



GIFT ACCEPTANCE POLICIES AND GUIDELINES

Collin County Community College Foundation, Inc. (dba Collin College Foundation) is a nonprofit organization incorporated under the laws of the State of Texas, which encourages the solicitation and acceptance of gifts to support Collin County Community College District (dba Collin College).

I. PURPOSE: To provide and govern the discipline the acceptance of appropriate contributions to Collin College Foundation, which will benefit Collin College, by defining types of assets and gift forms that are appropriate. Gift policies also define, focus and strengthen the Foundation's role in gift administration. In addition to governing, the guidelines aid prospective donors and their advisors when making gifts. The provisions of the policies apply to all gifts received by Collin College Foundation.

II. BOARD AND STAFF ROLES AND RESPONSIBILITIES:

A. Board of Directors:

1. Establish Gift Acceptance Policies
2. Establish Gift Acceptance Committee
3. Review and amend, as necessary, Gift Acceptance Policies annually
4. Ensure policies address the different type of gifts given
5. Accept gifts with good judgment and decisions based on the policies
6. Approve Gift Acceptance Policy
7. Ensure expertise is available, such as real estate appraisers, environmental analysts, property brokers, and legal advisors.

B. Staff:

1. Executive Director will work with Board to establish, review and implement Gift Acceptance Policies
2. Evaluate and accept contributions ensuring compliance with Policies
3. Refer to Gift Acceptance Policy Committee for guidance.
4. Staff level acceptance is determined and approved by Executive Director, Board Chair, or Gift Acceptance Committee

III. GIFT ACCEPTANCE COMMITTEE:

Responsibility of the Gift Acceptance Committee includes reviewing policies annually, properly screening and accepting gifts given to Collin College Foundation requiring for Committee decisions, and making recommendations to the Board of gift acceptance issues when appropriate.

A. Membership includes:

1. Chair, Board of Directors
2. Treasurer, Board of Directors
3. Chair, Investment Committee
4. Other Board members as appointed by the Chair

5. Ex-Officio members shall include the Executive Director, and other staff members appointed by the Chair

B. Reporting requirements: Gift Acceptance Committee chair is responsible for submitting reports to the Executive Committee and Board of Directors regarding non-acceptance of gifts.

IV. USE OF LEGAL COUNSEL:

Collin College Foundation will seek advice of legal counsel regarding gift acceptance when appropriate. The following areas are recommended:

- A. Stock transfers that contain restrictions or buy-sell agreements
- B. Gifts in which Collin College Foundation has been named as a Trustee
- C. Gifts involving contracts that require Collin College Foundation to assume an obligation
- D. Transactions with a potential conflict of interest including those with potential IRS sanctions
- E. Any other gift where the Gift Acceptance Committee deems legal counsel is required.

V. CONFLICT OF INTEREST:

Collin College will encourage all prospects to seek assistance from their personal legal and financial advisors regarding tax and estate planning consequences related to their gifts. Collin College Foundation will comply with the Model Standards of Practice for the Charitable Gift Planner promulgated by the Partnership for Philanthropic Planning (formerly known as National Committee on Planned Giving) and Association of Fundraising Professionals.

VI. RESTRICTIONS OF GIFTS:

Collin College Foundation will accept unrestricted gifts for specific programs and purposes consistent with its stated mission, purposes, and priorities. Restricted gifts, including those which would violate the terms of the corporate charter, gifts that are too difficult to administer, or gifts that are for purposes outside the mission of the Foundation or Collin College, will not be accepted. Final acceptance or refusal decisions on restrictive gifts will be made by the Gift Acceptance Committee, and, if necessary, with additional approval as set forth herein.

VII. TYPES OF GIFTS:

The following gifts are acceptable with the criteria governing the acceptance:

- A. **Cash:** Cash is acceptable in any form. Checks will be made payable to Collin College Foundation and will be mailed or delivered to 4800 Preston Park Blvd., Suite A100, Plano, Texas 75093, which is the location of the administrative offices of the Foundation.
- B. **Tangible Personal Property:** These gifts may also be referred to as in-kind gifts. All gifts of tangible personal property will be examined with the following considerations:
 - 1. Does the property fulfill the mission of Collin College Foundation
 - 2. Is the property marketable?
 - 3. Are there any undue restrictions on the use, display, or sale of the property?
 - 4. Are there any costs associated with the property?

