

# FUNDRAISING POLICY

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Last updated on: May 13, 2009

## **Section 1 - Fundraising Priorities**

As the University's chief executive officer, the president has the responsibility to establish AUB's fundraising priorities after consultation with the trustees, provost, vice presidents, deans, development staff, and others. AUB seeks philanthropic and other support for the following on-going needs:

### **1. Unrestricted Current Support**

These are funds that can be applied at the time of receipt, without restriction, to the University's highest needs, including its operating budget.

### **2. Restricted Current Support**

These are funds that can be applied at the time of receipt to designated programs or projects. These are especially valuable when they relieve the operating budget of comparable expenses (e.g., student financial aid, library acquisitions, equipment needs, etc.).

### **3. Endowment Funds**

These are permanent funds which are invested and from which the income only is used for unrestricted needs or for specific designated purposes according to donor directive, such as professorships, endowed scholarships, lectureships, etc.

### **4. Capital Funds**

These are moneys for facility and equipment needs such as the renovation of libraries, purchase of major medical equipment for the university hospital, etc.

### **5. Gifts-In-Kind**

The University welcomes gifts of books, equipment, pharmaceutical products, furnishings, works of art, etc., as long as they are needed by the University, and their acquisition and use do not incur unreasonable cost.

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## **Section 2 - The President's Role in Fundraising**

As chief executive officer of AUB, the president is the University's principal fundraiser. The ability of the institution to secure charitable gifts which enable it to fully accomplish its mission is ultimately his/her responsibility. To maximize AUB's fundraising opportunities, the president relies on the recommendations, research, and follow-up of the university development office.

The president fulfills his/her fundraising responsibilities principally by:

1. Defining the University's fundraising priorities.
2. Working closely with the development staff to set an overall fund-raising strategy, to identify major gift prospects, to identify donor interests, and to assess cultivation opportunities.
3. Working closely with trustees and senior university officers to cultivate and solicit prior and prospective donors via personal meetings.
4. Acknowledging major gifts in writing and/or through other means of recognition.
5. Assuring donor notification of the appropriate and timely use of gifts.
6. Assuring the effective coordination of fundraising activities university-wide.

On a day-to-day basis, the president has delegated authority for fundraising coordination and prospect clearance to the University's vice president for development.

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### Section 3 - Fundraising Coordination and Clearance

Charitable resources, like other scarce resources, must be managed carefully for maximum benefit. If AUB is to maximize university-wide return on its fundraising efforts, it will require the involvement, cooperation, and coordination of all concerned. **It is especially important that the University avoid duplication and competition in its approach to potential donors.**

To facilitate fundraising success by seeking appropriate gifts from charitable and other sources for high-priority university needs, and to avoid duplicative, competitive, or pre-emptive gift requests, the following procedures must be followed by all members of the university community:

1. All written or oral requests for private sector support from individuals, corporations, or foundations - whether for unrestricted gifts, restricted current gifts, gifts of endowment, gifts of capital, or gifts-in-kind - require prior approval from the University's vice president for development.
2. Requests for contracts from any source must be directed to the Office of Regional External Programs for approval before any request is made of a funding source.
3. Copies of all pertinent correspondence, or written reports from face-to-face meetings with potential donors, or reports of relevant telephone contacts should be filed with the development office.
4. Copies of all proposed solicitation letters or any other solicitations which may appear in brochures, newsletters, etc., must be approved in advance by the development office.
5. Requests for any information about donors or leads for potential donors should be directed to the development office. Donor anonymity will be respected whenever desired by the donor.
6. Regardless of point of entry, all gifts for university programs and projects, including information on gifts-in-kind, must be directed to the development office for gift recording and acknowledgment.
7. The development office must be informed when notification is received by any faculty or unit of the University that it has been included in a will as beneficiary, or that it will benefit from any trust, annuity, or other form of deferred gift. Consistent with other sections of this policy, solicitation for bequests and deferred gifts must be coordinated with the development office.

For its part, the development office will:

- a. Actively assist faculty members and staff in the identification, evaluation, cultivation, solicitation, and stewardship of donor prospects.
- b. Work to assure that approaches to donors are well coordinated in order to maximize gift opportunities for high-priority university needs.

- c. Protect the interests of a faculty or university unit seeking a gift from an approved prospect, especially if a competing request would minimize the chances of success for that faculty or university unit.
- d. Help a faculty or university unit to identify alternate funding sources or strategies if it is determined that a proposed prospect should be cultivated or solicited for another purpose.
- e. Keep the faculty or university unit fully informed of the status and progress of cultivation and solicitation activities affecting its approved prospects.
- f. Promptly record and acknowledge gifts, promptly inform academic and administrative units of their receipt, and promptly notify recipients of any special reporting requirements and deadlines. The comptroller's office should be informed of any gift received by the University.
- g. Help the prospective donor to set an alternative purpose if such initial purpose has been covered by other funds or already endowed.
- h. Prior to acceptance, gifts in kind shall be evaluated using the same criteria for university purchases of supplies or fixed assets.
- i. Whenever volunteers are to be involved in fundraising efforts, it shall be the responsibility of the development office to assist in the selection, recruitment, and training of the volunteers.

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## **Section 4 - Approval Process for Faculty or Administrative Proposals**

The University must increase philanthropic support and, as a result, it welcomes individual initiative. Ideas for new programs and projects are encouraged from all of the University's academic and administrative departments. These may originate from one individual, or a group, or committee. It is the responsibility of the development office to assist in determining the feasibility of potential funding projects, to assist in the proposal-writing process, and to research potential sources of support. It is the responsibility of the provost, deans, vice presidents and, ultimately, the president, to determine their academic or administrative importance and, hence, priority.

