. on Friday, June 9, 2017, in Meeting Room 3 in the D.P. Culp University Center on ETSU's main campus in Johnson City, Tennessee.

**I. Call to Order**

Mr. Steven DeCarlo, Chair of the Finance and Administration Committee, called the meeting to order.

**II. Roll Call**

Board of Trustees Secretary Dr. David Linville called the roll and declared that a quorum was present. Committee members in attendance were: Chairman DeCarlo, Mr. Nathan Farnor, Ms. Dorothy Grisham, Mr. Jim Powell, and Mr. Ron Ramsey.

Among the guests in attendance were: Ms. Bridget Baird, ETSU Associate Vice President for Community and Government Relations; Dr. James Batchelder, Assistant Dean for Fiscal Affairs, ETSU College of Clinical and Rehabilitative Health Sciences; Mr. Alex Cassell, ETSU President's Office; Mr. David Floyd, *Johnson City Press*; Ms. Mary Jordan, ETSU Special Assistant to the President for Equity and Diversity; Dr. B.J. King, ETSU's Acting Chief Financial Officer; Ms. Amanda Marsh, ETSU University Relations; Dr. Brian Noland, ETSU President; Ms. Margaret Pate, Associate Vice President for Budget and Financial Planning at ETSU; Mr. Bill Rasnick, ETSU Associate Vice President for Facilities Management; Dr. Richard Rhoda, Interim Dean of the Claudius G. Clemmer College of Education at ETSU; and Fred Sauceman, ETSU University Relations (taking minutes).

**III. Approval of the Finance and Administration Committee Minutes of May 26, 2017**

Trustee Powell moved that the minutes of the committee's May 26, 2017, meeting be approved. Trustee Grisham seconded. The motion passed unanimously.

**IV. Adoption of Policies**

Consensual Romantic or Sexual Relationship Policy

Evaluative Authorities have a distinct and prestigious role in the educational process at this university. This policy is meant to prevent any abuse of this special role – even unintentionally – and to protect all parties involved from being in a vulnerable position or from feeling pressure. Also, consensual relationships can lead to favoritism from the Evaluative Authority; others may believe that there is favoritism even if there is not.

Definitions:

Evaluative Authority: any person with authority over another individual (e.g. grading, employment, supervision, writing letters of recommendation, award/scholarship recognition, scheduling, or the ability to provide special consideration or treatment).  
Consensual relationship: any intimate relationship when both parties consent and the relationship is of a romantic or sexual nature, whether that be dating, marriage, or another arrangement.

Policy:

The University prohibits a consensual relationship between an Evaluative Authority and any other individual over whom that person has a form of authority. Such a relationship implies a conflict of interest. Any consensual relationship that constitutes a potential conflict of interest must be reported to the Evaluative Authority's supervisor by the Evaluative Authority. The conflict of interest must be resolved. If an Evaluative Authority fails to report, then the Office of Equity and Diversity will investigate and take action as appropriate.

Ms. Jordan reviewed with the committee the internal processes and steps that led to the creation of the new policy and explained that all applicable state and federal laws had been consulted. She told the committee that, previously, four different such policies had been found on campus, and the new policy provides standardization and uniformity. Chairman DeCarlo asked Ms. Jordan if she knew of any such conflicts that currently exist on the campus. She responded that ones the institution was aware of have been resolved. Trustee Grisham asked if the policy would apply to faculty-student relationships. Ms. Jordan responded affirmatively, indicating that it covers any types of evaluative relationships that might exist on campus.

Trustee Farnor moved that the policy be approved by the committee. Trustee Ramsey seconded. The motion passed unanimously.

## **V. Proposal for a Pilot In-State Equivalent Tuition Rate for Social Work BSW and MSW programs in Asheville and Abingdon**

Background

ETSU's Mission Statement asserts that "Education is the university's highest priority." It further elaborates that "the institution is committed to increasing the

level of educational attainment in the state and region” and that it “honors and preserves the rich heritage of Southern Appalachia . . . and is actively engaged in regional stewardship.”

- ETSU’s Strategic Plan includes a priority to have enrolled by 2026 (1) 18,000 students on campus, on-line, or at a remote location and (2) 3,500 out-of-state and international students.

- ETSU is pursuing—as a growth agenda—a strategic priority that envisions expanding “the University’s geographical footprint through revision of its tuition policy as it relates to out-of-state students.”

- No department at ETSU has pursued more aggressively the goal of expanding ETSU’s regional geographical footprint than has the Department of Social Work. Its commitment to the extended campus is represented by approved teaching sites where it offers programs in Kingsport, Sevierville, Abingdon, and Asheville.

#### Proposal for Pilot

The Department of Social Work requests authorization to initiate a pilot program of “in-state-equivalent” tuition for all out-of-state students enrolled in the Department’s Baccalaureate and Masters programs at its approved teaching sites in Virginia and North Carolina.

- The three-year pilot would apply to all students enrolled in ETSU’s Social Work program cohorts and cost centers beginning with the Fall term (2017-18) and extending through the Spring term (2019-20).

- The pilot would apply to students in both the Baccalaureate program (BSW) in Virginia (currently, Abingdon) and to those in the Master’s degree program (MSW) in both North Carolina (Asheville) and Virginia (currently, Abingdon).

#### Rationale for Supporting Pilot

The purpose of the pilot program is to provide a method for increasing applications and consequent admissions to both BSW and MSW programs at both locations by removing the financial disincentive prospective applicants in the region encounter when weighing their options about pursuing their education at ETSU as opposed to public or private universities in either of these non-Tennessee locations.

- It is particularly appropriate that the pilot involve Social Work because the department has an historical commitment to access.

- The added benefit of increasing ETSU enrollment in these areas is that of attracting an ever larger proportion of the available market, discouraging attempts by competing

institutions to duplicate ETSU programming in our target areas by “soaking up” the most attractive applicants.

- Apart from programming costs to the department (each site—whether in-state or out-of-state— quite unique), our goals remain the same: (1) expanding the contributions offered by the Department of Social Work through its BSW and MSW programming to residents throughout and across our multi-state region, (2) reaching out to new populations of potential students as a method to overcome the geographic challenges mountains and distances provide, (3) generating revenue for ETSU and with that portion of revenue allotted to the Department of Social Work in order to expand the resource base from which it can address its mission, and (4) improving the quality and relevance of professional/academic programming on behalf of a region that desperately needs it.

- Additional indicators of success include development of additional programming sites (this primarily relating to Virginia) and/or implementation of additional dimensions of departmental programming (e.g., the introduction of elements of BSW programming in Asheville where none currently exists).

- Caveat: What is proposed here is essentially a programming initiative rather than a careful, tightly controlled experimental study. The purpose is not that of “studying” the effects of an experimental tuition for certain out-of-state students but rather that of concluding whether such an initiative can be successfully employed as part of a comprehensive effort to market BSW and/or MSW educational opportunities toward the goals of achieving market dominance within our geographic/service region.

#### Evaluation of Pilot:

The 3-year period specified for this pilot is necessary for purposes of (1) communicating the competitive costs of our programming to prospective applicants (some of whom are still one or more years removed from being eligible to apply to our programs), (2) examining marketing, recruiting, admission, and capture dynamics as we expand the footprint of our programming into additional market areas of Virginia well beyond the “Border Compact” (e.g., the Wise or Richlands areas), and (3) providing sufficient data to enable some comparisons of market yield and relative revenue generation across pre- and active pilot periods. Success will be measured in terms of applications received, applications accepted, actual enrollments, “capture rate,” student retention, and successful pursuit of graduation revenue generation. The Department will seek from those data to determine distinctive factors from out-of-state sites compared to Tennessee programming locations. Data on these same variables will also be compared for out-of-state programming locations only looking for significant changes between pre- and pilot implementation periods.

Dr. King explained that there is a clear need for these programs in the designated areas and that out-of-state tuition is a major hurdle. Trustee Powell moved that the proposal be adopted. Trustee Ramsey seconded. The motion passed unanimously.

## **VI. Proposal for a Pilot In-State Equivalent Tuition Rate for Community Colleges of Appalachia**

### Background

- ETSU’s Mission Statement asserts that “Education is the university’s highest priority.” It further elaborates that “the institution is committed to increasing the level of educational attainment in the state and region” and that it “honors and preserves the rich heritage of Southern Appalachia . . . and is actively engaged in regional stewardship.”
- ETSU’s Strategic Plan includes a priority to have enrolled by 2026 (1) 18,000 students on campus, on-line, or at a remote location and (2) 3,500 out-of-state and international students.
- ETSU is pursuing—as a growth agenda—a strategic priority that envisions expanding “the University’s geographical footprint through revision of its tuition policy as it relates to out-of-state students.”
- The Center for Community College Leadership (CCCL) at ETSU was established in 2016. It is committed to be the preeminent source for leadership training, both in the form of graduate degree credit instruction and professional development, for faculty and staff at community colleges in Tennessee and throughout Appalachia.
- The Community Colleges of Appalachia (CCA) is a voluntary association of public community colleges serving the common interests of member colleges and their communities through programs and services responsive to the unique cultural, geographic, and economic development challenges facing the region. The CCA footprint is that of the Appalachian Regional Commission, which represents portions of 13 states. The ARC is a sponsor of the CCA.

### Proposal for Pilot

- The Department of Educational Leadership and Policy Analysis requests authorization to initiate a pilot program of “in-state-equivalent” tuition for faculty and staff of CCA member institutions enrolled in the Department’s graduate higher education programs: Master of Education in Student Personnel, Doctor of Education in Postsecondary and Private Sector Leadership, and Certificate in Community College Leadership.
- The designated graduate programs serve three levels of career and leadership development to address the needs of faculty and staff at different stages in their

career: post-baccalaureate masters education; post-masters community college-specific certificate; and post-masters doctorate. It should be noted that the certificate program, which was launched in Fall 2016 as part of the CCCL proposal, is designed as a standalone credential or as a concentration of the Doctor of Education.

- The three-year pilot would apply to all eligible students enrolled in the designated programs beginning with the Fall term (2017-18) and extending through the Spring term (2019-20).

#### Rationale for Supporting Pilot

- The purpose of the pilot program is to initiate a collaborative relationship between ETSU and the CCA that will be of mutual benefit in fulfilling their respective missions. Other dimensions of the relationship will include the CCA executive director and CCA campus presidents serving on the advisory committee of the CCCL, and collaboration in the design and conducting of targeted professional development events for faculty and staff.
- The pilot will advance the ability of CCCL to strategically serve and influence community college leadership in Appalachia.
- All instruction in the designated programs is online, which lessens the significance of students' residence and physical location of instruction. It should be noted, however, that seminars, workshops, and symposia may be convened at ETSU or other locations as part of the programs.
- It also should be noted that the proposal anticipates that over time, faculty and staff from virtually every member college of the CCA could earn graduate credentials from ETSU. Current membership of the CCA includes 68 institutions in states other than Tennessee.

#### Evaluation of Pilot

- The three-year period specified for this pilot is an appropriate period from which to assess the effectiveness of marketing, recruiting, and admissions, as well as whether the expectations of the CCA are met successfully.
- Success will be measured in terms of applications received, applications accepted, actual enrollments, student retention, and successful completion.
- Continuation of this collaborative relationship beyond the pilot period will be subject to approval by ETSU and CCA.



Dr. King emphasized that this relationship will serve to strengthen community college leadership across several states. Trustee Ramsey made a motion that the proposal be approved. Trustee Powell seconded. The motion passed unanimously.

## **VII. Budget for 2017-18**

Dr. King explained that budget requests were based on Governor Haslam's appropriation and tuition and fees. Included is a three percent pool for employee salary increases, 60 percent of which is funded by the state. ETSU must cover the other 40 percent. She explained that since ETSU is now a locally-governed institution, comparative data from other schools will not be available until they complete their governing board processes. She said the new ETSU budget is based on a 3.97 percent increase in tuition.

Dr. King told the board that this budget represents an investment in people. Two percent salary increases will be given across the board, with the other one percent covering equity adjustments. She said that out of an approximately \$2.7 million increase for the main campus, some \$2 million will directly represent an investment in people, primarily in the form of new faculty positions.

