

**The Board of Trustees approved the “AUS Policy on Accepting Donations” at its plenary session on February 22, 2009 (Board Policy Number: 2009 BOT – 231), 1<sup>st</sup> amendment in December 2017, and the 2<sup>nd</sup> proposed amendment in October 2023**

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## **AUS POLICY ON ACCEPTING DONATIONS**

### **POLICY STATEMENT**

American University of Sharjah (AUS) depends upon the generosity of alumni and friends to support its mission, programs, and purposes. Contributions, donations, or gifts from benefactors to further the purpose of AUS must be solicited, accepted, processed, recorded, and acknowledged in a manner that protects its benefactors and the institution. AUS has created the position of Executive Director for Advancement and Alumni Affairs, to coordinate solicitations of funds and outright gifts to the University. The Executive Director for Advancement and Alumni Affairs has the responsibility to carry out AUS's resource development priorities, as specified by the Board of Trustees in consultation with the Chancellor.

### **RATIONALE FOR POLICY**

The University strives to ensure that donations and developmental funds do not compromise its educational purpose; donor requirements and restrictions are acceptable to the University; all funds received must be credited to the correct account and deposited; donations will be accepted and administered in a manner appropriate for a tax-exempt educational institution; and that gifts and other transfers of money or property will be acknowledged promptly.

### **RESOURCE DEVELOPMENT RESPONSIBILITIES**

The Office of Advancement and Alumni Affairs is responsible for fundraising activities of the University. The Executive Director for Advancement and Alumni Affairs, who heads the Office of Advancement and Alumni Affairs, creates a plan to realize the goals of donations set by the Board of Trustees in consultation with the Chancellor. The Executive Director for Advancement and Alumni Affairs approves and delegates assignments in fundraising to administrators, deans, and the Advancement and Alumni Affairs staff. During University campaigns, all development efforts will be directed and coordinated through the Executive Director for Advancement and Alumni Affairs. The effective coordination of fundraising activities requires university-wide cooperation. The use of the non-profit status of a university and its reputation must be managed carefully in order to ensure that it remains above the opportunities of the moment and for maximum benefit for the University community as a whole. The efforts on behalf of the community will require the coordinated involvement of many people and consistent cooperation of all. These efforts, most of all, must avoid competition among members of the University community in approaching potential donors. To ensure that the University is successful in fundraising with individuals, corporations, foundations and occasionally governments, the following gift acceptance procedure must be followed by all members of the University:

1. The Office of Advancement and Alumni Affairs (OAAA) will approve requests, which must be made in writing, from individuals, corporations, or foundations making unrestricted or restricted gifts or gifts-in-kind.
2. The Office of Advancement and Alumni Affairs (OAAA) will approve all written gift agreements with donors after consultation with the Chancellor and other senior administrators as needed.
3. Copies of all letters soliciting requests for funding must be approved by the Office of Advancement and Alumni Affairs.
4. Copies of all correspondence or written reports from personal meetings or conversations with potential donors, contributors or institutional funders must be filed with the Office of Advancement and Alumni Affairs before initiating formal request for gifts.
5. Any information or leads about potential donations should be directed to the Office of Advancement and Alumni Affairs.
6. If a donor requests anonymity and the Chancellor approves it, it will be respected.
7. Notification of all gifts for university programs and projects must be sent to the Office of Advancement and Alumni Affairs for documentation and acknowledgement. (Faculty research funds secured by the faculty themselves through appropriate foundations and agencies are exempt from this step.)
8. In rare circumstances when an academic unit, administrative department or faculty members is notified

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that a donor has included AUS in his/her estate plans, the Office of Advancement and Alumni Affairs should be so notified.

**ACCEPTING NEW PLEDGES (COMMITMENTS)**

Only authorized Advancement and Alumni Affairs staff members, their designees, or the Chancellor can accept new commitments on behalf of the University. Donations should be in amounts appropriate to carry out their specified use. Monetary donations to be used for restricted purposes and in-kind donations should receive prior approval and be coordinated through the Office of Advancement and Alumni Affairs in consultation with the University unit, college, or department offices responsible for carrying out the donor's specifications. These requirements are to protect the interests of the University, the academic unit responsible for fulfilling the stipulations of the donation, as well the donor. Contributions to AUS must support the University's mission, and any restrictions stipulated by the donor must be consistent with prevailing UAE laws and public policies, and, where applicable, USA tax law provisions.

