



Fund Raising Policy Statement

Final, October 2009

DESERT RESEARCH INSTITUTE

INTRODUCTION AND GENERAL POLICY STATEMENT

The Trustees of The Desert Research Institute Research Foundation (TDRI) are responsible for raising and managing private gift funds for Desert Research Institute. TDRI has delegated responsibility to their Finance Committee (TDRI).

TDRIFC's responsibilities include the management and administration of contributions received on behalf of Desert Research Institute. TDRIFC is responsible for: (a) the management and administration of all bequests, estates, trust arrangements and endowments in which the DRI Foundation is the intended beneficiary; (b) investment of all funds and securities; (c) accounting and reporting for individual gift accounts; (d) valuation of gifts for Internal Revenue Service and State of Nevada reporting purposes; (e) compliance with Federal and State laws and regulations regarding said contributions; and (f) acceptance, management and sale of gifts of real and personal property. DRI Staff works to support TDRIFC in the administration and accounting of these tasks.

TDRIFC ensures that all gifts and earnings are used according to donor guidelines.

Desert Research Institute strongly encourages the solicitation and acceptance of private gifts and grants, which enables it to fulfill its mission of teaching, scholarship and community service.

Gifts may be sought from individuals, corporations, and foundations. Desert Research Institute values and will protect its integrity, its independence, and the academic freedom of the Desert Research Institute community. Gifts that may expose Desert Research Institute to adverse publicity, require expenditures beyond Desert Research Institute resources, or involve Desert Research Institute in unexpected responsibilities because of their source, condition, or purposes or are not consistent with the mission of DRI will not be accepted.

Desert Research Institute cannot accept gifts which involve unlawful discrimination based upon race, sex, age, national origin, color, handicap or any other basis prohibited by federal, state, and local laws and regulations. Nor can Desert Research Institute accept gifts which obligate it to violate any other applicable law or regulation.

This policy is designed to provide guidance to the Desert Research Institute community and the general public so as to facilitate the gift-giving process. Desert Research Institute encourages philanthropic creativity, therefore, this policy is to be interpreted liberally so that prospective donors may enjoy the greatest freedom possible in formulating their gifts.

The Desert Research Institute Research Foundation Board of Trustees hereby establishes the following policies which officially commit the organization to a position which will protect: (1) the best interests of the donor, (2) the welfare of DRI itself, (3) the integrity of the DRI Research Foundation and (4) the administrators charged with management of all donated funds within the context of respecting the Donor Bill of Rights.

Conflict of Interest

DRI Foundation has established a Conflict of Interest Policy dated January 16th, 2009 which is incorporated hereby by reference as part of this document.

Legal Counsel

Prospective donors shall be advised to consult with counsel of their choice in all matters related to charitable contributions, such as drafting of wills, trusts, agreements, or other contracts. They shall be advised to consult with their financial or legal advisors on matters related to the tax implications and estate planning aspects of charitable contributions.

If, at the donor's request, a representative of DRI Foundation makes referrals to financial or legal advisors, it shall be understood that the advisor is retained to represent the donor/client's interests.

DRI Foundation shall consult with its legal counsel in all matters pertaining to its receipt of charitable contributions and shall execute no agreement, contract, trust or other legal document with any donor without the service of its legal counsel.

Influence

Representatives of DRI Foundation shall exercise extreme caution to avoid pressure, persuasion or undue influence when the representative informs and assists the donor in gift planning concerns, which includes the exercise of prudent consideration of the donor's stated personal interests as well as charitable objectives.

All DRI Foundation personnel employed to contact prospective donors or to promote charitable giving shall be paid a salary or fixed wage, but shall not receive commissions which could give such personnel a direct beneficial interest in any agreement.

No DRI Foundation personnel shall knowingly promote, urge, or assist in acts that are self-dealing or secure personal financial gain from prospective or actual donors.

Confidential Information

All information concerning current and prospective donors including names and addresses, names of beneficiaries, nature and worth of estates, amounts of provisions, etc., shall be kept strictly confidential by the DRI Foundation and its authorized personnel, including DRI financial services staff, in accordance with Nevada Revised Statute unless the donors grant permission to use selected

information for purposes of referral, testimonial, or example.

Authorization for Negotiation

The Board of Trustees shall identify, by resolution, the appropriate DRI personnel authorized to negotiate on behalf of the DRI with any prospective donor in respect to gift annuities, trusts, life income agreements, and other charitable contributions that follow the official policies adopted by the Board of Trustees. Any agreements which involve a legal obligation on the part of the DRI or any of its agents which do not follow the official policies adopted by the Board of Trustees, or are special agreements of any kind, will require the approval of the Board of Trustees.