Trustee Grisham asked if figures listed under student services and scholarships included money to help underserved populations. Dr. King responded in the affirmative, adding that ETSU has pushed scholarship increases and the creation of new scholarship programs and has improved its marketing of scholarship programs.

Chairman DeCarlo asked about the transparency of the budget process. Dr. King responded that there has been a much higher level of transparency in the budget process this year—that meetings have been open and materials made available widely, including posting on the web. She said the goal of the process is to let everyone have a voice. She told the board that “next year's budget starts today” and that a list of items that did not get covered in this proposed budget is already being assembled. She said that in order to help students with their financial planning, her desire is to gain board approval for fees by April 27 of next year and perhaps even earlier in years after that. She said it would be advantageous to have budget hearings in September, once fall enrollment figures are known.

Trustee Grisham made a motion that the budget for 2017-18 be approved. Trustee Powell seconded. The motion passed unanimously.

### 2017-18 Budget Totals:

Main Campus: \$245,630,700

College of Medicine: \$58,799,300

Family Medicine: \$16,241,800  
College of Pharmacy: \$11,458,300

### **VIII. Presentation: An Introduction to University Physical Plant and Current Capital Projects**

Dr. Noland and Mr. Rasnick updated the committee on the status of current and future capital projects across campus and university physical plant operations. Dr. Noland indicated that one of the purposes of the presentation was to provide a sense of the complexity of the campus and that in the future, he hopes to set up work sessions so that committee members can get a first-hand look at the construction, improvement, and maintenance work being done. The presentation was divided into four parts: review of campus facilities master plan; review of current capital projects; review of local projects; and overview of staff, operations, budget, and utilities. (See handout and PowerPoint presentation on file.)

Dr. Noland reported that between now and September, much time will be spent working on the Capital Strategic Master Plan. He highlighted the West Walnut Street corridor as a potential growth zone for the university, with the possible acquisition of the Neebo property and some neighboring properties. Mr. Rasnick told the committee that the current master plan was completed in 2014 and that an update is targeted for 2019.

As called for in the housing master plan, Mr. Rasnick said all student housing units on campus are either new or have been renovated over the last 10 years. Some 3,000 beds now exist on campus. Discussions are now underway regarding next steps in improving campus housing opportunities.

Mr. Rasnick then reviewed vehicular and pedestrian circulation patterns on campus and raised the likelihood of a parking garage to be located on the eastern side of campus that might also include retail operations. He indicated that there are some opportunities for expansion on the west side of campus as well, where commercial property exists, and perhaps on the south side, when residential properties might come available.

Mr. Rasnick then reviewed existing Health Sciences Center space on the VA campus, where ETSU is in year 22 of a 35-year lease. He then gave a brief overview of ETSU's remote facility locations, including the Nave Center in Elizabethton; ETSU at Kingsport Downtown; ETSU at Kingsport, Allandale; ETSU's locations in Sevierville; ETSU's offices at Northeast State Community College; and ETSU's Valleybrook campus. Trustee Ramsey asked about current usage of the Allandale facility. Mr. Rasnick replied that many evening classes are still held there.

Mr. Rasnick described various capital projects in design, all in accordance with the master plan. Over \$100 million in projects are now in the design phase. The largest are D.P. Culp University Center additions and renovation at \$40,500,000 and the fine arts building at more than \$52,300,000.

Capital projects in the construction phase currently total almost \$50 million. Mr. Rasnick told the committee that some \$250 million in new construction has either been completed or has been in process over the past five years. In response to Chairman DeCarlo's question about how that compared to the previous five to 15 years, Mr. Rasnick said that for the last 20-year period, the total would approach \$750 million.

Dr. Noland continued the presentation by highlighting some smaller projects that will in actuality have a major impact on campus life and that are driven by strict deadlines and timetables. A case in point is the storm water drainage repair project, with a \$2 million price tag but of major importance to the structural integrity and safety of the campus. Dr. Noland commended Mr. Rasnick and his staff for juggling so many projects so skillfully.

Dr. Noland then focused attention on the construction of the new football stadium, which he said is on time and under budget. Ground was broken December 15, and the stadium should be completed in August. Seats are scheduled to arrive August 6.

Dr. Noland shared a number of drawings of the Martin fine arts center, noting that the project was approved at just over \$52 million by the State Building Commission. He said the updated exterior now blends well with the neighboring Millennium Centre. Among the building's major features will be a 1,200-seat main auditorium, a 200-seat recital hall, a "black box" theatre space, rehearsal areas, and faculty offices. Dr. Noland noted that the City of Johnson City's \$8 million investment allowed for the addition of 500 seats to the auditorium and various other improvements including HVAC. Ground will be broken at the start of the fall semester, with a goal for the opening being in November or December of 2019. Dr. Noland stressed the necessity of remaining within the specified budget. Chairman DeCarlo asked if the university would get money back if the cost were reduced, and Mr. Rasnick indicated that it would. Chairman DeCarlo then asked about who will be controlling the construction schedule, given the partnership with the city. Mr. Rasnick responded that the city has not been a part of those discussions and that the schedule is driven by the university, the architect, and Denark Construction. Dr. Noland added that once the center is opened, a committee will control the performance schedules. The city's financial investment guarantees it 10 public events per year. Trustee Farnor asked about features that had to be eliminated from the building plan. Dr. Noland replied that in order to keep the project within budget as required by the state, art, dance, aerial

dance, and bluegrass will not be included, but other spaces both on and off campus for those units will be considered.

Dr. Noland then presented an analysis of renovations and additions to the D.P. Culp University Center. The budget for the project is some \$40 million, encompassing an area exceeding 200,000 square feet. President Noland said more than 250 offices will have to be relocated when construction begins. One salient example is the entire Advisement Center, with over 48 work stations. Among the areas to be closed temporarily during construction will be the amphitheater, parking lot 35 between Culp and the Reece Museum, and retail food service in Culp. Completion is expected in late 2019 or early 2020. Dr. Noland stressed the importance of talking with the city about temporary or permanent acquisition of Millennium Centre, in part to accommodate these temporary displacements. In response to Chairman DeCarlo's question about the advantages that these renovations and additions will bring, Mr. Rasnick said that the building will be more student-centric and that the new spaces being created are a result of much student input. Dr. Noland and Mr. Rasnick pointed out that the changes in and around Culp are all part of making ETSU a more student-friendly campus.

Dr. Noland then turned to the work underway to renovate Building 60 on the VA campus, a building to be known as the Sim Center, since it will be the new home for medical simulation for Medicine, Pharmacy, Nursing, and Physical Therapy. Dr. Noland pointed out that the building will feature outdoor seating as well as food service, marking the first time that food service will be available in a building belonging to ETSU on the VA campus. The building is almost a century old, and many of its distinguishing features will be retained. The \$12.9 million, self-funded project began in January and should be complete by June of 2018. Trustee Ramsey inquired about the name of the architectural firm, and Mr. Rasnick indicated that it is Red Chair out of Knoxville.

The presentation continued with Mr. Rasnick describing how local projects are carried out on campus. Funds for these projects typically come from departmental budgets. In 2016, for example, 187 such projects were requested, and 129 of those were completed, for a total of almost \$1 million. In addition, Mr. Rasnick told the committee that Facilities Management receives almost 20,000 work orders a year. After those jobs are completed, a customer satisfaction survey is sent, and the positive response rate is consistently around 88 percent.

Mr. Rasnick also shared peer comparison data for several categories of Facilities Management work. ETSU compares favorably in almost all categories. For example, during fiscal year 2014-15, for main campus custodial work, ETSU spent \$1.07 per square foot, whereas southeastern region peers spent \$1.19. The national average was \$1.41. Custodial costs in terms of full-time enrollment were also lower, with ETSU

at \$281.84 per FTE, southeastern peers at \$395.98, and the national average at \$404.44. Main campus maintenance proved lower as well, with ETSU at \$1.06 per square foot, southeastern peers at \$1.37, and the national average at \$1.63. Computed per FTE, maintenance costs for that same year equated to \$280.38 at ETSU, \$487.81 for southeastern peers, and \$482.03 nationally. Grounds costs per FTE at ETSU that year were \$91.76, while southeastern peers reported \$146.12 and the national average was \$129.09. Trustee Ramsey asked about whether Governor Haslam's outsourcing proposal would be effective at ETSU. Mr. Rasnick responded that the numbers show it would not. He said the benchmarking data clearly pinpoint efficiencies at ETSU, plus the quality of work being done by campus personnel is excellent. Mr. Rasnick added that ETSU has experienced some struggles in recruiting people, but those were minor compared to what is happening in other parts of the state.

Mr. Rasnick went on to highlight further efficiencies in energy usage on campus. For fiscal year 2014-15, he reported, ETSU's energy costs per square foot were \$1.55, compared to \$2.27 for southeastern peers and a national average of \$2.31. Mr. Rasnick also provided the committee with detailed tables listing usage and costs for electricity, gas, water, and sewer. Chairman DeCarlo asked if ETSU is able to negotiate discounts. Mr. Rasnick responded that the university purchases gas on the futures market and locks in rates when they are low. In addition, ETSU has been able to take advantage of a new billing rate for commercial customers offered by the Johnson City Power Board, resulting in savings of around \$400,000 a year.

Dr. Noland added that ETSU now has an energy manager, a new position added within the past two years. He also pointed out that ETSU intends to become the first institution in the state system to sever from the Board of Regents on locally managed projects. And he reported that boiler replacement is underway on campus, finalizing the shift away from coal to natural gas.

Chairman DeCarlo and the committee commended Dr. Noland and Mr. Rasnick for the thoroughness of their report and acknowledged the outstanding work being done all across campus by ETSU staff.

## **IX. Other Business**

There was no other business to come before the committee.

## **X. Adjournment**

The committee meeting adjourned at 11:17 a.m.

EAST TENNESSEE STATE UNIVERSITY  
BOARD OF TRUSTEES

ACTION ITEM

DATE: September 8, 2017

ITEM: Capital Project Approval

COMMITTEE: Finance and Administration Committee

RECOMMENDED ACTION: Approve

PRESENTED BY: Jeremy Ross, Acting Chief Operating Officer

The overall goal of facilities planning for the Tennessee Higher Education Commission (THEC) is to provide physical facilities that enable each institution to provide a quality educational atmosphere to fulfill their role and mission. This goal is accomplished through annual recommendations for the funding of projects in two programs: capital outlay and capital maintenance.

Capital outlay projects utilize state funding in whole or in part. They include new facilities or additions required by enrollments or significant changes in programmatic requirements; major renovations which change the function, use or capacity of existing space; major expansions or conversions of central energy plants; and major renovation projects which upgrade or appreciably extend the life of an existing facility.

The capital maintenance projects recommended each year provide a multi-year commitment to protect the integrity of the building structures or bring the equipment or systems in the buildings into compliance with current federal, state and local standards.

This year, a new annual scoring process has been instituted by THEC which will be used to prioritize projects submitted by the TBR, UT System, and the boards of trustees from the six regional universities. Below is the list of ETSU's capital projects and priorities for fiscal year 2018-19. A full description of the capital outlay project proposal for a humanities building is included in the meeting materials.

**Capital Outlay**

\$76,000,000 Humanities Building and Renovation of backfill spaces (Burlison/Rogers Stout)  
**\$76,000,000 Total**

**Capital Maintenance**

\$2,740,000 Campus HVAC Upgrades  
\$1,800,000 Clinical Education Building HVAC Repairs  
\$1,500,000 Campus Water Line Repairs and Replacement  
\$1,000,000 Roof Replacements (Valleybrook and Family Medicine)  
\$2,500,000 Memorial Center Code Deficiencies  
**\$9,540,000 Total**

**Disclosed Projects** (funded by the university without capital request to the State)

\$7,500,000 Outdoor Track & Field Facility  
\$ 225,000 Warf-Pickel Renovations to Meet Program Requirements  
\$ 300,000 Niswonger Village at the ETSU Valleybrook Campus  
**\$8,025,000 Total**

**MOTION: I move that the Board of Trustees adopt the following resolution, approving the submission of the capital outlay, capital maintenance, and disclosed projects as presented in committee to the Tennessee Higher Education Commission.**

**RESOLVED: Upon the recommendation of the Finance and Administration Committee, the Board of Trustees approves the university's submission of the capital outlay, capital maintenance, and disclosed projects to the Tennessee Higher Education Commission.**

## **Capital Outlay Project Proposal**

**Name:**

East Tennessee State University Humanities Building

**Size:**

100,000 Gross Square Feet and Repurposing of Backfill Space

**Cost:**

\$76,000,000

**Project Summary and Goals:**

East Tennessee State University seeks to enhance the undergraduate experience of every student on campus, and thereby increase retention and graduation rates, through the construction of a modern, flexible, student-centered facility that will be home to many key general education offerings. Currently, a number of departments and disciplines in the humanities are spread across four buildings on campus in spaces that are either deteriorating or of low quality for instruction. ETSU has made significant progress in addressing quality space for professional programs, residence life, and space that enhances the university experience. However, facility surveys and plain observation clearly indicate that many general education courses and humanities activities at ETSU are held in space that is unacceptable and of far lesser quality than local community colleges and high schools.

This project seeks to enhance efforts that align with the Governor's Drive to 55 plan relative to improved retention rates, increased graduation rates, and reduction in the time to degree. Revitalizing a central area of campus that currently has a building with a facility rating that indicates demolition with a new Humanities Building will clearly assist with current efforts outlined in the strategic plan to improve the current fall-to-fall retention rate from 71% to 85% among freshmen. Acquiring space that will enhance classrooms, space that encourages student advisement, interdisciplinary collaboration among humanities faculty, and common areas to promote student and faculty interaction will help us to reach those goals and graduate 275-400 more students per year from retention improvement only. The ETSU mission reads, "ETSU provides a student-centered community of learning, reflecting high standards and promoting a balance of liberal arts and professional preparation, and continuous improvement. . . ." Facilities at the University are limiting our ability to achieve the first part of the basic mission to reflect high standards in the liberal arts that touches the lives of every undergraduate student at ETSU.



EAST TENNESSEE STATE UNIVERSITY  
BOARD OF TRUSTEES

ACTION ITEM

DATE: September 8, 2017

ITEM: Advancement Policies

COMMITTEE: Finance and Administration Committee

RECOMMENDED ACTION: Approve

PRESENTED BY: Pam Ritter, Vice President for Advancement

The following administrative policies for University Advancement have been revised to reflect current operations of the university and foundation with the establishment of an institutional board of trustees.

**MOTION: I move that the Board of Trustees adopt the Advancement Policies as outlined in the meeting materials**

**RESOLVED: Upon the recommendation of the Finance and Administration Committee, the Board of Trustees adopts the Advancement Policies as outlined in the meeting materials.**

**Policy Title:** Responsibility and Ethics Policy

**Policy Type:** Finance/Administration (Advancement)

**New/revised:** New

**Old Policy #:** N/A

**Approval level:**  Board of Trustees [Select box for appropriate level of anticipated final approval]  
 President  
 Vice President  
 Other (specify here) ETSU Executive Team (8/22/16).

**Attachments:**

1. Donor Bill of Rights
2. eDonor Bill of Rights

**Responsibilities.** Under the direction of the Vice President for Advancement, the University Advancement Office is responsible for:

1. Developing and communicating the fundraising priorities of ETSU.
2. Identifying, cultivating, and soliciting donors and volunteers.
3. Managing the development and alumni information database and related gift processing systems.
4. Establishing quality standards and metrics for measuring performance.
5. Providing donor relations/stewardship services to internal and external constituents.
6. Providing internal and external reporting on funds raised and collected.

**Ethics:**

1. Staff, volunteers, and other individuals engaged in fundraising-related activities for ETSU are expected to maintain the highest standards of personal and professional ethics. Ethical behavior includes engaging in the spirit of teamwork; exhibiting respect for the University, colleagues, students, faculty, staff, and alumni; participating in those activities in the best interest of donors, prospective donors, and the University; avoiding real and perceived conflicts of interest; monitoring and sharing information regarding use of gift funds; and holding confidential all donor personal and financial information in accordance with administrative policy, federal and Tennessee state law, as well as sound practices.
2. The University Advancement Office is responsible for equitably providing employees with opportunities for professional development, offering appropriate direction and guidance, and maintaining a positive work environment.
3. University Advancement adopts the Donor Bill of Rights (attachment 1), which is endorsed by American Association of Fund-Raising Counsel, Association for Healthcare Philanthropy, Council for Advancement and Support of Education, and the Association of Fundraising Professionals (AFP). Advancement also adopts the eDonor Bill of Rights (attachment 2).

**Donor Confidentiality.** Under prevailing Tennessee law (T.C.A section 49-7-140), donor giving histories and records are entitled to a measure of privacy. State law mandates the ETSU Foundation to maintain a list of donors for inspection on request. Any request to inspect or receive such information should be directed to the Vice President for Advancement/ETSU Foundation President.

## **Attachment 1 – Donor Bill of Rights**

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Philanthropy is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To assure philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the not-for-profit organizations and causes they are asked to support, we declare all donors have these rights:

1. To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.
2. To be informed of the identity of those serving on the organization's governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities.
3. To have access to the organization's most recent financial statements.
4. To be assured their gifts will be used for the purposes for which they were given.
5. To receive appropriate acknowledgment and recognition.
6. To be assured that information about their donations is handled with respect and with confidentiality to the extent provided by law.
7. To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.
8. To be informed whether those seeking donations are volunteers, employees of the organization, or hired solicitors.
9. To have the opportunity for their names to be deleted from mailing lists, publications, or other forms of media that an organization may intend to share.
10. To feel free to ask questions when making a donation and to receive prompt, truthful, and forthright answers.

## Attachment 2 – eDonor Bill of Rights

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The eDonor Bill of Rights complements the original document (attachment 1) and provides further and more detailed guidance for the new world of online giving. In addition to the rights outlined in the Donor Bill of Rights, online donors can expect the following rights:

1. To be clearly and immediately informed of the organization's name, identity, nonprofit or for-profit status, its mission, and purpose when first accessing the organization's website.
2. To have easy and clear access to alternative contact information other than through the website or email.
3. To be assured all third-party logos, trademarks, trustmarks, and other identifying, sponsoring, and/or endorsing symbols displayed on the website are accurate, justified, up-to-date, and clearly explained.
4. To be informed of whether or not a contribution entitles the donor to a tax deduction and of all limits on such deduction based on applicable laws. (Independent consultation with a financial advisor and/or attorney is always encouraged.)
5. To be assured all online transactions and contributions occur through a safe, private, and secure system that protects the donor's personal information.
6. To be clearly informed if a contribution goes directly to the intended charity, or is held by or transferred through a third party.
7. To have easy and clear access to an organization's privacy policy posted on its website and be clearly and unambiguously informed about what information an organization is gathering about the donor and how that information will be used.
8. To be clearly informed of opportunities to opt out of data lists that are sold, shared, rented, or transferred to other organizations.
9. To not receive unsolicited communications or solicitations, by “opting-out.”

**Policy Title:** Confidentiality and Data Control

**Policy Type:** Finance/Administration (Advancement)

**New/revised:** New

**Old Policy #:** N/A

- Approval level:**  Board of Trustees  
 President  
 Vice President  
 Other (specify here) ETSU Executive Team (7/24/17)

**Attachments:**

- A. Employee Confidentiality Agreement
- B. Work Study/Graduate Assistant Confidentiality Agreement
- C. Volunteer Confidentiality Agreement

**1. Purpose:**

- a. This policy serves to protect the personal and professional information of all Advancement constituents and their families
- b. This policy provides for institutional and individual employee and volunteer agreement documentation

**2. Policy:**

- a. University Advancement recognizes that efficient advancement operations require the maintenance and management of extensive donor and prospect records which must be kept confidential at all times.
- b. Donor & other constituent records are protected confidential records and should not be discussed with or disclosed to anyone except co-workers who are specifically authorized to have access to such information and any person or company with whom the institution contracts for relevant services.

**3. Process/Procedures:**

- a. A confidentiality agreement will be signed by every permanent and temporary employee, including undergraduate students and graduate assistants.
- b. A confidentiality agreement will be signed by any volunteer given access to confidential information. In addition, the memorandum of agreement for volunteers must be completed, in accordance with PPP-50.
- c. Original agreements will be kept on file in Advancement Services with Banner Account Request Forms, for as long as they are employed/actively volunteering.
- d. A copy of the signed form will be given to each employee/volunteer.
- e. Requests for access to the Advancement database, related software and reports require completion of an Advancement Account Request Form found at:  
[http://www.etsu.edu/oit/documents/Banner\\_Advancement\\_Account\\_Request\\_Form1.3.pdf](http://www.etsu.edu/oit/documents/Banner_Advancement_Account_Request_Form1.3.pdf)

- f. East Tennessee State University Foundation will honor the request of any constituent who wishes to keep his/her information completely anonymous (except for tax receipting purposes and other disclosure required by law).
- g. It is the responsibility of every user of Advancement data to send information updates to Advancement Services as incorrect/missing data is obtained.

## **Attachment A – Confidentiality Agreement - Employee**

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### **East Tennessee State University**

I, \_\_\_\_\_, acknowledge the confidential nature of non-public information regarding our donors and other constituents. I will respect and safeguard the privacy of these members of the ETSU community and the confidential nature of their information. I understand that in this context, confidential information is considered to be all non-public information that can be personally associated with an individual or organization.

I will not use another's computer sign-on credentials or provide the use of an individual's credentials to gain access to confidential information without proper authorization. I will not disclose confidential information to those who are not authorized to receive it. I will not copy or preserve by paper or in writing, by electronic or any other means, confidential information without proper authorization.

I understand that passwords are the equivalent of my signature. I understand that I will only access information that is required for me to perform my assigned tasks. I acknowledge that if I disclose passwords to any other person, I will be fully accountable and responsible for any use or misuse by that individual to the same extent as if I had performed that act or omission. If I believe I have been asked to access or release information that lies outside my defined job responsibilities, I will notify my supervisor or the Vice President of Advancement and request guidance.

I agree that if I become either a volunteer or paid consultant for any other organization or institution for which any part of my duties or responsibilities involve identifying, cultivating, and/or soliciting potential donors for the organization or institution, I will immediately inform my supervisor in writing.

Under certain circumstances, disclosure of confidential information may be punishable as a criminal offense. I understand and agree that a violation of any portion of the confidentiality policy renders me subject to disciplinary or corrective actions that may result in sanctions including, but not limited to, expulsion, discharge, and/or revocation of employee privileges.

I have read and understand this policy and have received a copy for future reference. I agree to abide by this policy to the best of my ability.

---

SIGNATURE

---

DATE

---

PRINT FULL NAME

## Attachment B – Confidentiality Agreement – Students & Graduate Assistants

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### East Tennessee State University

I, \_\_\_\_\_, acknowledge that in the course of my work for the Advancement Office at East Tennessee State University, I may have access to documents, data or other information, some or all of which may be confidential in nature, whether or not it is specifically labeled or identified as confidential.

Except as required by my activities for the University, I agree not to directly or indirectly use, publish, disseminate, or otherwise disclose to any third party, or use for personal gain, any information acquired in the course of my activities either during or after my temporary assignment with the Advancement office.

I understand that passwords are the equivalent of my signature. I understand that I will only access information that is required for me to perform my assigned tasks. I acknowledge that if I disclose passwords to any other person, I will be fully accountable and responsible for any use or misuse by that individual to the same extent as if I had performed that act or omission. If I believe I have been asked to access or release information that lies outside my defined job responsibilities, I will notify my supervisor or the Vice President of Advancement and request guidance.

I have read and understand this policy and have received a copy for future reference. I agree to abide by this policy to the best of my ability.

