



TITLE: GIFT ACCEPTANCE

DATE ADOPTED: 01/07/14

REVISIONS:

SIGNATURE OF BOARD SECRETARY:

PURPOSE OF POLICY

To provide guidelines that govern the acceptance of gifts made to the foundation.

Local Language

- a. The purpose of this gift acceptance policy and procedures document is to articulate the policies and practices of the Board of Directors of the NWF State College Foundation, (hereafter, "Foundation") concerning the acceptance of charitable gifts to the Foundation, the types of assets that the Foundation will accept and the guidelines to be observed by its staff in accepting and documenting the gift of those assets. These policy and procedures have been adopted by the Board of Directors and apply to all gifts received by the Foundation.

Supervision and Coordination

It is understood that except where stated otherwise, these policies are intended as guidelines, and flexibility must be maintained, because some gift situations can be complex and decisions made only after consideration of a number of interrelated factors. Therefore, these policies will, in some instances, require that the senior leadership of the Foundation along with the Gift Acceptance Committee consider the merits of a particular gift and make a final decision as to whether the gift shall be accepted.

Gift Acceptance Committee (GAC)

The GAC will be an ad hoc committee, designated by the Foundation President that shall meet as needed to discuss and approve gift exceptions. Committee members that can offer specialized expertise associated with the type of gift being considered (i.e. legal, real estate, investment, etc.) will be sought.

The Gift Acceptance Committee will be comprised of at least five members:

- The Executive Director
- The Foundation President
- The College President
- The Foundation Accountant
- One other Board member, as appointed by the Foundation President and Executive Director

When the need arises, the Committee is responsible for reviewing and evaluating gifts made to the Foundation and providing the Board with a recommendation as to the acceptance of the gift.

Staff

Implementation of these policies is delegated to the Executive Director of the Foundation, who shall be responsible for oversight of the acceptance of all gifts.

Adherence to Policies

- b. Each member of the development staff of the Foundation shall be given a copy of the Gift Acceptance Policy and Procedures. The development staff is expected to comply with all policies and procedures. Questions regarding interpretation of the Policy should be directed to the Executive Director.
- c. **Commitment to Donors**

The Foundation is committed to the highest ethical standards. Development staff at all levels of the organization shall adhere to the [Model Standards of Practice for the Charitable Gift Planner](#) adopted by the American Council on Gift Annuities and honor the [Donor Bill of Rights](#) published by the Association of Fundraising Professionals.

 - a) General. The Foundation, its staff, and representatives shall assist donors in accomplishing their philanthropic objectives in providing support for the Foundation.
 - b) Confidentiality. All information concerning a donor, transactions between a donor and the Foundation, and any other information, documents, notes, etc. regarding such donor shall be held by the Foundation in strict confidence and may not be publicly disclosed without the express written consent of the donor.
 - c) Anonymity. The Foundation shall respect the wishes of donors wishing to support the Foundation anonymously and will take reasonable steps to safeguard those donors' identity.

Legal Considerations

- a) Executor. The Foundation will not agree to serve as executor of a decedent's estate nor as trustee of a living trust or other trust intended to serve as a person's primary estate planning document.
- b) Trusteeship. The Foundation may serve as trustee of trusts to maintain its gift annuity reserve accounts, as required by relevant state insurance law, in connection with the Foundation's gift annuity program. The Foundation will not serve as trustee or co-trustee of charitable remainder or lead trusts
- c) Legal, Tax and Financial Advice. The Foundation does not provide personal legal, financial, tax compliance or other professional advice to donors.
- d) Preparation of Legal Documents. The Foundation shall not prepare legal documents for execution by donors. Gift officers may provide donors with gift illustrations, gift agreements or model language, such as sample bequest language; donors shall be strongly encouraged to have the documents reviewed by their own legal counsel or other professional advisors.

- e) Payment of Fees. It will be the responsibility of the donor to secure an appraisal (where required) and to pay for the advice of independent legal, financial, or other professional advisers as needed for all gifts made to the Foundation.

Gift Restrictions

- a) Unrestricted Gifts. To provide the Foundation with the maximum flexibility in the pursuit of its mission, donors shall always be encouraged to consider unrestricted gifts or gifts restricted to budgeted priorities of the Foundation.
- b) Budgeted Programs or Facilities. The Foundation may accept gifts restricted to specific budgeted programs and purposes.
- c) Other Restrictions on Gifts. The Foundation may accept gifts restricted to non-budgeted programs and purposes only upon review by the GAC and written approval of the Board. The Foundation reserves the right to decline gifts which are too restrictive in purpose, too difficult to administer, or counter to or beyond the scope of the Foundation's mission and purpose.

The Foundation will reserve the right, in the document that restricts the use of the gift, to broaden or alter the purpose of the gift should it be determined in the future that the original purpose of the gift no longer meets the needs or serves the mission of the Foundation.

