



HOSPITAL FOR SPECIAL SURGERY

# GIFT ACCEPTANCE POLICY

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## 1 | INTRODUCTION

Hospital for Special Surgery (HSS) was established with support from prominent philanthropic community members and, throughout its history, has benefited from the generosity of its philanthropic partners. Donor support allows HSS to fulfill its tripartite mission of providing the best musculoskeletal clinical care, education and training, and research. Philanthropic support enables HSS to accelerate research and discovery, develop new treatments and set new standards of care, and fuel expansion to make HSS accessible to even more communities. HSS encourages the solicitation, acceptance, and stewardship of philanthropic contributions for purposes that will help further and fulfill its mission.

This policy outlines the manner in which philanthropic contributions are considered, accepted, and administered within HSS. This policy is intended to serve as a guide to HSS staff and prospective donors and their advisors, while allowing for some flexibility as appropriate and on a case-by-case basis.

HSS is a not-for-profit corporation incorporated in New York State. Hospital for Special Surgery Fund, Inc. is a not-for-profit institution incorporated in New York State for the purpose of supporting the charitable, educational, and scientific purposes of HSS. Both are designated as exempt charitable organizations under section 501(c)(3) of the Internal Revenue Code. As such, gifts made to HSS or HSS Fund, Inc. may be tax-exempt as allowed by law.

## 2 | ACCEPTANCE AND RETURN OF GIFTS

The Gift Acceptance Committee (GAC) oversees the policies and procedures related to the acceptance of all gifts and authorization of gifts that are not routine. This includes interpreting HSS policy as it relates to specific gifts, evaluating and determining the acceptability of proposed gifts that fall outside established policy and guidelines, and providing direction on all miscellaneous gift-related matters requiring policy decisions.

In the unusual and extraordinary circumstance where it may be necessary for HSS to return a gift made to the institution, the Chief Development Officer will consult with the GAC and other HSS leadership, as necessary, to determine the most appropriate course of action.

The Gift Acceptance Committee is responsible for reviewing this policy every three years. Any changes to the policy must be proposed through the GAC for approval by the Board of Trustees. Changes in operational procedures maintained by the Development Department can be made without review and approval by the GAC.

## 3 | RESPONSIBILITY TO DONORS

HSS recognizes its responsibility to ethically generate philanthropic support. All staff members in the Development Department agree to abide by and uphold the Code of Ethical Standards<sup>1</sup> outlined by the Association of Fundraising Professionals and the Donor Bill of Rights<sup>2</sup> adopted by the Association for Healthcare Philanthropy.

HSS urges all donors to seek the assistance of personal, independent legal and financial advisors in the gift planning process. HSS and its staff members will not provide legal, tax, or other counsel to prospective donors. HSS will not pay for donors to receive counsel from their advisors and will not provide appraisals or valuations to donors for tax purposes.

<sup>1</sup> <https://afpglobal.org/sites/default/files/attachments/2018-10/CodeofEthics.pdf>

<sup>2</sup> <https://www.ahp.org/member-center/donor-bill-of-rights>

### 3.1 Privacy

HSS respects the privacy of its donors and will make every effort to maintain the privacy and confidentiality of its donors' nonpublic information. HSS adheres to all standards and regulations of appropriate federal, state, and local agencies, including the Health Insurance Portability and Accountability Act (HIPAA) and the accreditation standards of the Joint Commission for Accreditation and Certification of Healthcare Organizations (JCAHO). HSS maintains privacy and information security programs and implements safeguards to ensure compliance with policy, procedure, and standards for the access, use, and disclosure of sensitive information.

Donors, prospective donors, and patients may opt out of communications from the Development Department by emailing [development@hss.edu](mailto:development@hss.edu), calling 844.810.1321, or mailing a request to Hospital for Special Surgery, Development Department, 535 East 70th Street, New York, NY 10021.

HSS will not make external announcements of a gift without approval from the donor. The terms of a gift shall be held confidential by HSS, except when HSS is required to disclose certain terms in government or other filings required by law. HSS will accommodate any request for a gift to remain anonymous unless otherwise prohibited by law.

### 3.2 Gift Acknowledgment and Recognition

HSS acknowledges all gifts regardless of value or designated use. Only the Development Department is authorized to accept gifts and issue gift receipts on behalf of HSS. Donors who make a transaction online will receive a tax receipt via email. All other tax receipts are generated and mailed to the donor by the Gift Administration team in the Development Department. Receipts for noncash gifts, with the exception of securities, will not indicate a dollar value and will only describe the donated item(s).

Donors are invited to make their gift in honor or memory of a specific person, including HSS physicians and clinicians. The Gift Administration team will acknowledge a memorial or in-honor-of gift in the same manner as other gifts. The Gift Administration team will also send a notification to the person, family, or organization being recognized or remembered, unless no contact information is available.

No tax receipt is issued for third-party giving entities, such as donor-advised funds or community foundations. Instead, an acknowledgment letter is issued to the donor who recommended the gift. Donors who secure matching gifts will receive an acknowledgment letter without a tax receipt for matching contributions. The matching funds are designated to the same purpose as the donor's original gift, unless otherwise noted by the matching organization.

## 4 | TYPES OF GIFTS ACCEPTED

### 4.1 Cash

1. All gifts of cash (check, credit card, wire) shall be accepted by HSS regardless of amount.
2. Checks shall be made payable to Hospital for Special Surgery or to HSS Foundation. If a donor wishes to direct a contribution to a particular program, this can be indicated in the “Memo” or “Note” section of the check or in a letter accompanying the contribution, and the contribution will be designated accordingly. In no event shall a check be made payable to an individual who represents HSS.
3. The donor is credited with the face value of the gift.

### 4.2 Pledges

1. HSS uses standard gift agreements with language and terms approved by HSS Legal Counsel.
2. Pledges to HSS may be payable in single or multiple installments within a five-year payment period. The first payment on a pledge will be scheduled within one year of the date of the pledge agreement’s execution. All donors must complete a pledge form or confirm the pledge.
3. Pledges from individual donors that are likely to be paid in full or part through a donor-advised fund must be written in the form of a nonbinding statement of intention. Approved text for these circumstances can be found in HSS gift agreement templates, which can be provided by the HSS Development Department.<sup>3</sup>

### 4.3 Publicly Traded Securities

1. Readily marketable securities, such as those traded on a stock exchange, can be accepted by HSS.
2. Gifts of securities are sold immediately upon receipt by HSS.
3. For HSS accounting purposes, the Finance Department records the sale proceeds. For gift crediting and receipting purposes, HSS acknowledges the shares of stock and the mean market value as determined by the average of the high and low on the date the gift was received.

### 4.4 Closely Held Securities

1. Non-publicly traded securities may be accepted after consultation with the Finance Department.
2. Prior to acceptance, HSS shall explore methods of liquidation of the securities through redemption or sale. A representative of HSS shall try to contact the closely held corporation to determine:
  - An estimate of fair market value
  - Any restrictions on transfer
3. No commitment for repurchase of closely held securities shall be made prior to completion of the gift of the securities.

<sup>3</sup> The language of recent IRS guidance could allow pledges to be satisfied by grants from a DAF; however, some uncertainty exists, particularly if the pledge is substantial or provides for naming or other substantial rights.

## 4.5 Real Estate

1. Gifts of real estate must be reviewed by the Chief Development Officer, Chief Financial Officer, and Chief Legal Counsel, in consultation with the Chief Executive Officer.
2. The donor is responsible for obtaining an appraisal of the property to substantiate the value of the contribution. The cost of the appraisal is borne by the donor.
3. Prior to presentation to the Chief Development Officer, Chief Financial Officer, and Chief Legal Counsel, a member of HSS staff must conduct a visual inspection of the property. If the property is located in a geographically isolated area, a local real estate broker can substitute for a member of HSS staff in conducting the visual inspection.
4. Due to the expenses associated with gifts of real estate, only gifts with a net of expense value in excess of \$500,000 will be accepted.
5. Prior to presentation to the Chief Development Officer, Chief Financial Officer, and Chief Legal Counsel, the donor must provide the following documents:
  - Real estate deed
  - Real estate tax bill
  - Plot plan
  - Substantiation of zoning status
6. Following presentation to the Chief Development Officer, Chief Financial Officer, and Chief Legal Counsel, the donor must provide an appraisal.
7. Depending on the value and desirability of the gift, the donor's connection with HSS, and the donor's past gift record, the donor may be asked to pay for all or a portion of the following until the property is sold by HSS:
  - Maintenance costs
  - Real estate taxes
  - Insurance
  - Real estate broker's commission and other costs of sale
  - Appraisal costs
8. For gift crediting and accounting purposes, the value of the gift is the appraised value of the real estate less any costs incurred by HSS to acquire and sell the property.