---

SIGNATURE

---

DATE

---

PRINT FULL NAME



## Attachment C – Confidentiality Agreement - Volunteers

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### East Tennessee State University

I, \_\_\_\_\_, acknowledge that in the course of my work or volunteer activities for the Advancement Office at East Tennessee State University, I may have access to documents, data or other information, some or all of which may be confidential in nature, whether or not it is specifically labeled or identified as confidential.

Except as required by my activities for the University, I agree not to directly or indirectly use, publish, disseminate, or otherwise disclose to any third party, or use for personal gain, any information acquired in the course of my activities either during or after my temporary assignment with the Advancement office.

I have read and understand this policy and have received a copy for future reference. I agree to abide by this policy to the best of my ability.

---

SIGNATURE

---

DATE

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PRINT FULL NAME

**Policy Title:** Endowment Amounts Policy

**Policy Type:** Finance/Administration (Advancement)

**New/revised:** New

**Old Policy #:** N/A

**Approval level:**  Board of Trustees [Select box for appropriate level of anticipated final approval]  
 President  
 Vice President  
 Other (specify here) ETSU Executive Team (2/7/17). Reviewed by the ETSU Foundation Board of Directors on 2/3/17.

Attachments. None.

1. Gifts totaling a minimum of \$25,000 will be required to establish an endowment fund in the ETSU Foundation. This amount may be given by a donor or donors over a period of five (5) years. An extension of time beyond this period to reach this minimum level may be granted by the Vice President for University Advancement/ETSU Foundation President for good cause shown.
2. Gifts totaling less than \$25,000 may be classified as a Quasi-Endowment upon approval of the Vice President for University Advancement. Additional contributions and investment earnings will be applied to the corpus until the fund reaches the \$25,000 minimum endowment level, usually within a five-year limit. In order to establish a quasi-endowment, there must be an initial gift in the amount of \$5,000.

**Policy Title:** Gift In Kind Policy

**Policy Type:** Finance/Administration (Advancement)

**New/revised:** Revised

**Old Policy #:** N/A

**Approval level:**  Board of Trustees [Select box for appropriate level of anticipated final approval]  
 President  
 Vice President  
 Other (specify here) ETSU Executive Team (2/7/17).

**Attachments:**

- A. In-Kind Gift Request and Approval
- B. Sample Offer of In-Kind Gift

**1. Purpose and Background.** To provide guidance and information for accepting gifts-in-kind (GIK) and personal property. This applies to all ETSU faculty and staff who work with external parties regarding transfer of these types of gifts. The reasons for documenting in-kind gifts are to:

- a. Account for transfers to the University which may require University resources
- b. Provide information to be used by the donor in income tax records
- c. Document the full relationship between the donor and the University and provide appropriate stewardship

**2. Definitions:**

- a. A gift-in-kind is tangible personal property, such as machinery, books, computers, etc.
- b. Gifts of service, volunteer time, or partial interest gifts do not qualify as gift-in-kind donations in the eyes of the IRS. However, in some cases ETSU will apply “soft” credit to donors of services (see paragraph 3j).
- c. Software. Donations of software are usually partial interest gifts and are therefore not countable/recordable as gifts. Additionally, these opportunities must be reviewed and accepted by the VP for Information Technology Services and the VP for Finance.

**3. Process/Procedures:**

- a. Contact Advancement Services if gifts of this nature are contemplated or if faculty/staff have knowledge of prospective donors who might consider such gifts.
- b. Before accepting, gifts-in-kind must be reviewed by University Advancement in concert with the unit designated to receive the gift. A Gift-in-Kind Form (Attachment A) must be completed before the GIK may be accepted. Any gift recommended for acceptance should enhance the purposes of the University.
- c. If an in-kind gift involves a financial commitment on the part of the University, the Vice President for Advancement must be consulted and the President must approve. Art objects, equipment, books, etc. will be reviewed carefully to ensure that acceptance will not involve financial commitments disproportionate to the usefulness of the gift.

Consideration will be given to the cost of maintenance, cataloging, delivery, insurance, display, and storage requirements.

- d. Involve Foundation Accounting in discussions about accepting/retaining in-kind gifts. Foundation Accounting will make a determination regarding whether the gift needs to be added to equipment records (FP-11, Property Equipment Control)
- e. Questions to ask before accepting a GIK:
  - 1) Is it relevant to the work of the university? As a general rule, accept only gifts that further the work of departments and programs at the university.
  - 2) Will accepting the gift jeopardize the reputation of the donor or the university? Does the donor's intent match the interests of the university?
  - 3) Will the gift cost the university money in the future, such as maintenance, repair, or preservation costs?
  - 4) Are there any risks associated with accepting the gift?
  - 5) Will the gift require a special facility in which to house it?
  - 6) Are there any special conditions the donor may impose?
  - 7) If the property cannot to be used in university programs, will the donor allow it to be sold? If the donor places a condition on the gift that it is not to be sold, additional approvals may be necessary.
- f. For gifts of real estate, refer to the policy regarding Acceptance of Gifts of Real Estate.
- g. If you have questions about gifts that seem to be of lesser value (disposable items or operational supplies like paper products, art supplies, bottled water, etc. (typically valued under \$250) contact Advancement Services before preparing the GIK form.
- h. Gifts of personal property or gifts-in-kind valued at more than \$5,000, for which the donor desires to receive a tax deduction, must be documented by the donor on IRS Form 8283, Noncash Charitable Contributions Form at the time of filing. The costs associated with the supporting independent appraisal for such proposed gifts of property shall be borne by the donor and cannot be borne by ETSU or the ETSU Foundation as such an arrangement could be considered as "imputed" income to the donor and could also question the validity and independence for such an appraisal. Donors for proposed gifts of property should be encouraged to work with an attorney or CPA in a timely manner, so the donor fulfills all IRS/legal requirements for the appraisal, or other technical aspects of the proposed gift to fully preserve the donor's potential availability of federal or other income tax deductions.
- i. Although the provision of services will not receive gift credit or a gift receipt from the ETSU Foundation, the Foundation may extend "soft" credit to the provider of such in-kind services (for example, physical exams for athletes) so donor recognition can be afforded to the provider.

## Attachment A – In-Kind Gift Request and Approval



EAST TENNESSEE STATE  
UNIVERSITY

### Request to Receive an In-Kind Gift

Complete request and obtain approvals before accepting.

Item	Date
Department Receiving the Gift	College
Donor Contact	Company
Address	City, State, and Zip
Phone Number/E-mail	E-number
Estimated Value (amount above and check a block below)	Fund Number
<input type="checkbox"/> Written appraisal by qualified evaluators (not University staff/faculty)	<input type="checkbox"/> Judgment of department receiving the gift (if less than \$5,000)
<input type="checkbox"/> Judgment of donor (if less than \$5,000)	

**Description/Purpose of Gift, including how it will benefit ETSU and any costs/obligations incurred by accepting the gift:**

**Notes:**

- In-kind gifts should be offered by the donor in writing. See GIK Policy, Attachment B for a sample. Attach that document to this form.
- DO NOT accept the gift until this form has been approved

**Approval Routing (signatures indicate approval is recommended, unless otherwise noted)**

<b>Requester</b> (Faculty Member/Department Head) Name and Signature	Date
<b>Unit Development Officer</b> (if applicable) Name and Signature	Date
<b>Chair/Director</b> (if applicable) Name and Signature	Date
<b>Dean/Vice President</b> (if applicable) Name and Signature	Date
<b>Chief Financial Officer</b> (review) Name and Signature	Date
<b>Vice President for Advancement</b> Name and Signature	Date

Forward completed/signed form to University Advancement, Burgin Dossett Hall, Room 302, 9-4242  
Revised February 1, 2017

## **Attachment B – Sample Offer of In-Kind Gift**

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DATE: [Date]

FROM: [Donor]

TO: [Department]

SUBJECT: In-Kind Gift to East Tennessee State University

I/we/our company would like to make an in-kind gift to [department] of the following item(s):

[Describe completely, including costs/obligations related to accepting the gift]

I/we estimate the value of this in-kind gift to be \$[estimated value]

If you have questions or need more information, please contact [contact name] at [e-mail, phone, and address]

*Signed*

Donor Name

**Policy Title:** Naming of Facilities, Positions, and Organizations

**Policy Type:** Finance/Administration

**New/revised:** Revised

**Old Policy #:** 4:02:05:01

**Approval level:**  Board of Trustees (9/2/17); reviewed by the ETSU Executive Team 2/7/17  
 President  
 Vice President  
 Other (specify here)

**Attachment:**

Naming Request Form

**Purpose:** This policy is established to provide for an orderly, coordinated, and informed practice of naming East Tennessee State University facilities, positions, and organizations, in honor or recognition of an individual, group or organization, in such a manner as to ensure the appropriate recognition of the traditions of the institution, including the opportunity to honor and recognize its distinguished alums, benefactors, and friends.

**Definitions:**

- Endowed Fund. A permanent fund, the principal of which is invested to grow over time, while the distributions it produces are used to support the endowment’s purpose.
- Facilities. All permanent physical structures, in whole or in part, including interior spaces of structures and exterior spaces.
- Lectureship. A program/gift that provides for guest speakers and/or prominent people to come to campus to lecture, typically on a topic of interest to the donor. Funds are normally used to cover honoraria, event costs, travel, marketing, dinners, etc.
- Organizations. All permanent units of the institution, including schools, colleges, academic and non-academic departments, centers, institutes, offices, academic programs, and administrative and auxiliary units. It does not include student organizations (those recognized by SORC and student-led).
- Total Project Cost. Includes design costs, construction costs, contingency fee, future maintenance and upkeep considerations, and the cost of signage.
- Naming. Using the name of a specific individual, group, or organization in recognition of their support or exceptional service to the University.

**Policy:**

- I. Responsibility/Authority:
  - A. Approval to name. Board of Trustees retains authority to approve all naming, unless the Board chooses to delegate further.

- B. The President shall also have responsibility and authority with respect to and is an essential participant in all naming actions. No facility, position, or activity may be named without early knowledge and prior approval of the President.
  - C. The University Naming Committee (see paragraph V) may take under consideration all naming requests, not just those resulting from a gift.
  - D. University Advancement maintains records on the naming of schools, colleges, hospitals, centers, institutes, buildings, departments, programs, and exterior spaces. Schools and colleges are responsible for maintaining naming records of interior building spaces. The records should be shared with University Archives.
- II. Eligibility and Propriety:
- A. Naming a facility to honor individuals (no gift involved) should be in extraordinary situations and made only if the person/family has had University wide influence, or the individual has made exceptional contributions to the region, nation, or world.
  - B. Naming is ordinarily not considered for individuals currently employed by ETSU or for those currently holding public office.
  - C. Individuals usually shall not be considered for naming recognition within one year after the person's death. This serves as a period of reflection before an honorary naming is finalized.
  - D. Naming is usually not considered for those who have been convicted of a felony or who have publicly engaged in activities or behavior that would generally be seen as being injurious to the reputation of the University.
  - E. A given surname may be assigned to only one building on campus. The Naming Committee has flexibility to consider alternative naming in the case of duplicative (or near-duplicative) names.
  - F. Payment of the gift should be realized in full within five years of the commitment.
  - G. The Committee will consider whether the proposed name would have any associations that would, on its face, be inconsistent with the university's values or mission.
  - H. Advertising is not permitted in naming, although we can and will promote the approved name in materials and communications.
- III. Gifts in Recognition of Donations:
- A. A gift agreement is required for all gifts involving naming.
  - B. General guidelines regarding the amount of donations resulting in naming facilities:
    1. New buildings. An amount no less than 50% of the costs to be sought from private donations (construction costs PLUS contingency fee PLUS future maintenance and upkeep considerations PLUS cost of signage MINUS State funding).
    2. Components of new and existing buildings. Amounts should be determined on a case-by-case basis.