Tangible property gifts of this type with a \$500 value or more will be processed through a Gift Acceptance Request form, which requires the initiator to complete the form and submit it to Collin College Foundation for review. The review process includes approval by the Dean, Vice President/Provost and Leadership Team. The Collin College Foundation Gift Acceptance Committee will review and recommend acceptance or denial of the gift. If the gift is recommended for acceptance, is to become an asset of Collin College, and the value is \$5,000 or more, the approval process includes the Collin College Board of Trustees.

C. Securities: Collin College Foundation will accept both publicly traded securities and closely held securities, if the additional criteria is satisfied and the Gift Acceptance Committee approves the gift.

1. Publicly Traded Securities: Marketable securities can be transferred to an account maintained at one or more brokerage firms or personally delivered with the transferor's signature or stock power attached. All marketable securities will be sold upon receipt unless otherwise directed by the Foundation Investment Committee. Restricted and applicable securities laws will be taken into consideration when accepting the securities and final decisions will be made by the Gift Acceptance Committee.

2. Closely Held Securities: Closely held securities including debt and equity positions in non-publicly traded companies as well as interests in LLPs and LLCs or other ownership forms, can be accepted with approval of the Gift Acceptance Committee. The following will be reviewed prior to acceptance:

- a. No restrictions on the security that would prevent Collin College Foundation from ultimately converting assets to cash,
- b. Security is marketable, and
- c. Security will not generate any undesirable tax consequences for Collin College Foundation.

If potential problems arise on initial review of the security, further review and recommendation by an outside professional may be secured before making a final decision on accepting the gift. The final determination will be made by the Gift Acceptance Committee and legal counsel when necessary.

D. Real Estate: Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest. Prior to acceptance, Collin College Foundation will conduct an initial environmental review of the property by an expert in the area to ensure that the property has no environmental damage. In the event the inspection reveals potential problems, the Foundation will request an extensive environmental audit at the expense of the donor.

When appropriate, title binders will be secured by Collin College Foundation prior to acceptance of the real property gift at the expense of the donor.

Real Estate gifts will only be considered with approval of the entire Foundation Board of Directors. Should a donor propose such a gift, the Gift Acceptance Committee and legal counsel will review and present a recommendation to the Board for approval.

The following criteria will be used to determine approval based solely on its discretion:

1. Is the property useful for the purposes of Collin College?

2. Is the property marketable?
3. Are there any restrictions, reservations, easements, or other limitations associated with the property?
4. Are there carrying costs, which may include insurance, property taxes, mortgages, or notes, etc., associated with the property?
5. Does the environmental audit reflect that the property acceptable?

E. Remainder Interests in Property: Collin College Foundation will accept a remainder interest in a personal residence, farm, or vacation property subject to the evaluation and approval process listed in D. above. The donor or other occupants may continue to occupy the real property for the duration of the stated life. At the death of the donor, Collin College Foundation may use the property or sell it for cash. Expenses, maintenance, real estate taxes, and any property indebtedness are to be paid by the donor.

F. Oil, Gas, and Mineral Interests: Prior to acceptance of oil and gas property interests, the Gift Acceptance Committee will evaluate and approve the gift; and, if necessary, include legal counsel in the decision process. The Gift Acceptance Committee will consider the following criteria and retain the discretion on approval of each gift.

1. Surface rights should have a value of \$20,000, or greater.
2. Oil, gas and mineral interests should generate at least \$3,000 per year in royalties or other income (as determined by the average of the three years prior to the gift being given).
3. Property should not have extended liabilities or other considerations that make receipt of the gift inappropriate.
4. Working interest would be accepted only when there is a plan to minimize potential liability and tax consequences.
5. An environmental audit or review has been conducted to ensure Collin College Foundation has no current or potential exposure to environmental liability.

G. Bargain Sales: Collin College Foundation will enter into a bargain sale arrangement when this type of gift process furthers the mission and purposes of the Foundation. Bargain Sale gifts will only be considered with approval of the entire Foundation Board of Directors. Should a donor propose such a gift, the Gift Acceptance Committee and legal counsel will review and present a recommendation to the Board for approval. Criteria for acceptance include:

1. Collin College Foundation must obtain an independent appraisal substantiating the value of the property.
2. If debt is assumed with the property, the debt ratio must be less than 50% of the appraised market value.
3. