

# **Coconino Community College Foundation Gift Acceptance Policy**

## **GIFTS**

The work of the Coconino Community College Foundation depends on gifts and it strongly encourages the solicitation and acceptance of gifts. Gifts may be sought from, but is not limited to, individuals, families, businesses, corporations and foundations.

## **ACCEPTANCE OF GIFTS**

### **PURPOSE**

The Foundation accepts gifts which are consistent with Foundation purposes and priorities. The Foundation is unable to accept gifts which are too restrictive, violate law, require expenditures in time and dollars beyond Foundation and/or college resources, or create adverse publicity. The most useful gifts are those with the fewest restrictions.

1. The Foundation Executive Director or Board of Directors President may accept the following types of gifts without the approval of the Board of Directors:
  - A. Unrestricted cash gifts.
  - B. Restricted cash gifts if restrictions are consistent with the purposes of the Foundation and with the educational mission and goals of Coconino Community College.
  - C. Securities which can be traded on public exchanges.
  - D. Unencumbered bequests.
  - E. Paid-up insurance policies.
  - F. Gifts-in-Kind: The Foundation and CCC staff may accept gifts-in-kind valued at less than \$250.00; such gifts need not be formally approved by the Foundation for acceptance. The Foundation office must be notified of the gift-in-kind within one week of acceptance.

Information that should be submitted to the Foundation includes:

1. Donor(s) name, address and phone number. An email address is also helpful.
2. Description of gift and for what purpose the gift will be/has been used.
3. Estimated valuation of gift-in-kind.

Gifts-in-kind with a value exceeding \$500.00 will be processed in accordance with current IRS regulations and will be recorded on the Foundation's gift record system at a value to be determined in cooperation with the donor(s). The Foundation Executive Director may require documentation from the donor(s) to substantiate the donor's cost and/or the market value of goods donated.

Gifts accepted by the Foundation Executive Director must be reported in accordance with generally accepted accounting standards.

2. The following gifts may be accepted only after a due diligence review of the Foundation Board Executive Committee and the Foundation Board of Directors:
  - A. Real and tangible personal property (encumbered and unencumbered), appraised by a qualified independent appraiser, have no unusual management responsibilities. Due consideration must be given to environmental issues, endangered species, requirements of ADA legislation and other governmental requirements.
  - B. Gifts of personal property shall be inspected by staff, for condition and operability, prior to acceptance and must also be reviewed by the College's Purchasing Director to assess and identify all costs to inspect, accept, transport, install, operate, maintain, repair, or dispose of the equipment, and to determine if acceptance of the gift is in the best interest of the College.
  - C. Securities which are not traded on public exchanges.
  - D. Art objects and collections must be appraised by a qualified independent appraiser with the donor(s) providing specific written instructions as to the intent of the gift. Gifts of art must also be reviewed by the College's Fine Arts Advisory Committee.
  - E. Bequests with burdensome conditions.
  - F. Gifts in trust.
  - G. Unpaid insurance policies.
  - H. Any gift from a questionable source and/or with ideological restrictions or purposes which the Foundation Executive Director or President of the Foundation Board of Directors evaluates as potentially controversial or inimical to the Bylaws of the Foundation and/or the mission and goals of Coconino Community College.
3. The Foundation Board of Directors may delegate evaluation and acceptance of any gift categories outlined in section 2 (above) to the Foundation Executive Committee, which, in turn, may appoint a sub-committee with the specific charge of evaluation and acceptance or rejection.
4. No "hold harmless/indemnification agreement" or other terms of agreement shall be signed which waives or restricts any rights of the Foundation and/or the College.

## CATEGORIES OF GIFTS/DEFINITIONS

**Bequests** – Gifts made through a donor(s) will.

**Cash** – Funds received on behalf of, or for the benefit of, the institution.

**Deferred Gifts** – Gifts in which the gift is conveyed at some later date or in such a way that the donor(s) receives a lifetime income (such as charitable gift annuities, life income annuities or remainder trusts) after which the gift becomes unencumbered property of the Foundation. In some instances, a deferred gift may also be restricted.

**Memorial Gifts** – Gifts, scholarship funds, property, etc., given in honor of a person or persons.

**Non-cash Gifts** – Gifts which include items such as real property, securities, items or personal property (such as works of art, books, antiques) etc.

**Restricted Gifts** – Gifts for which the purpose of usage has been stipulated by the donor(s).

**Unrestricted Gifts** – Gifts for which the donor(s) does not restrict the use of the principal or any interest earned through investment.

**Permanent Endowment** – Funds given which are established and maintained in perpetuity; income derived through investment of these funds can be expended. Current minimum for a permanent endowment is \$15,000.00 donated over no more than a three-year period of time.

**Quasi-Endowment** – Funds set aside by the Foundation Board much the same as permanent endowment funds (maintain the principal and expend invested earnings); designation as quasi-endowment can be changed by appropriate Foundation Board action to invade part or the entire principal; funds are considered to be unrestricted for financial reporting purposes.

**Restricted Endowment** – Funds for which the donor(s) specifies the use to which the income or earnings shall be expended.

**Scholarships** – Donor(s) or Foundation gifts established to be awarded to support the educational objectives of selected students.

**Term Endowment** – Permanent-type endowment which includes an expiration date, stated period of time, or occurrence of a specified event, after which all or part of the principal may be expended.

**Unrestricted Endowment** – Funds established and maintained in perpetuity for which the earnings (through investment) may be expended at the discretion of the Foundation Board.

## **LIQUIDATION OF GIFTS**

1. It shall be the general policy of the Foundation to liquidate gifts of land, stocks, bonds or other collateral upon receipt, or as soon thereafter as practical, unless such gifts are accepted with restrictions. Gifts of land, stocks and bonds shall be reviewed by the Foundation Board Executive Committee for suitable retention or liquidation.
2. The liquidation of such gifts shall be the responsibility of the Foundation Board Executive Committee and the funds from such sales shall be placed in unrestricted Foundation funds – unless there are donor(s) restrictions (including endowments) which shall then be honored.
3. Any exceptions to this policy shall be brought before the Foundation Board of Directors for approval.

### **IRS RULES AND REGULATIONS – ADHERENCE**

The Foundation shall strictly adhere to all IRS rules and regulations which pertain to a non-profit foundation classified as a 501(c)3. Generally accepted accounting and reporting procedures shall be utilized to insure explicit understanding of all revenues and expenditures. Due diligence shall be exercised by staff and external qualified auditors shall be employed on a regular basis.

### **APPROVAL/ACCEPTANCE PROCESS FOR GIFTS OF \$50,000.00 OR MORE**

The Foundation Executive Director, or other appropriate official, will prepare a written summary of the gift proposal and submit the summary to the Foundation Board Executive Committee. The summary shall include the following information:

- A. Description of the asset;
- B. Purpose of the gift (e.g. to endow a program, a deferred gift, an unrestricted gift) and the program(s) or endowment(s) to benefit from the gift;
- C. Estimate or appraisal of the gift's fair market value and marketability;
- D. Potential use by CCC; and
- E. Special arrangements requested by the donor(s) concerning disposition (e.g. price considerations, time duration prior to disposition, potential buyers, etc.).
- F. For gifts of personal property, review of gift and response from the CCC Purchasing Director.
- G. For gifts of art, review of gift and response from the CCC Fine Arts Advisory Committee.

The Foundation Board Executive Committee will review the material presented by the Foundation Executive Director, or appropriate official, and make a determination to either accept or reject the proposed gift (or, if necessary, to postpone a decision pending the receipt of additional information). The final determination of any gift acceptance shall be communicated to the Foundation Executive Director, or appropriate departmental official, who shall communicate the Foundation's decision to the donor(s) in writing.

## EXCEPTIONS TO POLICIES

If an exception to a policy is deemed advisable and/or necessary by the Foundation Executive Director or President of the Foundation Board of Directors, and if it is not feasible to call a board meeting, the Foundation Board Executive Committee shall have power to authorize the exception. Any such exception(s) shall be reported to the Foundation Board at its next scheduled meeting. Ratification of such action shall be requested.

## MISCELLANEOUS PROVISIONS

1. **Securing appraisals and legal fees for gifts:** It will be the responsibility of the donor(s) to secure an appraisal (where required) and independent legal counsel for gifts made to the CCC Foundation. Signature of Acceptance shall evidence receipt only and not "fair market value." Final burden of proof of deductibility of a gift falls upon the taxpayer.
2. **Valuation of gifts for development purposes:** Foundation personnel will record a gift received at its valuation for gift purposes on the date of the gift.
3. **Acknowledgment of gifts:** The Foundation Executive Director is responsible for complying with current IRS requirements for acknowledgment of gifts.
4. **Responsibility for IRS Filings upon sale of gift items:** Foundation personnel, in cooperation with Business/Administrative Services, is responsible for filing IRS Forms 8282 upon the sale or disposition of any asset sold within two years of receipt by the CCC Foundation when the charitable deduction value of the item is more than \$5,000.00. The Foundation must file this form within 125 days of the date of the sale or disposition of the asset.