3. Existing un-named buildings. Typically, an amount no less than 25% of replacement cost to be determined by University Administration.
  4. ETSU may require higher levels of gifts for certain purposes and naming opportunities in order to achieve and sustain the donor's intent and/or reflect the University mission.
- C. To the extent possible, the names of areas and interior or exterior spaces outlined in gift agreements should be worded in a manner that will not restrict the future use of the area or space.
  - D. Generally, ETSU will not accept irrevocable deferred gifts for the purpose of naming University buildings or parts of buildings. However, these gifts could be considered when they are made in combination with major gifts, particularly with an eye toward providing for ongoing maintenance of facilities.
  - E. No facilities will be named in recognition of revocable deferred gifts.
  - F. Directors of development should consider including language in gift agreements to provide for continued maintenance and upgrade of named spaces.
  - G. Earnings from named position endowments (chairs, professorships, etc.) are generally used to provide funding for projects like training, travel, graduate assistantships, equipment, etc. at the discretion of the chair-holder.
  - H. No publicity shall be given to the recommendation for naming until the Board approves. Upon approval of the naming, publicity and an appropriate dedication ceremony may be planned and conducted.
  - I. Naming Options and Recommended Starting Amounts:
    1. College - \$10+M
    2. Department/School - \$5-10M
    3. Dean's Position - \$5M
    4. Professorship (named faculty position) – \$1-1.5M
    5. Distinguished Chair (named head's position) – \$1.5-2.5M
    6. Early-Career (Assistant/Associate) Professorship - \$500-750K
    7. Graduate Fellowships
      - a. Full (~\$500K). This fellowship is not to be used as payment for teaching, research, or service. Funds are to be used to cover student stipend, tuition, fees, books, supplies, professional development, travel, and equipment.
      - b. Partial (~\$100K). A graduate fund that provides annual support for graduate students pursuing a course of study or research. Funds are to be used for stipend, tuition, fees, books, supplies, professional development, travel, and equipment.
      - c. Endowments of \$25k more may be made to partially off-set student costs.
    8. Undergraduate Scholarships:

- a. Full (\$240-350K). An endowment of \$240K provides an estimated spin-off of \$9.6K for a Tennessee resident. An endowment of \$350K is needed to spin-off approximately \$14K for an out-of-state student.
- b. Half (\$120-175K). An endowment of \$120K provides an estimated spin-off of \$4.8K for a Tennessee resident. And endowment of \$175K is needed to spin-off approximately \$7K for an out-of-state student.
- c. Endowments of \$25k more may be made to partially off-set student costs.

9. Lectureship - \$100K

10. Other Endowed Fund – \$25K minimum

#### IV. Permanence, Name Changes, and Removals

- A. The naming of buildings, facilities, and grounds (or portions thereof) is intended to be in place for the life of the specific space. If, in determination of the Board of Trustees, circumstances change so that the purpose for which the physical space was established is significantly altered or if the space is no longer needed or habitable, the Board of Trustees, in consultation with appropriate academic and/or administrative leadership and the donor (if possible) will determine an appropriate way to recognize the donor.
- B. ETSU reserves the right to remove any name should the donor not fulfill the related pledge. The President is responsible for making name removal decisions based on individual gift and naming circumstances and involves the Board as necessary.
- C. The name can be removed if an individual/company for whom a facility is named is subsequently convicted of a felony or otherwise engages in conduct that, in the sole discretion of the University, is injurious to the reputation of the University. Any gift made in connection with the naming will be retained by the University.
- D. The name can be changed/removed in the case of a divorce or other family dissolution or at the joint request of the couple or family, at the sole expense of the couple or family, and with the approval of the President. Any gift made in connection with the naming will be retained by the University.
- E. If the name of a corporation/organization changes after a facility is named, the name of the facility remains the same unless a change is requested by the organization and is recommended by the Naming Committee. If such a request is made and approved, the organization will pay the complete expense of making the change.
- F. If a building is to be demolished, replaced, or has a change in function and the former name is no longer warranted, University Advancement will contact a family member and/or the appropriate contact person for the former namesake (if available) to inform them of the situation. It may be appropriate to place a

plaque in, or on, a new building to indicate it occupies the site of a building formerly known by another name.

V. Approval Process:

- A. Upon the identification of an individual for whom a facility is proposed to be named, University Advancement will prepare the Form at Attachment A.
- B. If approved to move forward, the President will call for the activation of the Naming Committee.
- C. Conduct a criminal and records background check to be prepared on the person for whom the space/position/activity is to be named. Request the background check from Human Resources. Advancement will obtain a signed release from the individual being investigated. Only living people can be investigated. Advancement will bear the cost for the background checks (\$45-\$150).
- D. The Committee Chair will be appointed by the President and the committee will consist of students, faculty and staff, and other representatives of the campus community as deemed necessary. One representative must be from University Advancement.
- E. Once approved, the committee forwards the recommendation to the President.
- F. The President makes a recommendation to the Board.
- G. Board approves and publicity may begin.

VI. Recognition:

- A. If a building name is not forthcoming at the time the building is completed, and a name is needed for identification purposes, a generic name should be used to avoid difficulties in naming at a later date. Examples of generic names are Research Building, West Hall, or Music Building.
- B. University Advancement will maintain a list of officially named facilities, positions, and activities.
- C. The University is committed to recognizing every named space, position, and organization. Every effort will be made to refer to the space by the agreed upon name. This includes referencing in external marketing efforts and internal routine business.
- D. ETSU may consider a recognition plaque or comparable marking upon approval. There may be an additional plaque or other recognition provided by Facilities Planning. Creation and display of that plaque will follow the appropriate Facilities policies.

# Attachment A – Naming Request Form



**EAST TENNESSEE STATE  
UNIVERSITY**

## University Advancement Naming Request Form

(Used to name facilities, positions, and organizations)

Name of Project \_\_\_\_\_ Dept/College/Org \_\_\_\_\_

Name, Phone, and E-mail of Requester (point of contact) \_\_\_\_\_ Total Est. Project Cost \_\_\_\_\_

Proposed Name \_\_\_\_\_ Proposed Gift Amount \_\_\_\_\_

**Type of Naming**

- |                                       |   |   |
|---------------------------------------|---|---|
| <input type="checkbox"/> Building     | <input type="checkbox"/> Space (Interior) | <input type="checkbox"/> Space (Exterior) |
| <input type="checkbox"/> Organization | <input type="checkbox"/> Position         | <input type="checkbox"/> Other _____      |

- Attachments.** Include at least the following:
- Proposal and/or draft gift agreement
  - Statement regarding the potential impact on other giving
  - Documentation regarding how the gift amount was derived (formula)
  - Blueprints/designs, as applicable
  - List of other named spaces in the building/area (get from Advancement)
  - Description of how position will be selected, including term limits (as applicable)

**Unit Development Officer** (if applicable) Name and Signature \_\_\_\_\_ Date \_\_\_\_\_

**Dean/Vice President/Provost** (as applicable) Name and Signature \_\_\_\_\_ Date \_\_\_\_\_

**Vice President for Advancement** Name and Signature \_\_\_\_\_ Date \_\_\_\_\_

### Activity Checklist (as assigned by President/VP for Advancement)

**Naming Committee Formed/Approved** \_\_\_\_\_ Date(s) \_\_\_\_\_

Notes: \_\_\_\_\_

**Criminal and Records Background Check** \_\_\_\_\_ Date \_\_\_\_\_

Notes: \_\_\_\_\_

**Gift Agreement Signed** \_\_\_\_\_ Date \_\_\_\_\_

Notes: \_\_\_\_\_

**Dedication/Publicity Planned (only released once Board has approved)** \_\_\_\_\_ Date \_\_\_\_\_

Notes: \_\_\_\_\_

**President Approves/Recommends to Board of Directors** \_\_\_\_\_ Date \_\_\_\_\_

Notes: \_\_\_\_\_

**Board Approves** \_\_\_\_\_ Date \_\_\_\_\_

Notes: \_\_\_\_\_

**Publicity Begins** \_\_\_\_\_ Date \_\_\_\_\_

Notes: \_\_\_\_\_

**Policy Title:** Planned Giving Policy

**Policy Type:** Finance/Administration (Advancement)

**New/revised:** Revised

**Old Policy #:** N/A

**Approval level:**  Board of Trustees

President

Vice President

Other (specify here) ETSU Executive Team (2/7/17)

**Attachments:**

A. Retained Life Estate Agreement

B. ETSU Legacy Circle

**1. Purpose:**

- a. This policy serves as a guideline to assist with information regarding solicitation and acceptance of planned gifts in accordance with the Foundation's mission and, as a subpart thereof, the mission of planned giving, which is to promote and facilitate meaningful philanthropic support of ETSU through planned gifts and provide fiduciary services to encourage maximum impact of said gifts.
- b. Utilization of the planned giving office includes encouragement, solicitation, and recognition of bequests, gifts of life income agreements, gifts of interests in retirement plans, and gifts of life insurance for all purposes consistent with the Foundation's mission statement.

**2. Process/Procedures:**

- a. Memoranda of Understanding. All planned gifts established with prior notice will require a Memorandum of Understanding (MOU). Please refer to the policy on MOUs and proper procedure for drafting to ensure the bequest and intended donor purpose of the bequest can be accommodated. If it becomes known that a donor has established a planned gift to the Foundation, or ETSU, without prior notice, please encourage the donor to allow a Director of Development to draft an MOU to ensure the donor's wishes will be carried out (if possible) at the time their planned gift is fully realized.
- b. Gift Types:
  - 1) **Bequests.** Any amount or percentage is accepted. If requested, the Executive Director of Planned Giving will work with the donor or the donor's attorney to ensure the proper legal language is included in the bequest.
    - a) General bequest. The donor simply leaves a specified dollar amount to the Foundation.
    - b) Specific bequest. The donor designates that the Foundation is to receive a specific piece of property (home or rental property).

- c) Residuary bequest. The donor bequests their estate property after all debts, taxes, expenses, and other bequests have been paid.
  - d) Percentage bequest. Can be expressed as a percentage of the estate or of the residuary estate.
  - e) Contingent bequest. It is important to plan for the situation in which the beneficiary of a bequest dies before the donor or disclaims the property. In anticipation of such an occurrence, the Foundation may be named as the alternate or contingent beneficiary. This will ensure the property will pass to the Foundation rather than to unintended beneficiaries.
  - f) Restricted bequest. Usually made in the broadest terms possible consistent with the donor's interests. This guards against the possibility of the purpose of the donor's gift becoming obsolete (such as the elimination of a specific department or program).
  - g) Sample Bequest Language. "I, (name) of (county, state), give, devise, and bequeath to the East Tennessee State University Foundation, a 501(c)(3) charitable organization, Federal Identification Number 23-7092731, of Johnson City, TN (bequest description of gift) for the (name) [Scholarship Endowment] in the East Tennessee State University Foundation."
- 2) **Charitable Gift Annuity.** Minimum gift amount is \$25,000. The charitable gift annuity is a contract between the Foundation and the donor, whereby the Foundation agrees to pay the donor a lifetime annuity in exchange for an irrevocable gift to the Foundation. The transfer can be cash or securities. When the annuity ends, the remaining principal passes to the Foundation for the purpose set forth in the MOU. Planned Giving can only provide single life annuities at this time. Annuities are only offered to individuals age 65 and older, as such, there is not an option for annuities for deferred payouts. Charitable gift annuities are only available for residents of Tennessee, as the Foundation is only licensed in Tennessee. This policy will be updated accordingly if licenses are obtained in any contiguous states. The rate of return payable to annuitants shall not exceed those recommended by the American Council on Gift Annuities as of the date of contribution. The rates below were current as of May 2016. Check with the Planned Giving Office for current rates.

Age	Rate
65	4.7%
70	5.1%
75	5.8%
80	6.8%
85	7.8%
90+	9.0%

- 3) **Charitable Remainder Trusts.** Minimum gift amount is \$25,000. These are established by an irrevocable gift to a trustee made during the donor's lifetime or following his/her death. In general, the trustee is required to pay a fixed percentage

of the value of the trust assets to at least one non-charitable beneficiary for the life or lives of the named beneficiary(ies), a term not to exceed 20 years, or a combination of the two. At the end of the trust term, the remaining assets pass to one or more charitable beneficiaries, such as the Foundation. The most common forms of charitable remainder trusts are Charitable Remainder Annuity Trusts (CRAT) and Charitable Remainder Unitrusts (CRUT). These are both managed out of house, meaning the Foundation will not serve as Trustee or co-Trustee of a charitable remainder trust. Administration fees can be incurred.