If it is determined the DRI Foundation will not accept a proposed contribution, the DRI Foundation will so notify the prospective donor within a reasonable amount of time.

ACCEPTING AND PROCESSING GIFTS

GIFTS DEFINED

A gift is defined as any transfer of personal or real property made voluntarily and without consideration. Gifts to The DRI Foundation may be made in several forms: 1) outright, 2) conveyance of the gift in such a way that the donor or the donor's designees retain(s) income from it for a term of years or for his/her lifetime(s), 3) in the form of a bequest through the donor's will or trust, 4) conveyance of the income from an asset placed in trust for a period of years and 5) conveyance of real property, while maintaining the right to occupy it for the lifetime of the donor.

GIFT TRANSMITTAL

All gifts to DRI Foundation should be directed through the Office of DRI, where they are properly acknowledged and recorded. Checks should be made payable to The DRI Foundation. Title to gifts of Securities and Real Property should be transferred to DRI Foundation.

GIFT ACCEPTANCE

The DRI Foundation is legally obligated to adhere to the terms and conditions of every gift. For this reason, the terms of each gift must be considered with the utmost care to be sure they are feasible, do not unduly hamper the usefulness and desirability of the gift, and are in conformity with Desert Research Institute policy. The donor should instruct DRI how the gift or the proceeds from the gift are to be applied or expended.

The Finance Committee is responsible for reviewing and making recommendations regarding gifts in which present and/or future encumbrances may be incurred and in cases involving certain types of unusual non-cash gifts.

Types of gifts reviewed by the committee may include, but are not limited to:

Gifts of real property or an interest therein.

Gifts of closely-held securities, promissory notes, partnership interests, stock options, or other negotiable instruments.

Gifts of undivided interest or future interests.

Bargain sales or gifts subject to any encumbrance.

Gifts of tangible personal property such as paintings, sculpture, furniture, or other works of art, or collections of such, if made on the condition or expectation that the items will be permanently exhibited, or that the collections will be maintained and shown as such.

Gifts that may be rejected include:

Gifts that, because of their unusual nature, present questions as to whether they are within the role and scope of DRI Foundation or Desert Research Institute.

Gifts that, because of their size or nature, present questions as to the impact on Desert Research Institute, or a particular program or area.

Gifts that might raise questions about Desert Research Institute's integrity, independence, or academic freedom, or potentially expose the Institute to adverse publicity, financial risk, or litigation.

Gifts that present the potential for an obligation on Desert Research Institute under local, state, or federal law that either may be unwilling or unable to assume.

Acknowledging and Recognizing Donors

A formal tax receipt for cash donations is sent to each donor upon acceptance of the gift. Receipts are issued for non-cash contributions, such as gifts of stock, bonds, or gifts-in-kind. Desert Research Institute will formally acknowledge non-cash gifts in a letter containing a description of the donated item, although the actual fair market value will not be stated. Receipts and acknowledgements are necessary to ensure that gifts are deposited correctly and also serve as additional verification of a tax-deductible gift for the donor.

Memorial gifts and gifts in honor of others are acknowledged to the donor, and a list of donors (but not gift amounts) is provided to interested parties when requested provided the donor is advised prior to and approves of said notice.

USE OF GIFTS

Outright gifts

Outright gifts are those placed at the immediate disposal of DRI Foundation and in which the donor retains no interest. They may be either restricted or unrestricted in purpose.

ENDOWMENTS

The DRI Foundation has been delegated the responsibility for implementing policies for endowments to benefit Desert Research Institute programs. These policies are established and maintained by and for the DRI Foundation endowments.

The following policies and guidelines for endowments have been established to facilitate processing and handling major gifts which are to be used for endowment purposes. These guidelines will provide direction for the requirements which must be met by both the donors and the DRI Foundation before such an endowment can be accepted. These requirements are intended to protect the interests of the donors and allow the DRI Foundation to economically carry out the requirements set down by the endowment guidelines.

Gifts totaling a minimum of \$50,000 will be required to establish an endowment fund.

Endowed funds may be "named".

Every endowment shall have specific guidelines detailing the purpose of the endowment. Unrestricted endowments will be encouraged. In addition to the use of earnings, these guidelines should include the following:

Donors are encouraged to recognize that over the many years following the establishment of an endowment, the needs, policies and circumstances of Desert Research Institute may change in unforeseen ways. If, at some future date, circumstances within Desert Research Institute should change so that the uses and purposes of which this fund has been established are no longer existent and/or are in conflict with administration of DRI, then the fund income and principal may be used in a manner which is in the best interests of Desert Research Institute, bearing in mind the wishes of the donor(s) set forth therein. In this unlikely event, every effort shall be made by DRI to contact the donor(s) prior to any change in fund disbursement.