## 4.6 Tangible Personal Property

1. Gifts of tangible personal property to HSS should have a use related to the exempt purpose of HSS, as set forth by the Internal Revenue Code Section 501(c)(3). If that is not the case, the donor will be advised that HSS will be selling the property, and the donor will be entitled to a deduction equal to the lower of the cost basis or fair market value.<sup>4</sup>

<sup>4</sup> Gifts to HSS of tangible personal property owned by the donor for one year or less are also limited to a deduction equal to the lower of cost or fair market value.

2. Gifts of jewelry, artwork, collections, equipment, and software shall be accepted after approval by the Chief Executive Officer, Chief Development Officer, or Legal Counsel. For gifts of artwork, please see additional guidelines in Section 4.6.1 of this policy.
3. Such gifts of tangible personal property defined above shall be used by or sold for the benefit of HSS.
4. No property that requires special display facilities or security measures shall be accepted by HSS without review by the Chief Development Officer and Legal Counsel, in consultation with the Chief Executive Officer.
5. The donor is responsible for obtaining his/her/their own qualified appraisal in order to claim an income tax charitable deduction in excess of \$5,000. Depending upon the anticipated value of the gift, HSS may wish to have its own qualified outside appraisal done either for insurance or resale purposes before accepting the gift. Typically, noncash gifts of less than \$5,000 do not require a formal qualified appraisal.
6. HSS adheres to all IRS requirements related to disposing gifts of tangible personal property and filing appropriate forms.
7. The receipt for a gift of tangible personal property will acknowledge that a gift was made and the date it became the property of HSS. No dollar value will be included on the receipt.
8. The date it becomes the property of HSS is the date that it is physically delivered to HSS.

#### 4.6.1 Gifts of Art

1. Either written or verbal intent to donate works of art to HSS should be made prior to the delivery of objects to HSS. For an object to be considered for a fair-market-value tax deduction, among other requirements, the object must have been owned by the donor for more than one year (and have a use related to the exempt purpose of HSS, as set forth by the Internal Revenue Code Section 501(c)(3)).
2. One or more members of the committee reviewing tangible personal property will review all object(s) to be donated. Object(s) can be reviewed either in person or by photograph at the discretion of the committee.
3. A letter of acceptance or rejection will be sent to potential donors. Letters of acceptance for donations in a calendar year will be sent before the end of each calendar year.
4. Object(s) must be delivered to HSS prior to December 31 of the gift year in which a donation is intended. A receipt will be issued for all donated objects, stating the date the object was received.
5. Appraisals and expenses incurred are the responsibility of the donor. The IRS does not consider any HSS staff to be qualified appraisers for IRS valuation purposes.

#### 4.7 Third-Party Donor-Advised Funds

1. Donor-Advised Funds (DAFs) are philanthropic vehicles established at sponsoring public charities that allow donors to make charitable contributions, receive immediate tax benefits, and then recommend grants from the funds over time.
2. No tax receipt will be issued to the individual who recommended a gift to HSS from the DAF; however, the individual will be recognized with the value of the gift in an acknowledgment letter.