**Caution:** Written approval of the Board of Trustees, applied for through the Office of Advancement and Alumni Affairs, is required prior to making any solicitations for new programs, new positions, new facilities, or any other long-term obligations to the University.

See the “Special Situations” Section of this document for information on accepting gifts that require a financial commitment from the university, circumstances under which gifts may be declined or returned, gifts of service and gifts that publicly honor an individual who has made extraordinary contributions to the University.

**The Office of Advancement and Alumni Affairs will:**

1. Assist University employees, from the administration, staff, or faculty in recognizing, cultivating, soliciting and stewarding contributions.
2. Coordinate all efforts in order to take advantage of opportunities for fundraising and to prioritize University needs. This will be done in consultation with the administration and academic units.
3. If a specific funding goal is considered a high priority, OAAA will attempt to identify funding sources or other strategies in order to find support for the goal.

If a major financial goal has been identified as a priority on the institutional agenda, the Office of Advancement and Alumni Affairs (OAAA), in consultation with the Chancellor and RDC, is empowered to designate it as a priority. To maximize fundraising success, campus-wide fundraising agendas will be maintained which incorporate such identified priorities and foster seamless collaboration between OAAA and academic units. This strategic alignment ensures a cohesive and synchronized approach, propelling the institution confidently towards its advancement goals. The key to success lies in the harmonious collaboration of various campus entities, emphasizing the importance of a strong, collective effort and clear coordination of fundraising efforts.

4. Ensure that all those concerned among university personnel are informed of the status and progress in funding the goal.
5. Record and acknowledge gifts without delay and inform the relevant administrative units, including the - Office of the Director of Finance, and pertinent academic units, of their receipt. Reporting requirements will be sent to the involved parties.
6. Assist potential donors in choosing another university priority if the original purpose of their gift has already been funded.
7. Prior to formally accepting a gift-in-kind, the potential gift will be evaluated using the same criteria of evaluation as for any acquisition or purchase of such a gift.

## REPORTING AND PROCESSING DONATIONS TO AUS

### Reporting Monetary Pledges (Commitments)

All new monetary pledges must be reported immediately through the Office of Advancement and Alumni Affairs to the office of the Director of Finance. Advancement and Alumni Affairs officers or their designees normally report the required information using a donor pledge form.

### Reporting In-Kind Donations

All in-kind donations are reported immediately by the Office of Advancement and Alumni Affairs to the Office of the Director of Finance. Examples of in-kind donations (both tangible and intangible) include: real estate, equipment, art, antiques, rare books, and copyrights, all of which must be recorded in the University accounting system.

During the process of accepting and reporting in-kind donations, the following considerations should be kept in mind:

- Donations of real property and securities may be accepted with the intent that they be sold to benefit the university, or, at the discretion of the university, they may be retained if they have a useful purpose.
- Donations of tangible personal property must have a related use to the university to be accepted. These gifts should not be accepted with the intent that they be sold or disposed of within two years.

### Processing Monetary Gifts

After processing by the Office of Advancement and Alumni Affairs, the Office of the Director of Finance must record and control all transactions of monetary donations received by the University. Every effort must be made to deposit cash and cash equivalents on the day received.

### Approval Process for Proposals

The university welcomes initiative from faculty, staff, and administrators. Ideas for projects and donors are encouraged from across the University. Faculty members should talk with their deans about such ideas just as staff should discuss their ideas with their supervisors. As ideas rise to the administration they will be brought to the Office of Advancement and Alumni Affairs for discussion with the Council of Development and Outreach (CDO) and with the Chancellor.

The Office of Advancement and Alumni Affairs acts as the clearing house on campus for such ideas and suggestions. OAAA will assist in determining the viability of all such projects and coordinate the necessary proposal-writing process, the researching of possible sources of support, and eventually, the solicitations for funding of all such projects.

## PREFERRED METHODS OF TRANSFER OF ASSETS

Depending on the donor's method of payment, the following information may be provided to the donor:

Donations are received by the University either in a current dated check, or through a direct bank transfer to the account details indicated below:

|                       |                                  |
|-----------------------|----------------------------------|
| <b>Bank</b>           | Sharjah Islamic Bank             |
| <b>Account Name</b>   | American University of Sharjah   |
| <b>Account Number</b> | AE650410000029200170001          |
| <b>Branch</b>         | University City - Sharjah Branch |
| <b>Swift</b>          | NBSHAEAS                         |
| <b>IBAN</b>           | AE02 0410 0000 11200 170001      |

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- **OTHER METHODS**

**Processing In-Kind Donations**

Contact the Finance Department for instructions on processing donations-in-kind. To protect against loss of any donations-in-kind, the Supply Chain Department should be contacted to obtain appropriate insurance coverage.

**Issuing Donation Receipts**

The Finance Department is responsible for issuing all official university donation receipts. Caution: Departments may issue acknowledgments, but must not issue official donation receipts.

**CANCELING AND DISPOSING OF DONATIONS RECEIVED**

**Disposing of In-Kind Donations**

From time to time, items of university property acquired by donation may lose their usefulness. Circumstances arise in which they might be sold, traded, or otherwise disposed of in order to acquire other items of greater value in fulfilling the purpose and intent of the original donation.

The university is legally bound to fulfill the terms and conditions of any donation, as specified by its donor, before any disposition is made. Therefore, the original terms of the donation must be reviewed to determine whether the language, either expressly or by implication, prohibits disposition of the donated property. In the absence of such a restriction, disposition in accordance with established university policy on assets disposal is legally permissible. Donations of real property can be disposed of only by direct action of the Board of Trustees.

**SPECIAL SITUATIONS**

**Declined Donations**

In rare circumstances, donations may be declined under certain circumstances, including, but not limited to, the following:

- The donation is restricted and would require support from other resources that are unavailable, inadequate, or may be needed for other institutional purposes.
- The donation is restricted and would support a purpose or program peripheral to the existing principal purposes of the institution, or create or perpetuate programs or obligations, which would dissipate resources or deflect energies from other programs or purposes.
- The donation would limit, or tend to limit, the academic freedom of the University.
- The donation would harm the reputation or standing of the University, or generate such controversy as to substantially frustrate and/or defeat the educational purpose to be served.

Contact the Executive Director for Advancement and Alumni Affairs for questions or considerations regarding instances where the donation may have to be refused.

**Donations of Service(s)**

Receipts are not issued for donations of services. Any value that may be assigned is for donor recognition purposes only. Evaluating donations of services is the responsibility of the Executive Director for Advancement and Alumni Affairs, and may require obtaining a professional appraisal of value.

**Donations Requiring Financial Commitment from the University**

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**Caution:** Before soliciting or accepting any donation that requires a present or future financial commitment from the University over and above the amount pledged, written approval must be obtained from the Chancellor.

The Chief Operating Officer should be notified of such "approval" negotiations at an early stage to assist if necessary.

Examples of some University donation-related commitments include:

- To provide matching funds.
- To continue a project after the donation has been terminated or exhausted.
- To finance a construction project.
- To establish a permanent, interest-bearing fund when the donation amount is not large enough to carry out its specified purpose.
- To finance and/or administer a project outside of the routine functioning and operation of the university.

### **DONOR ANONYMITY: INTERNAL PROCEDURES**

Before accepting the donation, OAAA officers should:

- Ensure that the funds being donated come from legal and ethical sources.
- Conduct a Background Check.
- Understand the Donor's Motivation.

Respecting donor anonymity internally within AUS is essential for maintaining trust and upholding the donor's wishes. To ensure confidentiality throughout the process, AUS should follow the following steps:

- Appoint a designated point of contact.
- Establish secure donation handling procedures.
- Process anonymous donations separately.
- Restrict access to donor information only to specific advancement officers within the Office of Advancement and Alumni Affairs, who should sign non-disclosure agreements themselves.
- Maintain confidential record-keeping.
- Send anonymous acknowledgments.
- Ensure legal compliance.

### **NAMING OF CLASSROOMS, STUDIOS, OR LABS (INTERIORS OF BUILDINGS) GOVERNANCE**

Under special circumstances, the University may publicly honor an individual or organization by the naming of a facility within the university, including classrooms, studios, or labs (the interiors of a building). Certain procedures and criteria to be determined by the Resource Development Committee of the Board of Trustees must be followed for this kind of honor to be bestowed

The procedures that appear below apply to all facilities of the university:

1. The naming of any facility within the university, including classrooms, studios, or labs (the interiors of a building), for a person or organization is a high honor and should not be carried out casually. This honor should be reserved for those who have made extraordinary contributions to the university and its existence through their achievements in the service of the university or in other ways.
2. Facilities within the university, whether new or existing, are named or renamed only by an action of the Board of Trustees on the recommendation of the Chancellor, and the endorsement of Her Excellency Sheikha Bodour Al Qasimi, President of the American University of Sharjah.
3. Internal university facilities (labs, auditoriums, and the like) may be named after a donor only upon full payment of the construction and/or renovation costs.
3. The proposed naming of any facility or the memorializing of any individual or organization by a plaque or any other physical device is referred to the Resource Development Committee of the Board of Trustees.

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In the instance of a proposed plaque, the Resource Development Committee of the Board of Trustees must be given a recommendation for plaque wording, size, material, and method of attachment as suggested by the supervisory University department.

Contact the Office of Advancement and Alumni Affairs for all issues related to naming a building or other facility.

**Caution:** Approval must be secured before holding any discussions with donors concerning the naming of any facility. The Office of Advancement and Alumni Affairs will not accept any obligation to honor commitments made by faculty, staff, or members of the administration without its prior consent and approval.

### **ACKNOWLEDGMENT OF DONATIONS**

The University will acknowledge all donations in writing in a timely manner. The Executive Director for Advancement and Alumni Affairs is responsible for acknowledging donations on the university's behalf and sending donors timely institutional thank you letters.

In the event that a donation has been received in a department, that department must immediately forward all pertinent information regarding the donation to the Office of Advancement and Alumni Affairs for contribution processing. Such information should include:

- donor's name and address
- description of the donation, including restrictions on use of the donation
- date of the donation
- exact value of the donation, if known, or approximate value
- Whether the donor received anything in return for the contribution, e.g., meals, goods, services, or discounts at university facilities.

Donations with a minimum value of AED 1 million will be acknowledged by the Resource Development Committee of the Board of Trustees.

### **CHANGE IN CIRCUMSTANCES**

If, in the sole discretion of AUS, all or part of the Endowment cannot, at any point, be usefully or practically applied to the purposes contemplated by this Agreement or such purposes cannot reasonably be achieved, then the Endowment may be applied for another purpose which, in the sole discretion of AUS, is closely aligned to accomplishing the Contributor's objectives in providing the Endowment.

If, in the sole discretion of AUS, the purposes for which the Endowment is established become illegal, or the Endowment carries a reputational risk for AUS, AUS may decide to discontinue the Endowment, amend the terms of this Agreement, or to terminate this Agreement and return the Endowment funds to AUS.

AUS will use its best efforts to communicate any such changes to the Contributor or their heirs or representatives before they take effect.

### **DONOR RELATIONS**

#### **Acknowledgment**

All donations to the University are acknowledged quickly and accurately to make sure that donors know that their financial support has been gratefully received and is being used in accordance with their expectations.

#### **Recognition**

Donors are recognized in meaningful ways through personal visits, invitations to campus, and thank you letters.

#### **Reporting**

Regular reports on fund performance and what their donations have made possible illustrate to donors that

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their contributions are invested wisely.

Each fall an endowment report will be mailed to all donors of endowed accounts. Contributors supporting financial aid and scholarships also receive the name(s) and a brief biography of each student recipient benefiting from his or her donation.