Types of Property and Gift Acceptance Procedures

- a) Cash
Acceptable in any negotiable form, including currency, check and credit card gifts
- b) Marketable Securities
 - a. Publicly Traded Securities. Stocks, bonds, and mutual funds traded on an exchange or other publicly reported market are acceptable.
 - b. Closely Held Securities and Business Interests. Debt and equity positions in non-publicly traded business, hedge funds, REITs, interests in limited liability companies and partnerships may only be accepted upon prior written approval of the GAC.
 - c. Options and Other Rights in Securities. Warrants, stock options, and stock appreciation rights may only be accepted upon prior written approval of the GAC.

- d. Interests in Partnerships and Limited Liability Companies. The Foundation will not accept interest in partnerships and limited liability companies.

Marketable Securities Gift Acceptance Procedures

- e. General. The Foundation will assist in the transfer of custody of marketable securities from the donor (or his or her custodian) to the Foundation. If the securities are to be mailed, the stock certificates should be mailed separately from the signed stock power with signature guaranty. If the share certificates are hand delivered, the stock power may be attached. If the securities are in street name, the donor's broker may transfer them to a brokerage account designated by the Foundation.
- f. Restrictions. If the donor is a member of the Foundation's Board of Directors, or a corporate officer of the Foundation, the gift officer will notify the Executive Director, for the purpose of determining whether sale of the securities might be restricted under Rule 144 or other provisions of securities law.
- g. Reporting Policy. Gifts of marketable securities will be accounted for at their value on the date the gift is made, determined by taking the mean between the high and low quotes on the date of the gift.
- h. Disposition. The Foundation will instruct its brokers that all marketable securities will be sold upon receipt.

c) Life Insurance Policies

- a. General. The Foundation will accept a gift of life insurance provided that the policy has a positive cash surrender value and the Foundation has been named both beneficiary and irrevocable owner of the policy.
- b. The Foundation will also record gifts of cash by the donor to be used by the Foundation to pay premiums on a life insurance policy that it owns.

d) Tangible Personal Property

- a. Jewelry, books, works of art, collections, equipment and other property which may be touched, may only be accepted after review in accordance with the Gift Acceptance Procedures.

Tangible Personal Property Gift Acceptance Procedures

- a. General. The Foundation may accept tangible personal property gifts with the prior written approval of the Executive Director. Donors are asked to complete the [in-kind donation form](#) to ensure their gift is properly received, recorded, and accepted.

- b. Related Use. The Executive Director must determine if the tangible personal property would be retained by the Foundation for use in its programs. If so, the Executive Director shall determine, with the assistance of the department or office within the College that would be responsible for the continuing use of the tangible personal property, the estimated carrying costs, including insurance, storage, curatorial services, maintenance, etc., for the property. The Executive Director shall also evaluate whether any restrictions on use of the property that are required by the donor are consistent with the institutional needs of the College or Foundation.
- c. Unrelated Use. If the property will not be retained for use by the Foundation, the Executive Director must determine, prior to recommending the gift for approval, a plan for selling the property for cash, including the anticipated time frame and marketing expense for the proposed sale.

e) Real Property

- a. Acceptance of all real estate gifts requires approval by the GAC.

Real Property Gift Acceptance Procedures

- a. Guidelines and procedures associated with accepting real-estate gifts can be found in the Foundation's [real-estate acceptance policy and procedure document](#).

f) Other Assets

- a. General. Acceptance of any other type of property as a gift to the Foundation shall require the prior written approval of the Executive Director and potential review by the GAC.
- b. Vehicles. The Foundation will generally not accept gifts of automobiles, boats or other vehicles. Exceptions may be made with prior written approval of the Executive Director and GAC.
- c. Property not otherwise described in this section, whether real or personal, of any description (including but not limited to mortgages, notes, contract rights, copyrights, patents, trademarks, mineral rights, oil and gas interests, and royalties) may only be accepted upon prior written approval of the GAC.

g) Structured Gifts

- a. Bargain Sales. Transactions wherein the Foundation pays less than full value for an asset and issues a gift receipt for the difference may only be accepted upon prior written approval of the GAC. Since bargain sale transactions require the outlay of funds by the Foundation, these transactions should be approved only in very limited circumstances.

- b. Charitable Lead Trusts. The Foundation may accept a designation as income beneficiary of a charitable trust. The Foundation will not serve as trustee of a charitable lead trust.
- c. Charitable Remainder Trusts. The Foundation will encourage its donors to establish charitable remainder trusts providing an irrevocable remainder interest to the Foundation.
- d. Gift Annuities. The Foundation may issue charitable gift annuities to donors, in exchange for their contributions, of cash or marketable securities. The Foundation will not accept gifts of real estate into the Charitable Gift Annuity pool. The Foundation will utilize the annuity rates published by the American Council on Gift Annuities.
 - i. Minimum Gift. For a Charitable Gift Annuity with payments starting immediately, the minimum gift shall be \$10,000. For a deferred gift annuity, the minimum shall be \$10,000.
 - ii. Minimum Age. The minimum age when payments begin for a current or deferred gift annuity (or the earliest age for an annuity providing a flexible starting date) shall be 60.
- e. Partnership and Other Liabilities. The Foundation will not accept interests in partnerships or other investment entities exposing the Foundation to liability, including the obligation to provide capital contributions or other funding for the investment, without adequate indemnity from the donor to fulfill those obligations.

Gift Agreement Procedures

a) Written Agreements

- a. General. All gift arrangements other than a simple outright gift of cash shall be memorialized in a written document describing the restrictions, if any, imposed on the gift by the donor and other obligations that may be undertaken by the Foundation with respect to the gift.
- b. Legal Counsel. All gift agreements prepared by the Foundation shall be reviewed and approved by the Foundation's legal counsel. Once the document is approved, it may then be forwarded to the donor (and his or her advisor) for review. No review or approval by the Foundation's counsel shall be necessary if an agreement is contained on a form that has been previously approved by the Foundation's legal counsel.
- c. Signatures. The Foundation President and Executive Director are authorized to sign gift agreements on behalf of the Foundation.

Pledges

- a) Binding Commitment. The development staff will encourage donors wishing to make their gifts in installments over time to document their commitment to the Foundation in a written Pledge Agreement that will create a binding legal obligation on the donor, as well as a claim against the donor's estate if the commitment remains unpaid at his or her death. For donors wishing to retain more flexibility by making their commitment nonbinding, documentation shall be referred to as a "letter of intent" in order to avoid confusion with binding commitments documented as Pledge Agreements. Nonbinding letters of intent shall not be counted as direct gifts. The following guidelines apply to Pledge Agreements in which the donor undertakes a binding legal obligation.
- b) Duration. Unless a longer period is approved by the Executive Director, the Pledge Agreement will specify the installments in which the gift is to be paid over a period not to exceed five years. The Foundation accountant is responsible for recording, acknowledging, billing and monitoring the status of all pledges and payments.
- c) Minimum Amount. Pledges payable over more than one year shall be at least \$15,000.
- d) Donor's Estate. Each Pledge Agreement shall provide that any portion of the donor's commitment remaining unpaid at the donor's death shall be a liability of the donor's estate, enforceable by the Foundation.

Named Endowment Funds

- a) General. A donor may establish a named endowment fund, subject to the Foundation's endowment, investment and spending policies, for general purposes of the Foundation or for restricted purposes approved in accordance with these procedures.
- b) Administration of Named Funds. The assets contained within each named endowment fund shall be commingled for investment and administration with other endowment funds of the Foundation. All policies applied to those endowment funds, including the formula for spending from endowment funds, shall apply to all named funds.
- c) Variance Power. The Foundation will reserve the right, in the gift agreement creating the named endowment fund, to broaden or alter the restrictions as to the use of the endowment fund, should it be determined in the future that the original restricted purpose of the named endowment no longer meets the needs or serves the mission of the Foundation.
- d) Termination of Named Fund. A named endowment fund may be terminated if the Board of Directors of the Foundation, upon recommendation of the Executive Director, determines that the market value of the assets remaining within the fund is uneconomically low in relation to the cost of administering the fund. In such case, all remaining assets within the named fund shall be transferred for use most consistent with the donor's stated purpose.

Donor Expenses

- a) As a general rule, and except as provided elsewhere in these procedures for specific assets, including real estate, expenses associated with a donor's gift should be borne by the donor. Typical expenses include appraisal fees to substantiate the value of the donor's gift for tax purposes and the donor's legal fees. The Foundation may, with the prior approval of the Executive Director, agree to pay some or all of the donor's expenses associated with the gift following a determination by the Executive Director that doing so is necessary to facilitate the gift.

Donor Recognition

- a) General. The Executive Director will establish criteria for the recognition, honoring and stewarding of donors.
- b) Buildings and Other Facilities. Facility, building, or classroom namings will follow the Foundation's [facility naming policy](#).

Reporting and Valuation Standards

- a) Gift Reporting and Counting. For outright gifts, the Foundation shall follow the Council for Advancement and Support of Education (“CASE”) [Reporting Standards and Management Guidelines for Educational Institutions](#) . For future gifts, the Foundation shall follow the [PPP Guidelines for Reporting and Counting Charitable Gifts](#). All exceptions to these standards shall be made by the GAC.

- b) Gift Valuation. The Foundation shall follow the [PPP Valuations Standards for Charitable Planned Gifts](#). All exceptions to these standards shall be made by the GAC.

Periodic Review

- a) Regular Review. The Foundation Board shall review these policies once a triennium (every three years) to ensure that they continue to accurately describe the policies of the Foundation with respect to acceptance of charitable gifts, and shall present to the full Board for ratification those revisions deemed to be necessary or appropriate.

- b) Special Review. The Foundation Board shall initiate a supplemental review of these policies upon the enactment or promulgation of legislation or regulatory rules affecting fundraising and gift acceptance by the Foundation, or prior to the start of a formal fundraising campaign. All proposed changes shall be shared with the full Board for ratification.