3. Current IRS guidance appears to permit a gift to HSS from a DAF to be used to satisfy the payments on a personal pledge of the individual who made the gift recommendation to its DAF, provided that (i) the sponsoring public charity makes no reference to the individual's charitable pledge to HSS when making the grant from the DAF to HSS, (ii) the individual receives no benefit from the DAF's grant to HSS (other than recognition from HSS described in #2 above), and (iii) the individual does not claim an additional charitable deduction as a result of the DAF's grant to HSS. However, if the gift is substantial or recognition of the individual will be substantial (e.g., naming or other rights), then further discussion with Legal Counsel is required. The IRS has requested comments on this guidance, and it is subject to change.
4. Pursuant to IRS guidance, gifts to HSS from DAFs cannot be used to purchase or subsidize a donor's, donor advisor's, or any related person's attendance or participation at any HSS-sponsored event. For example, a donor may not use a gift from a DAF to pay for all or a portion of the cost of tickets or tables at an HSS dinner gala. Donors also may not separate out the fair-market-value portion from the tax-deductible portion.

## 4.8 Planned Gifts

HSS is authorized by its Board of Trustees to offer the following planned gift options:

- Bequests
- Charitable gift annuities
- Deferred gift annuities
- Life insurance
- Retirement assets
- Charitable remainder trusts
- Charitable lead trusts
- Retained life estates
- Pooled income fund

HSS shall not act as an executor (personal representative) for a donor's estate.

As a general practice, HSS will not pay the legal fees, trustee charges, appraisal fees, etc. of a donor who wishes to make a planned gift to HSS. Such costs are usually the responsibility of the donor. Any exceptions to this practice must be approved by the Chief Executive Officer after consultation with the Chief Legal Counsel.

### 4.8.1 Authorization to Discuss Gift Planning

All agreements that do not follow the format of the specimen agreements approved by the HSS Board of Trustees or otherwise meet the requirements of these guidelines shall require the approval of the Chief Development Officer and/or the Chief Executive Officer.

When property other than listed securities or securities traded over the counter are involved, the approval of the Chief Financial Officer is required.

#### 4.8.2 Bequests

1. Assets transferred through bequests that have immediate value to HSS or can be liquidated shall be encouraged by the Development staff.
2. Donors who have indicated that they have made a revocable bequest to HSS may, depending upon the individual situation, be asked to disclose in writing or by copy of the will the relevant clause that benefits HSS as evidence of their gift.
  - a. This information is recorded in the Development database and is not binding on the donor.
  - b. HSS recognizes revocable bequests through membership in its legacy society, the Wilson Society. Other recognition may be provided.
  - c. HSS does not count nonbinding bequests or revocable future gifts, per IRS regulations.
3. Irrevocable bequests (deferred testamentary pledges) are encouraged, provided that donors: i) are age 70 or older at the time of the gift, ii) sign a written pledge agreement that makes their commitment legally binding and irrevocable, and iii) own sufficient assets to satisfy the amount committed, as best as HSS can determine.
  - a. This information is recorded in the Development database and is binding on the donor.
  - b. HSS will provide an acknowledgment of the pledge for recognition purposes at the time the pledge is made. HSS also recognizes irrevocable bequests through membership in its legacy society, the Wilson Society, and additional recognition of the testamentary pledge may be provided as determined is appropriate.
  - c. HSS will count irrevocable bequests per the generally accepted accounting principles and using the National Association of Charitable Gift Planners' Guidelines; however, per IRS regulations, no gift receipt will be provided until the estate has cleared probate.

#### 4.8.3 Charitable Gift Annuities

1. It is recommended that administrative fees be included as a budget item in the HSS annual budget.
2. There shall be no more than two (2) beneficiaries on a charitable gift annuity (CGA).
3. The minimum gift accepted to establish a charitable gift annuity is \$10,000.
4. No income beneficiary for a charitable gift annuity shall be younger than 65 years old.
5. HSS follows the American Council on Gift Annuities' suggested rates.
6. No gift annuity shall be issued unless the charitable gift, computed using government tables, exceeds 10% of the amount transferred for the annuity.
7. The date of gift for a gift annuity or deferred payment gift annuity will be the date the check or the stocks are negotiable by HSS. That is, the value HSS will use to determine the lifetime payments will be the value of the stock on the day it first can be sold by HSS, or the date the cash is received in the case of a cash gift.