TYPES OF GIFTS

CASH GIFTS

Cash gifts can take the form of currency, coin, checks, money orders, or bank drafts, Checks should be

made payable to DRI Foundation with a letter or pledge form stating the donors designation of the gift.

SECURITIES

Publicly-traded securities, shares of stock in closely held companies, bonds, and government issues may be given to the DRI Foundation. Title to gifts of securities must be transferred to the DRI Foundation.

Publicly-Traded Securities: These are securities regularly traded on a public stock exchange. The value of the gift will be the mean of the highest and lowest selling prices quoted for the stock on the valuation date of the gift, as defined below.

Closely-Held Securities: These are shares of stock in the entities, which have been organized for profit-making purposes, and are rarely traded on stock exchanges. Donors may give shares of closely-held corporate securities to the DRI Foundation in the same manner as publicly traded securities.

TANGIBLE PERSONAL PROPERTY

Criteria for Acceptance

The DRI Foundation welcomes and seeks gifts of equipment and software; however, these gifts must fit within the stated mission of the DRI.

REAL PROPERTY

Criteria for Acceptance

Market Value and Marketability: The DRI Foundation must receive a reasonably current appraisal of the fair market value of the property and donor's interest in the property Desert Research Institute would receive if the proposed gift were approved. Thus, regardless of the value placed on the property by the donor's appraisal, The DRI Foundation will attempt to sell at a reasonable price in light of current market conditions, and the donor needs to be informed that any such sale occurring within two years of the date of gift will be reported to the IRS.

Carrying Costs: The existence and amount of any carrying costs, including but not limited to property owners' association dues, country club membership dues and transfer charges, taxes and insurance, must be disclosed and funded by the donor or the program benefited by the gift.

Life Insurance

Criteria of Acceptance

Gifts of life insurance may be accepted without special approval if the insurance policy is fully paid and in cases where the donor intends for the policy to be cashed in immediately for its cash surrender value. The DRI Foundation must be made the owner (not just beneficiary) of policy.

Gifts of life insurance with a convertible cash value of at least \$10,000 and which are partially paid, or, on which no payments have been made at the time of gift, will be reviewed for acceptance on a case by-case basis by the Finance Committee of The DRI Foundation.

Other Assets Criteria of Acceptance

DRI will consider gifts of other assets including but not limited to promissory notes, assignment of promissory notes, partnership interests, and restricted or non-publicly traded securities, numeral rights, deeds of trust, stock options, and other negotiable instruments, only after a thorough review of the anticipated benefits of the proposed gift to the Foundation and a current appraisal from a qualified appraiser of the fair market value of the property and interest in the property The DRI Foundation would receive if the proposed gift were approved.

PLANNED GIFT VEHICLES

The following guidelines govern the solicitation and acceptance of planned gifts by The DRI Foundation. The DRI Foundation may decline gifts if it is not satisfied that the donor has received proper independent legal and/or financial counseling, or that the gift is not in the best interest of the donor.

The DRI Foundation endorses the National Committee on Planned Giving's Model Standards of Practice for the Charitable Gift Planner and requires all of its representatives to abide by them. Those Standards by their reference are incorporated in this document.

Investment policies and practices for planned gifts are similar to those for Endowment Funds, however, the investment approach and asset mix for trusts are dependent on the objectives of each individual trust.

Although pooling of individual planned giving vehicles is permissible under current law, it may not be practical for some trusts because of conflicting objectives. However, where possible and desirable, pooling trust assets is considered for diversification and minimizing risk.

Donors are encouraged to recognize that over the many years following the establishment of an such giving programs, the needs, policies, and circumstances of the DRI can change in unforeseen ways. The DRI Foundation must have the flexibility to make use of funds in the best interest of the institution and in accord with donor interests and specifications. Thus, donors are advised to describe the specific purposes of their gifts as broadly as possible and to avoid detailed limitations and restrictions.

The DRI Foundation will serve as a beneficiary of Charitable Remainder Trusts. The DRI Foundation will serve as the income beneficiary of Charitable Lead Trusts.

REVOCABLE TRUSTS

The DRI Foundation will not serve as trustee of a revocable trust.

FEDERAL AND STATE TAX INFORMATION

Since DRI is organized and operated exclusively for educational purposes, it is exempt from income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code. The DRI Foundation is not a private foundation under Section 509(a) of the IRS Code; contributions made to The DRI Foundation are charitable contributions for federal and state tax purposes.

EXCEPTIONS

Exceptions to this policy must be approved in writing by the Finance Committee and Board of Trustees of the DRI Foundation.

EFFECTIVE DATE

This policy shall become effective _____ and will supersede any existing policy purporting to cover the subject matter of this **policy**.