The following procedures must be followed before any new proposal can be submitted to an outside funding source for consideration, and where applicable, an annual plan will be submitted to the development office by any faculty or university unit concerned:

1. At the earliest possible time, a faculty member should discuss the proposal concept with his or her department chair. The department chair must endorse the proposal concept and must determine, first, whether it is possible to fund the concept from currently budgeted departmental funds. An administrator must meet first with his or her director or vice president for the same purpose.
2. If the department chair endorses a faculty member's concept, it should be directed to the appropriate faculty dean for review by the relevant faculty, research committee and, if approved there, to the University Research Board for consideration according to its established guidelines.
3. Faculty proposals for outside funding must first be approved by the relevant department chair, the relevant dean, and by the relevant faculty research committee. Administrative proposals must be approved by the relevant director or vice president.
4. No proposal for outside funding will be considered by the faculty research committees without an approved budget. This budget must reflect university policies with respect to expenditures, including provision for overhead costs. Budgets must be reviewed and approved by the comptroller's office and by the grants and contracts office.
5. Approved proposals with approved budgets must then be submitted to the president for final review and approval. If approved there, they will be submitted by the president to the funding source.
6. Proposals for contracts with any organization that require the delivery of a product or service must be submitted in advance to the Office of Regional External Programs for review and approval in accordance with its established guidelines.
7. The grants and contracts office will be responsible for the administration of all contracts and all research grants.

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## **Section 5 - Acknowledgment of Gifts**

All gifts to the University, regardless of source or value, must be sent to the development office for processing. Gifts from North America and England will normally be receipted in New York. All other gifts will normally be receipted in Beirut. All gifts to the University, regardless of source or value, must be acknowledged promptly. In acknowledging gifts by AUB, whether cash, checks, securities, or gifts-in-kind, a gift receipt is issued by the University to the donor. Receipts for gifts in excess of \$1,000 are normally acknowledged in writing by the president. The development office is the only office authorized to issue gift receipts and to handle acknowledgment letters for the president. If vice presidents, deans, or others believe that a further note of appreciation should be sent by them to the donor, such a note can be forwarded separately following the president's letter, with a copy sent to the development office.

All gifts-in-kind will be issued a university receipt by the development office. If the donor requires a gift value on the receipt, usually for tax purposes, it is the responsibility of the donor to provide the University with an independent appraisal indicating the value of the gift.

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## **Section 6 - Stewardship of Gifts**

All restricted gifts and grants require, usually on the anniversary of the gift, that special periodic reports detailing gift use be sent to the donor, whether individual, foundation, corporation, or other organization. It is the responsibility of the Office of Development and/or the Office of Regional External Programs to remind principal investigators of reporting deadlines. It is the responsibility of the principal investigator or other appropriate administrator/faculty member, in consultation with those offices, to prepare this report. Most reports consist of financial statements and a narrative description of how the funds have been used and what has been accomplished. Narrative descriptions are provided by the principal investigator or other appropriate administrator/faculty member, and financial statements are provided by the Comptroller's Office.

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## **Section 7 - Named Gifts**

The president, in consultation with the Board of Trustees, is the only officer of the University authorized to negotiate the establishment of named gift opportunities such as professorships, buildings, and endowed funds. The development office is the only university office authorized to carry out discussions for the establishment of named scholarship funds and the terms of reference for the award of scholarships. The development office, in cooperation with the university financial aid office and the comptroller, also determines that scholarships are administered in accordance with the terms of the agreement between the University and the donor, and keeps donors informed of the names and academic progress of each student. Offices or department heads who may be contacted by prospective donors interested in establishing other endowed or restricted scholarship funds should consult with the development office before any commitment is made on behalf of AUB.

In addition, no officer, employee, or volunteer associated with the University shall promise, or imply that, in return for a charitable contribution, favorable consideration will be given to:

1. Appointments that imply faculty or administrative status not in keeping with usual university process for such appointments.
2. Naming a building or other facility without the approval of the president of the University and the Board of Trustees.
3. Granting of student admission, student scholarships, fellowships, other financial benefits, or special considerations in a manner inconsistent with university policies and procedures.

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## **Section 8 - Named Gift Opportunities**

The following guidelines will govern named giving opportunities:

### **1. Endowed Chairs**

Normally, endowed faculty positions may be created and named by a donor for a minimum commitment of \$2,000,000. This commitment must be in writing, and the entire amount must be paid before the chair is activated.

### **2. Named Building**

Naming gifts for new buildings requires written assurance that the naming donor will provide at least 51 percent of the total costs of the project including construction, design costs, site development, landscaping, furnishing, and fees. Under normal circumstances, payment must be received before construction can begin.

### **3. Other Facilities**

Equipment and furnishings can be named if their value exceeds \$20,000. Modification and renovation of existing facilities can be named if the gift covers the total cost and its value exceeds \$50,000. Existing rooms, laboratories, and other spaces can be named for donors. The amounts will vary on a case-by-case basis. Gift proceeds for these spaces can be used, in part, to upgrade the space and, in part, for other important university priorities.

### **4. Scholarship and Fellowships**

Named endowed scholarship funds that cover the full cost for one student range from \$150,000 in the Faculty of Arts and Sciences to \$350,000 for the School of Medicine. Partial endowed scholarships for any faculty can be named with a minimum gift of \$75,000. Current scholarships can be named in the year of receipt for a gift of \$5,000.

### **5. Book Funds**

Named endowed funds for the purchase of books and other library materials can be established with a minimum gift of \$10,000.

### **6. Faculty Development Funds**

Named endowed funds to support faculty salaries, faculty recruitment, faculty research, or other faculty development needs may be established with a minimum gift of \$50,000.

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