#### 4.8.4 Deferred Gift Annuities

1. Administrative fees shall be paid as noted above.
2. There shall be no more than two (2) beneficiaries on a deferred gift annuity.
3. The minimum gift accepted to establish a deferred gift annuity is \$10,000.
4. No income beneficiary for a deferred gift annuity shall be younger than 65 years old at the time the payments are to begin.
5. HSS follows the American Council on Gift Annuities' suggested rates.

#### 4.8.5 Life Insurance

1. Donors may name HSS as beneficiary of all or a portion of a life insurance policy.
  - a. This information is recorded in the Development database and is not binding on the donor.
  - b. HSS recognizes nonbinding beneficiary designations through membership in its legacy society, the Wilson Society. Other recognition may be provided.
  - c. HSS does not count nonbinding beneficiary designations or revocable future gifts, per IRS regulations, and no gift receipt will be provided until the gift is realized.
2. HSS will accept ownership of life insurance policies only when HSS is named as the owner and beneficiary of 100% of the policy.
  - a. If the policy is a paid-up policy, the value of the gift for gift crediting and accounting purposes is the policy's replacement cost.
  - b. If the policy is partially paid up, the value of the gift for gift crediting and accounting purposes is the policy's cash surrender value.

#### 4.8.6 Retirement Assets

1. Donors may name HSS as beneficiary of all or a portion of retirement accounts.
  - a. This information is recorded in the Development database and is not binding on the donor.
  - b. HSS recognizes nonbinding beneficiary designations through membership in its legacy society, the Wilson Society. Other recognition may be provided.
  - c. HSS does not count nonbinding beneficiary designations or revocable future gifts, per IRS regulations, and no gift receipt will be provided until the gift is realized.

#### 4.8.7 Charitable Remainder Trusts

1. The minimum to establish a charitable remainder trust held at HSS is \$250,000.
2. As a general rule, HSS will not agree to serve as trustee. HSS will never agree to be successor trustee of a charitable remainder trust when the donor has been trustee for any appreciable length of time. HSS may act as co-trustee on a charitable remainder trust when the trust names HSS as a beneficiary of 50% or more of the trust.

3. In those cases where HSS has agreed to be trustee, management fees for the administration of a charitable remainder trust when HSS is named as trustee or co-trustee shall be paid from the income of the trust. Specific investment decisions shall be made by the fiduciary hired to manage the trust. Unless HSS is trustee, no representations shall be made by an HSS employee or person acting on behalf of HSS as to the management or investment of such charitable remainder trust.
4. The payout rate of a charitable remainder trust shall be determined in consultation with the donor and HSS investment advisor. In those cases where HSS has agreed to be trustee, the payout rate of a charitable remainder trust shall be determined after HSS has consulted with the donor and the financial institution handling the investment and management of the trust. By law the payout rate cannot be lower than 5%. The payout rate shall be negotiated between the donor and HSS and shall reflect the number of beneficiaries, their ages, and the size of the trust.

#### 4.8.8 Pooled Income Funds

1. Administrative fees shall be paid from the income earned on the Pooled Income Fund unless to do so unfairly penalizes the participants. In that case, the fees will be paid by HSS.
2. No income beneficiary in the fund shall be younger than 50 years old.
3. The minimum initial contribution to the fund shall be \$5,000. Additional gifts may be added for amounts beginning at \$1,000.
4. Pooled Income Fund agreements shall not cover more than two (2) lives.
5. In no event shall a transfer of mortgaged property or tax-exempt securities be accepted.

## 5 | DESIGNATION OF FUNDS

Donors are encouraged to support areas reflecting their interests and may designate their philanthropic contributions for specific purposes, in accordance with HSS policies. Gifts that are not restricted in purpose will be considered general funds and will be used to support mission-critical operational expenses.

Any outright or planned gift that is given to HSS without direction from the donor as to how it is to be used will be considered unrestricted, with the exception of major gifts made in honor of a physician. In the case that a major gift (\$25,000 or more) is made in honor of a physician, and the donor does not designate a gift allocation, a member of the Development Department will contact the donor to clarify his/her/their intention so that the gift may be directed accordingly.