- a) Unitrusts – ideally funded with appreciated capital-gain securities or cash. Variable income stream. Generally, the fixed percentage payout is no less than 5% of the trust assets, valued annually. Unlike an annuity trust, the donor can add assets to a CRUT at any time during the donor’s lifetime or following his/her death.
  - b) Annuity trusts – ideally funded with appreciated property or cash. Fixed income stream. Generally, the fixed payment will be no less than 5% and no more than 50% of the initial fair market value of the trust’s assets, payable annually. No additional contributions can be made to a CRAT after the initial contribution.
- 4) **Life Estate.** Also see the Acceptance of Gifts of Real Estate Policy. The Board of Directors of the Foundation must approve gifts of real estate, whether the disposition intention will be to liquidate or to utilize for a distinguished and designated benefit of ETSU. If the real estate will not be disposed of then a written agreement (attachment A) must be entered into. Real Estate gifts will be accomplished by the execution of a Deed to the Foundation, in which the retained life interest in the real estate is expressly reserved for the donor. In addition, the donor must enter into a Retained Life Estate Agreement (RLEA) which provides that the donor and/or the life tenant shall remain responsible for maintenance, taxes, utilities, insurance, and other costs associated with the property, unless other arrangements, approved by the President/CEO of the Foundation, are made for the payment of these expenses. The value of the gift is the fair market value of the Foundation’s remainder interest in the property at the time of the contribution, determined actuarially, after making any appropriate adjustment for depreciation or depletion. Gifts of real estate encumbered by mortgages, deeds of trust, liens, etc. may only be accepted after review and approval by the President/CEO of the Foundation. Generally, a marketable title will be needed along with an appraisal and a market feasibility study. Appraisal value will need to be at least \$50,000. Note the distinction between a planned gift of real estate and an outright gift of real estate.
- 5) **Retirement Accounts.** Any amount is accepted as designation on an existing account. An immediate rollover is not a planned gift and will not qualify a donor for recognition in the Legacy Circle.
  - 6) **Life Insurance.** Any amount is accepted for listing the Foundation as a beneficiary on an account the donor retains ownership of, whether whole or term. Any amount is accepted for a paid up policy that is gifted to the Foundation; meaning the Foundation becomes owner/beneficiary. For this type of life insurance policy gift, the donor must provide the complete life insurance contract and a current in-force

illustration. If an existing policy is to be gifted to the Foundation, then the policy must be paid up within five years of the gift and must have a death benefit of at least \$25,000.00. The Foundation will not accept a policy with an outstanding policy loan unless the Foundation will be immediately surrendering the policy. For a new policy, the minimum death benefit must be \$25,000.00 and it must either be paid up in five years or an annuity is funded/purchased through the providing company for a value sufficient to cover the premiums.

- 7) **Appreciated Stock.** The Foundation will accept direct transfer of any amount to the ETSU Foundation. Get account information at [www.etsu.edu/waystogive](http://www.etsu.edu/waystogive) or by calling Planned Giving at 423-439-4641. This gift alone does not qualify a donor for recognition in the Legacy Circle. Please reference above as to how appreciated stock can be used to utilize a planned gift.
  - c. **Acceptable Gifts.** No gift will be accepted or disposed of that could lead to self-dealing, such as donated property which is sold to employees, to other contributors, or to other related entities and/or interested parties. All gifts will only be accepted in accordance with federal and IRS guidelines.
2. **Legal Disclaimer.** Planned Giving does not provide independent legal or tax advice. Due to the complex tax and legal issues related to the creation and implementation of a planned or deferred gift, the donor should always be encouraged to obtain independent professional advice prior to execution of the appropriate gift instrument.
  3. **Recognition Levels:**
    - a. All planned gifts will be recognized in the Legacy Circle (see Attachment B).
    - b. Dual recognition to the ETSU Foundation Wall of Honor will be made accordingly for irrevocable planned gifts and paid-up life insurance policies based upon the actuarial life table value.



## Attachment A – Retained Life Estate Agreement

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This Life Estate Agreement (hereafter referred to as “**Agreement**”) is effective this the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between \_\_\_\_\_ (whether one or more, the “**Donor**”) and the East Tennessee State University Foundation (the “**Foundation**”).

Concurrently with this Agreement, the Donor has executed a deed conveying to the Foundation a remainder interest in the real property, including all improvements thereon, legally described as \_\_\_\_\_ (the “**Property**”), and reserving a life estate in the Property for the Donor. The life estate terminates on the death of the Donor, or, if there is more than one Donor, on the death of the last surviving Donor. (**Note: This Agreement, as drafted, contemplates that the Donor is the one retaining a life estate, but the life estate may be held by someone other than the Donor, in which case modifications to this Agreement will be necessary. This Agreement should define the measuring term of the life estate. If the term is measured by the lives of one or more individuals, the Agreement must identify those individuals and the order in which they will receive their interests. If the term is a set number of years, the Agreement should so state and should also identify the primary occupant of the Property and provide direction regarding successor occupants if the primary occupant dies prior to the expiration of the stated number of years.**)

The Donor and the Foundation desire to enter into this Agreement to establish the rights and responsibilities of each with respect to the Property.

1. During the term of the life estate, the Donor, at its sole expense, shall:
  - a. Maintain the Property in good condition, including (1) the upkeep and repair of improvements to protect the Property from loss of value and damage, (2) routine maintenance such as mowing and landscaping maintenance, snow removal where applicable, painting, termite and other pest prevention, and all other types of routine maintenance, (3) all minor and major repairs and capital improvements, such as roof replacement and mechanical systems repairs and replacements, and (4) all other actions in order to maintain the Property in compliance with all applicable codes, laws, regulations, and ordinances. If the Property is damaged from any cause, the Donor, at its sole expense, shall repair the damage unless the Donor and the Foundation agree that it is impractical to do so, in which case any insurance proceeds from insurance carried by the Donor or the Donor’s tenant shall be divided between the Donor and the Foundation in accordance with the percentages corresponding to each parties’ interest in the Property as of the date of the damage. For purposes of determining the interest of each party, the methodology used to value a remainder interest in U. S. Treasury Regulations § 1.170A-7, or the successor regulation, shall be used;

- b. Pay before delinquency all real estate taxes, owners or condominium association assessment, and any and all other assessments or impositions against the Property. The Donor shall deliver to the Foundation at the address stated below copies of paid tax and assessments receipts within 45 days after the due date. Without the prior written consent of the Foundation, which may be given or withheld in its sole discretion, the Donor shall not voluntarily or involuntarily defer the payment of taxes or assessments, notwithstanding any statutory or contractual right of the Donor to do so. If the expiration of the Donor's life estate is on a date other than the last day of any tax fiscal year, the taxes for such year shall be apportioned between the Donor and the Foundation;
- c. Pay water and sewer charges, utilities, and all other charges assessed against the Property;
- d. Insure the Property against fire, vandalism, flood, windstorm, and other hazards and risks through all risk property insurance in accordance with terms to be determined and agreed upon from time to time by the Donor and the Foundation, but no less than 80% of the actual replacement cost of the Property, unless the parties otherwise agree in writing. The Donor shall provide the Foundation with an annual certification that the insurance described above is in effect and that the premiums have been paid. All insurance shall be secured and maintained in a company or companies reasonably satisfactory to the Foundation and shall be primary and not contributory to that carried by the Foundation. The 'all risk' property insurance policy shall name the Foundation as "an insured as its interest may appear." The Donor shall secure an appropriate clause in, or an endorsement upon, each policy of insurance, pursuant to which the insurance company waives subrogation and rights of recovery or permits the insured to agree to waive any claim it might have against the Foundation.

2. The Donor shall not, without the prior written consent of the Foundation, permit any lien, encumbrance, or mortgage to be placed on the Property and shall not, without the prior written consent of the Foundation, permit the amount of any mortgage, encumbrance, or lien now existing to increase. The Donor shall, on or before each due date, make all payments on any existing mortgage, lien, or encumbrance. By February 15 of each year, the Donor shall deliver to the Foundation a copy of the status of the mortgage, lien, or encumbrance, if any, through December 31 of the prior year.

3. The Donor has the sole right, during his/her/their lifetime(s), to occupy the Property and to lease the Property. The Donor shall consult with the Foundation before leasing the Property, and, unless the Foundation also signs the lease, the lease term shall automatically end, notwithstanding anything to the contrary in the lease, no later than the end of the month in which the date of the termination of the life estate occurs. The Donor shall receive all rent from the Property during the Donor's lifetime(s); the Foundation shall receive all rent from the Property from and after the date of death of the Donor.

4. The Donor shall consult with the Foundation before making material changes to the use of the Property. If the Property is currently occupied by the Donor, the rental of the Property constitutes a material change in the use of the Property.

5. If the Donor is no longer able to maintain the Property as required by this Agreement, whether due to age, health issues, financial ability, or other reason, or if the Donor wishes to end its occupancy of the Property and does not wish lease out the Property in accordance with the preceding section, then the Donor and the Foundation will jointly market the Property for sale and the parties will divide the net sale proceeds, after all expenses of the sale have been deducted, in accordance with their respective interests in the Property. In the alternative, the Donor may elect to contribute to the Foundation the balance of the Donor's life estate as an additional charitable gift to the Foundation. For purposes of determining the interest of each party, the methodology used to value a remainder interest in U. S. Treasury Regulations § 1.170A-7, or the successor regulation, shall be used

6. The Donor, jointly and severally, agrees to indemnify and hold the Foundation harmless from all loss, costs, damages, claims, and liabilities that are caused by any act or omission of the Donor. The Donor's tenants, agents, representatives, or contractors (including, without limitation, any such loss, costs, damages, claims or liabilities that arise out of the presence or release on the Property of hazardous or toxic materials in violation of applicable local, state or federal law) to the extent that such claims arise during the term of the life estate, except to the extent caused by any act or omission of the Foundation or any of its agents, employees or contractors.

7. The Foundation, its authorized employees, representatives, and contractors have the right to:

- a. Enter the Property from time to time with at least ten days prior written notice to the Donor to inspect the Property; provided, however, that in the case of an emergency, no notice or only such notice as is appropriate under the circumstances shall be required; and
- b. Make any reasonable repairs that are reasonably necessary to protect its interest in the Property in the event that the Donor has not made such repairs within a reasonable time after written notice from the Foundation to the Donor of the need for same. In such case, and if the repairs are the responsibility of the Donor under this Agreement, the Donor shall reimburse the Foundation for the full cost of such repairs within 30 days after the Foundation delivers to the Donor copies of invoices for the repairs.

8. The Donor shall consult with the Foundation before making major structural changes or improvements to the Property. The Donor has the right, after such consultation and at the Donor's sole cost and expense, to make improvements and alterations to the Property, provided that such improvements do not reduce the value of the Property.

9. The Donor shall not permit to be foreclosed any mechanic's or materialman's lien or other statutory lien against the Property by reason of work, labor, services, or materials supplied to or at the request of the Donor. The Donor shall pay and discharge any such mechanic's or materialman's lien filed against the Property within twenty (20) days after the filing thereof. In no event shall the Donor have the right, authority, or power to bind the Foundation or any interest of the Foundation in the Property for any claim for labor or material or for any other

charge or expense incurred in the repair, maintenance, construction, or alteration of the Property or the improvements thereon.

10. Whenever any notice is required or permitted hereunder, such notice shall be in writing and shall be deemed to be delivered when actually received or three days after deposit in the United States mail, postage prepaid, certified mail, return receipt requested, addressed to the persons shown below, or at such other addresses as the parties have hereafter specified by written notice.

**If to the Donor:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**If to the Foundation:**

University Advancement  
East Tennessee State University  
P.O. Box 70721  
Johnson City, TN 37614  
Attention: Executive Director of Planned Giving

11. This Agreement may be amended only by an instrument in writing executed by both parties, and it shall be binding upon and inure to the benefit of the parties hereto and their respective successors, distributees, heirs, legal representatives, and assigns.