### 5.1 Gifts Designated for Research

Philanthropic gifts to support research enable HSS clinicians, scientists, and engineers to pursue new treatments and approaches to address the greatest clinical needs. HSS applies a 10% assessment on outright gifts and pledge payments from individuals and foundations that are designated for research. Funds from the assessment will support an HSS Research Infrastructure Fund (HRIF), which enables crucial centralized resources and infrastructure necessary to conduct research activities at HSS. The 10% assessment is not applied to research endowment gifts.

## 5.2 Changing Donor Designation

HSS will assign all gifts and documented pledges to a specific unrestricted or restricted account in accordance with the donor's stated directive. If at any time, due to change in circumstances, it becomes impossible or impracticable to fulfill the gift's purpose as designated by the donor, then HSS, in consultation with the donor or representative, may make modifications to the purpose to best carry out the original intent.

## 6 | GIFTS TO ESTABLISH ENDOWMENTS

Endowments at HSS represent one of the most meaningful and permanent forms of philanthropy, allowing donors to make a lasting contribution to the field of medicine and help ensure the long-term viability of the HSS mission. Endowments that are aligned with the HSS mission and current strategic plan may be established with philanthropic support. Priority will be placed on endowments that have been identified and agreed upon by medical, scientific, and executive leadership as critical to achieving institutional goals. An endowment will typically be established within a service/department or program but may be multidisciplinary in scope.

An endowment is supported by income from an endowed fund established by a gift or gifts from private sources. HSS may create named endowments to recognize the interests and contributions of benefactors and/or to honor particularly distinguished members of the medical and research staff.

All donors to proposed endowments will receive a statement of the HSS Endowment Policy, per the regulations of the New York State Attorney General.

### 6.1 Endowment Investment Policy

Endowment gifts to HSS are pooled in the HSS Endowment Fund and are invested in accordance with the investment policies adopted by the Investment and Finance Committees of the Board of Trustees. To minimize risk, investments are made in a broad range of asset categories with diversification within each category. The asset categories and the percentage of the endowment to be allocated to each category are determined by the Finance Committee in consultation with an outside investment advisor.

### 6.2 Endowment Spending Policy

Although all endowments at HSS are pooled together for investment purposes, each endowment is accounted for on an individual basis.

The HSS Finance Committee has established a spending policy that supports the HSS mission in research, educational, and clinical programs. The policy is set in the expectation that, over long periods of time, the returns earned on the investment of the endowment will equal or exceed the withdrawn amounts plus inflation, thereby preserving the endowment for the future. The Finance Committee meets periodically to evaluate this policy and adjust it if warranted.

### 6.3 Endowed Chairs

Endowed chairs at HSS, considered one of the highest honors awarded to physicians and researchers, recognize exceptional scientific and academic achievement and catalyze research breakthroughs. Chairs may be proposed by any source (trustee, donor, physician, et al.) and must be submitted to the Chief Development Officer for approval by an oversight committee of senior HSS leadership.

An endowed chair is supported by income from an endowed fund with a required base of at least \$3 million or, for an endowed leadership chair, at least \$5 million. Proposed chairs may be publicly announced when 50% of the goal is raised.

The appointment of an endowed chair will be made by the oversight committee for a five-year period. There is no limit to the number of times the appointment can be renewed. If the vetting process does not produce a qualified candidate, it is not necessary to make an appointment. During periods of time when the endowed chair is not occupied, the income from the endowment may be used for any purpose consistent with the endowment agreement or approved by the oversight committee.

The appointment of an endowed chair for a researcher will follow a unique process under the direction of the Chief Research Officer.

The activities of chair holders and the expenditures of the funds generated by the chair must align with the donor's intent and purpose in establishing the chair. If the chair is an institutional chair, the spending is controlled and directed by the Chief or Service, Department, or Program. For chairs that have been established to support programs or specific areas of research, the spending is controlled and directed by the chair holder.

The holder of an endowed chair shall submit each year to the donor(s) a narrative report of accomplishments for the past year and of goals for the next year. The report shall include a general accounting of expenditures of endowment funds. Finance and Development will prepare a report on the performance of the HSS endowment to accompany the report from the chair holder. The due date of the report will be established by the donor and/or HSS. A copy of the report will be provided to the head of the Service, Department, or Program that the chair benefits.

#### **6.4 Disestablishment of an Endowment**

The establishment of an endowment is contingent on completion of the agreed-upon funding level and time frame specified in the gift agreement. An endowment that has not reached the full funding level by the end of the specified time period will be reviewed by HSS Development leadership. HSS Development leadership, with the donor's consent, may recommend the disestablishment of the endowment and/or the alternative use of the endowment funding.

With the donor's approval, HSS is authorized to disestablish an endowment in the event the subject area ceases to be aligned with the HSS mission and strategic plan.

Upon disestablishment of an endowment, the fund payout shall be reallocated to the alternative purpose approved by the donor(s). If a donor is deceased, HSS Development leadership shall seek legal counsel for an alternative use of fund payout in a related field.

## **7 | NAMING POLICIES**

HSS may name a facility, program, position, or other entity to acknowledge exceptional gifts and honor an individual or organization partner. Gifts that are made in exchange for the naming of an entity at HSS will be approved by the Chief Development Officer in consultation with the Chief Executive Officer. The Development Department is responsible for developing and securing approval for any named gift opportunities.

The Development Department will provide plans and/or renderings of proposed recognition to the donor for approval prior to finalization. Any physical donor recognition, including signage, will use language and materials in accordance with established standards set by HSS and any facility-specific considerations, including zoning regulations, lease agreements, and other contracts. Signage will be consistent with other signage design employed by HSS and use language comparable to language used in similar signage.

HSS provides donors with select naming opportunities for any capital commitments of \$100,000 or more. Naming opportunities available to a donor are dependent on the amount of the gift and the facility to be named. Examples of nameable entities include exam and patient rooms, care team stations, inpatient units, floors, and buildings. Donor recognition can take many forms (including physical signage, virtual recognition, and program naming) and HSS will provide appropriate recognition to the best of its abilities relative to the amount and conditions surrounding a commitment.

Naming rights agreements for capital commitments related to naming a building, institute, center, or comparably large opportunity remain in effect for forty (40) years from when recognition commences, subject to facility-specific limitations such as lease agreements. All other naming rights agreements for capital commitments remain in effect for twenty-five (25) years from when recognition commences. At the end of a commitment period, HSS donors and their heirs will receive the right of first refusal if they would like to renew naming rights through a new commitment to HSS.

## 7.1 Modification or Revocation of Naming Rights

HSS may change or revoke naming rights previously granted in limited circumstances, as follows:

- (1) in the event that a pledge is unfulfilled (if the commitment is partially fulfilled, naming rights will be based on the fulfilled amount);
- (2) it becomes impossible or impracticable to fulfill the donor's designated purpose for this gift (e.g., discontinuation of a program or service);
- (3) in extremely rare circumstances, the donor's action(s) is so outside the bounds of acceptable conduct that it poses significant reputational risk to HSS; or
- (4) at the request of the donor.

In such a situation, when appropriate, HSS will attempt to work with the donor to address the circumstance in a manner that respects the donor's intent and protects the parties' mutual interests. In situations where it is not possible to accomplish an amicable resolution, the Board of Trustees (by and through its Executive Committee), acting in consultation with the Development Committee, has the authority to return the gift and/or revoke naming rights without compensation to the donor.

In certain circumstances, such as a major relocation or renovation initiative during the naming rights period that significantly alters a previously named space, HSS reserves the right to present an alternative recognition plan to the donor in order to appropriately acknowledge their support and the support of all HSS donors.

## 8 | POLICY ADMINISTRATION

This policy is maintained by the HSS Development Department. For questions about this policy, contact the Office of the Senior Vice President and Chief Development Officer at 212.606.1201 or [development@hss.edu](mailto:development@hss.edu).