In witness whereof, the parties have duly executed this Agreement to be effective for all purposes as of the date stated in the introductory paragraph.

**DONOR:**

\_\_\_\_\_  
Print Name: \_\_\_\_\_

Date: \_\_\_\_\_

**DONEE:**

East Tennessee State University Foundation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
President/CEO

Date: \_\_\_\_\_

## Attachment B – ETSU Legacy Circle

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The Legacy Circle is comprised of alumni and friends who have shown their support for the university and its students by making a planned or deferred gift to the ETSU Foundation. If you have included the ETSU Foundation in your estate plans through a planned gift, then you qualify for Legacy Circle membership. Legacy Circle membership at ETSU does not require any continued obligations or dues, but simply allows ETSU to thank you and recognize you, if desired, for the plans you have made. Supporting ETSU in this manner may be an excellent way of benefiting your personal financial, estate, and tax planning while simultaneously advancing the vision of ETSU.

***Benefits of Membership.*** Membership provides assurance that that ETSU understands your goals set forth in your estate plans in an effort to ensure your intentions are fulfilled, along with the following benefits:

- All members receive a Legacy Circle lapel pin, certificate of membership, and vinyl decal
- All members receive invitation to the annual ETSU Legacy Circle luncheon
- All members will receive invitation to special events and seminars

***Joining the Legacy Circle.*** Any of the following planned or deferred gifts will confer Legacy Circle membership:

- Bequest in a last will and testament or trust
- Charitable gift annuity
- Charitable remainder trust (unitrust or annuity trust)
- Naming ETSU Foundation as a beneficiary of a life insurance policy or retirement account
- Deeding real estate while retaining a life estate

**Policy Title:** Pledges Policy

**Policy Type:** Finance/Administration (Advancement)

**New/revised:** Revised

**Old Policy #:** N/A

**Approval level:**  Board of Trustees [Select box for appropriate level of anticipated final approval]  
 President  
 Vice President  
 Other (specify here) ETSU Executive Team (7/24/2017)

**Attachments:**

A. Sample Pledge Form/Memo

**1. Purpose.** ETSU University Advancement recognizes the value and the necessity of accepting pledges of future support for raising private funds in the ETSU Foundation. Pledges allow donors and prospective donors to make a commitment of future support. These pledges may also enable donors to give more generously than a one-time gift would allow if they give over a period of time. Given the critical importance of pledges in the overall fundraising efforts of the university and the ETSU Foundation, these policies shall provide guidance and procedures for the management of pledges.

**2. Process/Procedures:**

- a. Pledges should be in writing and should, at a minimum, contain the following information:
  - 1) The name of the donor(s)
  - 2) The mailing address of the donor(s)
  - 3) The telephone contact information for the donor(s)
  - 4) The e-mail address for the donor(s), if available and shared by the donor(s)
  - 5) The total amount of the pledge
  - 6) The term of the pledge, and the amounts to be paid quarterly, annually, or with some other frequency of payment
  - 7) The designated fund or funds in the ETSU Foundation for which the donor desires to provide support
  - 8) Preference for receiving periodic payment reminders.
  - 9) The signature of the donor(s), except as otherwise provided in this policy
- b. Documentation for pledges may be:
  - 1) A general pledge form produced by ETSU University Advancement
  - 2) A pledge form for a capital campaign pledge
  - 3) A pledge form in connection with fundraising appeals including, but not limited to, the Annual Fund, Phonathon, annual calendar mailing, Faculty/Staff campaign, WETS-FM, or academic departmental/program appeals, etc.
  - 4) Written memoranda of record, which document a conversation and are signed by the donor, are acceptable for planned pledges and other pledges under \$1,000.

NOTE: Sample documentation is in Attachment 1. Additional pledge templates must contain all of the criteria above.

- c. Term or Duration of the Pledge. Pledge payments may be extended for a maximum of five years from the date of the pledge (excluding bequest and other planned giving instruments). Longer payment schedules will be reviewed on a case-by-case basis, but will not exceed ten years.
- d. Writing Off Pledges:
  - 1) If a donor does not tender payments for a pledge according to his/her previously indicated installment schedule, then the development officer for the academic program or other area for which the pledge of support was made should talk with the donor to determine:
    - a) If the donor wishes to modify the current pledge regarding the amount, timing of installments, or in some other manner
    - b) If the donor desires to terminate the pledge
  - 2) If the donor desires to terminate the pledge, then the development officer will provide a written memorandum of record (e-mail is acceptable) to Advancement Services indicating the pledge should be written off, as no further payments will be made.
  - 3) If a pledge is not paid and the donor is unavailable to determine their intent, then the development officer will consult with the Vice President for University Advancement, or designee, and Foundation Accounting, as necessary, to determine whether a sufficient amount of time has elapsed. If the pledge should be written off, comply with paragraph 2d(2) above.
- e. Writing Off Pledges for Phonathon and other Annual Pledge Solicitations.
  - 1) The Phonathon and other similar annual appeals may generate hundreds of pledges in a typical fiscal year, and many of these pledges are under \$100. Annual Giving will oversee a process of reminders for each Phonathon session (see the Annual Fund Plan for specifics). At the conclusion of that process, Annual Giving will request Advancement Services write off all outstanding pledges and provide documentation to that effect.
  - 2) WETS. Write off after 18 months and a series of reminders.
- f. Planned Giving Pledges. Planned pledges shall remain open until fulfilled or until distribution from the donor's estate is complete at which time any unpaid balance will be written off.
- g. Reporting. All restricted and unrestricted pledges, excluding Phonathon and WETS pledges are reported to Foundation Accounting on a yearly basis for booking as receivables.
- h. Conditional Pledges, other than for planned gift pledges as indicated herein, shall not be accepted.
- i. Exceptions. The University President, in consultation with the Vice President for University Advancement/President-CEO of the ETSU Foundation, may make documented exceptions to any of these policies and procedures regarding, but not limited to, the booking and receiving of pledges, the term and duration of pledges, reporting, and writing-off of pledges.

# Attachment A – Sample Pledge Form/Memo

## East Tennessee State University

### Pledge Intent

In consideration of my/our interest to support the mission of East Tennessee State University, I/we wish to make a pledge to the ETSU Foundation as outlined below:

\$ \_\_\_\_\_ total pledge to be designated as follows:

\_\_\_\_\_ My/our pledge may be used for any University priorities.

\_\_\_\_\_ I/we would like to designate this pledge to be used as follows:

\_\_\_\_\_ I/we would like to designate this pledge \_\_\_ in memory of, \_\_\_ in honor of:

**My/our gift commitment will be fulfilled in the following manner:**

Total pledge of \$ \_\_\_\_\_ to be paid over \_\_\_\_\_ years (not to exceed five) as follows:

First pledge payment of \$ \_\_\_\_\_ to be made on or about \_\_\_\_\_ (date).

Remaining pledge payments to be made on the following schedule:

\_\_\_\_\_ quarterly, beginning on \_\_\_\_\_ (date).

\_\_\_\_\_ semi-annually, beginning on \_\_\_\_\_ (date).

\_\_\_\_\_ annually, beginning on \_\_\_\_\_ (date).

\_\_\_\_\_ other \_\_\_\_\_

Would you like to receive pledge reminders? \_\_\_ Yes \_\_\_ No

\_\_\_ My company/spouse's company will match my personal gift.

Company Name: \_\_\_\_\_

\_\_\_ For gift recognition and publication purposes, please indicate below who should receive credit for the pledge and payments made:

\_\_\_ I/we wish to remain anonymous.

Print Name \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Home Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Business Name: \_\_\_\_\_

Business Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone: Home \_\_\_ - \_\_\_ - \_\_\_ Business \_\_\_ - \_\_\_ - \_\_\_ Cell \_\_\_ - \_\_\_ - \_\_\_

Email Address: \_\_\_\_\_

\*\*\*\*\* For Office Use Only\*\*\*\*\*

Date Received: \_\_\_\_\_ Date Pledge Entered: \_\_\_\_\_ E Number: \_\_\_\_\_ Designation: \_\_\_\_\_

Print Name: \_\_\_\_\_ Signature: \_\_\_\_\_

For more information please contact the ETSU Office of University Advancement, PO Box 70721, Johnson City, TN 37614, (423) 439-4242, or at [give@etsu.edu](mailto:give@etsu.edu)

Revised 2/6/2014



**Policy Title:** Acceptance of Gifts of Real Estate

**Policy Type:** Finance/Administration (Advancement)

**New/revised:** New

**Old Policy #:** N/A

**Approval level:**  Board of Trustees

President

Vice President

Other (specify here) ETSU Executive Team (2/7/17)

**1. Purpose.** This policy provides guidance to Advancement officers regarding how/if East Tennessee State University can accept gifts in the form of real estate.

**2. Process/Procedures:**

- a. Gifts of real estate, both improved and unimproved, may be accepted only after review and approval by the Board of Directors of the Foundation. Due to the expenses associated with gifts of real property, only gifts valued by appraisal in excess of \$50,000 will generally be considered.
- b. Prior to accepting a gift of real estate, the President/CEO of the Foundation and someone on behalf of either the Foundation or ETSU shall physically inspect the parcel of real estate to be given to the Foundation before the Foundation accepts the proposed gift.
- c. Prior to accepting a gift of real estate, the Chief Financial Officer for the Foundation shall conduct an analysis of the anticipated cash flow from the proposed transaction. This analysis shall determine the maximum exposure the Foundation may incur and the level or risk that is associated with the receipt, ownership, and eventual sale of the property.
- d. It is the Foundation's general policy to dispose of all gifts of real estate as expeditiously as possible. This policy will be communicated to the donor when the Foundation receives notification of the donor's intent to make a gift of real estate. If the donor does not want the Foundation to immediately dispose of the real estate, the parties must execute a written agreement regarding the disposition of the property before its acceptance by the Foundation.
- e. The Foundation shall require the donor, at the donor's expense, to secure an independent appraisal of the subject gift parcel by a Member Appraisal Institute (MAI) appraiser who has regularly engaged in the business of real estate appraisals within the jurisdiction where the property is located. Under Treasury regulations, the donor must pay for the initial appraisal of the property. The Foundation, in its sole discretion, may elect to accept the valuation resulting from the donor's appraisal or may secure its own appraisal.
- f. The Foundation, as it deems necessary and in its sole discretion, may require the donor to submit reports on the gift parcel, including but not limited to, hazardous waste audits, surveys, a title search, zoning restrictions, dominant and servient tenements, access to public utilities, and engineering inspections.

- g. A gift of real estate encumbered by a mortgage raises significant tax issues for the donor and the Foundation. Gifts of real estate encumbered by mortgages, deeds of trust, liens, etc. may only be accepted after review and approval by the Board of Directors of the Foundation.
- h. A gift of mortgaged property to a charitable remainder trust shall not be accepted under any circumstances.
- i. The execution and delivery of a deed of gift (preferably in the form of a warranty deed or trustees' deed) shall complete the gift. The donor shall pay the costs associated with the conveyance and delivery of the gift.
- j. Gifts of real property shall be valued at their fair market value on the date of transfer as set forth in a "qualified appraisal" prepared in accordance with IRS Regulations. Such appraisal shall be obtained and paid for by the donor.

**3. Documents/Review Steps Required to Accept:**

- a. Title insurance commitment showing marketable title in the donor, free and clear of unacceptable encumbrances, issued by a reputable title insurance company
- b. Appraisal by a qualified appraiser (not older than 60 days)
- c. Phase I environmental audit by a qualified engineer, indicating that ownership will not expose the Foundation to environmental liability
- d. Market feasibility study for purposes of liquidation
- e. On-site evaluation by the President/CEO of the Foundation and someone on behalf of either the Foundation or ETSU (or if the property is located in a geographically isolated area, a local real estate broker)
- f. Structural engineering report (where appropriate)
- g. Review of leases (for commercial property)
- h. Evidence of compliance with the Americans with Disabilities Act (where applicable)
- i. Disclosure statement reflecting any and all carrying costs, including but not limited to taxes, insurance, association dues, membership fees, and transfer charges
- j. If the donor claims a tax deduction for property requiring IRS Form 8283, ETSU Foundation Accounting must review and sign.

**Policy Title:** Gift Receipts & Acknowledgements Policy

**Policy Type:** Finance/Administration (Advancement)      **New/revised:** Revised

**Old Policy #:** Gift Receipts & Acknowledgements Policy, 8/22/16

**Approval level:**  Board of Trustees  
 President  
 Vice President  
 Other (specify here) ETSU Executive Team (7/24/17)

**Definitions:**

- A. **Receipt** – document for tax deduction purposes which includes all government required information
- B. **Acknowledgement** – document for stewardship purposes. A thank you to the donor which usually does not include the dollar amount given

**1. Purpose.** To document the process and timeline for official tax receipting and additional gift acknowledgements from ETSU personnel.

**2. Process/Procedures:**

- a. All tax deductible gifts will receive a tax receipt from the office of University Advancement to the extent the institution is able to identify a legal donor. Receipts are generally prepared by Advancement Services within 24 hours of posting with the following exceptions:
  - 1) Payroll deduction gifts, recurring credit card gifts, and electronic fund transfer gifts are receipted yearly in January for the prior year. A letter is sent to the donor following his/her first gift via one of these methods thanking him/her for initiating recurring gifts and notifying the donor to expect a yearly cumulative receipt.
  - 2) Gifts to unknown designations and/or with other questions regarding use, potential benefits, etc. These funds will be receipted as soon as the necessary information is obtained.
- b. In-kind gifts and gifts of stock are receipted by Advancement Services with a descriptive receipt according to IRS specifications. Any values recorded in the Advancement database are for internal purposes only.
- c. No official tax receipt is to be issued by any area other than University Advancement.
- d. Non-gift (payment) receipts will be sent from Advancement only in cases where there is a gift portion included in the transaction.
- e. Gift receipts of \$250 and above are personalized by the VP of Advancement via personal signature and special notes as appropriate.
- f. For gifts of \$1500 and above, a separate acknowledgement letter is prepared by Advancement Services for the President’s signature.

- g. Donors who successfully obtain a match from their corporate matching gift company receive an individual acknowledgement from the Director of Annual Giving, prepared by Advancement Services.
- h. Annual gifts may also be thanked with postcards signed by students, thank-a-thon phone calls, emailed video messages, and/or de minimis promo items.
- i. Additional acknowledgements are expected to be prepared by college deans, development officers, and departments according to their own guidelines.

**Policy Title:** Soft Credit Policy

**Policy Type:** Finance/Administration (Advancement)      **New/revised:** New

**Old Policy #:** N/A

**Approval level:**  Board of Trustees  
 President  
 Vice President  
 Other (specify here) ETSU Executive Team (8/22/16)

1. **Purpose.** To provide guidelines for how soft/recognition credit is to be assigned.
2. **Applicability.** Gifts accepted by ETSU.
3. **Responsibilities.** Advancement Services is responsible to develop and maintain policies and procedures related to the assignment of credit.
4. **Definitions:**

**Legal Credit** – commonly known as “hard credit.” This credit is assigned to the legal entity making the gift in accordance with IRS regulations, regardless of whether or not that entity may claim a tax deduction. Legal/hard credit is the gift amount that is received and recorded in ETSU financial records (as well as the ETSU donor database.)

**Soft Credit** – credit given to parties other than the entity who legally tendered the gift. Soft credit/memo credit is reported only in the ETSU donor database.

5. **Procedures:**
  - a. In order to recognize that gifts may have been received due to the efforts of another external party, or occasionally to recognize a gift for more than the IRS tax-deductible amount (or even recognize a gift the IRS would not consider deductible at all), Advancement Services records what is known as “soft credit.” Soft credit is granted exclusively for recognition purposes. At no time should soft credit dollar amounts be aggregated in order to establish fundraising totals for a particular campaign or group of individuals. These credits can, however, be aggregated for a specific individual in order to determine his/her appropriate recognition level in giving societies.
  - b. The objective of this procedure is to provide guidance on the awarding of soft credit. Exceptions should be rare and must be approved by the Vice President for University Advancement or designee.
  - c. Soft credit shall be issued in the following circumstances:
    - 1) An individual gives through his/her company – credit the individual
    - 2) An individual gives through his/her foundation or donor advised fund – credit the individual
    - 3) A matching gift is received – credit the individual who made the qualifying gift
    - 4) A matching gift is received from a third party – credit the matching gift company for the company’s portion and the individual who made the qualifying gift for both portions
    - 5) Donor gives through fundraising consortia such as United Way – credit the entity who designated ETSU to receive the gift

- 6) Value of gifts of services or partial interest which represent a savings to the institution
- d. The ETSU standard is to award soft credit to only one individual or household for the amount of the legal credit. Soft credit will not be duplicated to additional individuals without the express approval of the Vice President for University Advancement.
- e. Situations not covered by the provisions above may be accepted for soft credit. Applications must be submitted in writing to the Vice President for University Advancement, who shall have sole authority for approval.

**Policy Title:** Distinguished President's Trust - Cumulative Giving Recognition Societies

**Policy Type:** Finance/Administration (Advancement)

**New/revised:** New

**Old Policy #:** N/A

**Approval level:**  Board of Trustees [Select box for appropriate level of anticipated final approval]  
 President  
 Vice President  
 Other (specify here) ETSU Executive Team (7/24/2017)

**Attachment:**

Listing of Cumulative Giving Recognition Societies w/Dollar Amounts

**1. Purpose:**

- a. This policy serves to define the structure, dollar amounts and lists samples of perquisites for the Distinguished President's Trust (DPT) cumulative giving recognition levels.
- b. It also provides information to other ETSU stakeholders regarding ETSU's cumulative giving societies.

**2. Background.** The Distinguished President's Trust began as a way to generate ongoing support for ETSU. An annual DPT awards banquet was established to recognize lifetime cumulative support to the university through the ETSU Foundation. In the early 1990's the DPT was restructured to encompass increased levels of cumulative giving with a series of plaques and wall recognitions. Significant cumulative giving with a \$10,000 minimum is recognized at an annual award banquet – the Distinguished President's Trust Banquet. The DPT Banquet generally features the awarding of plaques and other commemorative items, coupled with entertainment featuring ETSU's premier programs and students along with the serving of a high-end meal.

**3. Eligibility:** Both individuals and corporate entities are eligible for inclusion in these lifetime recognition levels. Eligible gifts include cash received, gifts-in-kind received, soft credit awarded, and (in some cases) services received. Underwriting through WETS is included. Pledges are typically ineligible for DPT recognition.

**4. Tracking Eligible Candidates:** Through Advancement Services, University Advancement takes the initiative in tracking the levels of cumulative giving throughout the entire university. Advancement Services prepares and delivers reports approximately in November of each year, detailing donors who have either achieved or who are within a specific dollar amount of achieving a new DPT giving society level. These reports will be delivered to the VP for Advancement and will include all pertinent information necessary to contact donors regarding their having attained, or their close proximity to, reaching new cumulative giving society levels.

- a. Development Officers will make every attempt to contact donors eligible to move up in society levels
  - b. Development Officers will use these cumulative giving levels as cultivation tools whenever possible
- 5. Stewarding and Benefits of Giving Society Levels:** Advancement staff ensure that cumulative giving levels are tracked, marketed and consistently stewarded. Upon achieving each new level of DPT status – the donor and their guest(s) are invited to be the ETSU Foundation’s guest with complimentary tickets to the annual Distinguished President’s Trust Recognition Banquet. Although invitations will be sent to all donors who have reached recognition levels in previous years, only those who have attained new cumulative giving recognition society levels are offered complimentary attendance for the DPT event.
- 6. Dates of Receipt/Recognition.** To be awarded at the next DPT event, gifts should be received by December 31 of the previous year. Exceptions will be considered.
- 7. Hall of Honor.** Plaques recognizing DPT levels Bronze and above will be managed according to the attachment and based on assigned credit in Banner. Donor wishes will be accommodated as much as possible.



## Attachment – Cumulative Giving Recognition Societies

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### Distinguished President’s Trust Cumulative Giving Recognition Societies

These giving levels recognize the cumulative giving of individuals, businesses, and corporations to the ETSU Foundation. They represent significant contributions to the advancement of the university and are thus accorded the following recognitions.

#### Primary Distinguished President’s Trust

Distinguished President’s Trust #	\$10,000
Bronze Society *	\$50,000
Silver Society *	\$100,000
Gold Society *	\$500,000

#### Platinum Societies

Platinum Society *	\$1million
Platinum Society – II *	\$2million
Platinum Society – III *	\$3million
Platinum Society – IV *	\$4million

#### Diamond Societies

President’s Diamond Society *	\$5million
President’s Diamond Society VI *	\$6million
President’s Diamond Society VII *	\$7million
President’s Diamond Society VIII *	\$8million
President’s Diamond Society IX *	\$9million

#### Pinnacle Societies

Pinnacle Society *	\$10million +
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# = Honorees receive plaque recognition

\* = Honorees receive a personal “book” recognition and are added to our “Hall of Honor”

All honorees are invited to be guests at the DPT Awards Banquet

EAST TENNESSEE STATE UNIVERSITY  
BOARD OF TRUSTEES

ACTION ITEM

DATE: September 8, 2017

ITEM: Naming of the Arts Center

COMMITTEE: Finance and Administration Committee

RECOMMENDED ACTION: Approve

PRESENTED BY: Joe Smith  
Executive Assistant to the President for University  
Relations

Construction of the ETSU arts center has been approved by the Tennessee State Building Commission and will provide instructional and office space the arts. The recommended name submitted by to the Board of Trustees for consideration is:

James C. and Mary B. Martin Center for the Arts

In 2009, East Tennessee State University announced the creation of the Mary B. Martin School of the Arts, established through a \$1 million gift from Jim Martin in memory of his wife, the late Mary Beard Martin. The Martin School of the Arts hosts numerous visual and performing arts events and lectures throughout the year and also partners with other arts organizations in the community. Mr. Martin made additional gifts to the Martin School endowment and, in 2013, provided the lead gift of \$3 million for the Center for the Arts. Mr. Martin's total giving to ETSU is \$7 million. An additional \$1.2 million was directed by Mr. Martin's daughter, Sonia King, to support the Center for the Arts.

**MOTION: I move that the Finance and Administration Committee recommend adoption of the following Resolution by the Board of Trustees:**

**RESOLVED: Upon the recommendation of the Finance and Administration Committee, the name of the East Tennessee State University arts center shall be the James C. and Mary B. Martin Center for the Arts in recognition of the significant contributions of Jim and Mary Martin to the arts at the university.**

EAST TENNESSEE STATE UNIVERSITY  
BOARD OF TRUSTEES

INFORMATION ITEM

DATE: September 8, 2017

ITEM: Quarterly Reports of Agreements \$250,000 or greater

COMMITTEE: Finance and Administration Committee

PRESENTED BY: B.J. King, Acting Chief Financial Officer

Included in the meeting materials are a list of agreements, both expense and revenue, with amounts totaling \$250,000 or greater for the period of April 2017 – June 2017.

East Tennessee State University  
Quarterly Report of Agreements \$250,000 or More  
Includes Expence and Revenue

April 2017 - June 2017								
<b>Contract/ PO Date</b>	<b>Start</b>		<b>End</b>	<b>Contractor</b>	<b>Description of Services/Products</b>	<b>Contract / PO Amount</b>	<b>Competi- tive</b>	<b>If expenditure over \$249,999 and noncompetitive, was Fiscal Review approval obtained or pending?</b>
05/01/16	06/01/16	to	06/30/21	Education Advisory Board	Student success collaborative advertisement platform services	\$ 730,022.00	no	yes
03/25/16	04/01/16	to	03/31/19	Adobe Systems Incorporated	Digital Marketing Cloud Partnership	\$ 825,060.00	no	yes
05/22/17				EMD Millipore Corporation	Flow Cytometer Internal Medicine - P0146457	\$ 551,832.00	yes	n/a
05/18/17				McKesson Drug Co	Pharmaceuticals HIV - P0146220	\$ 300,000.00	no	Vendor specified in grant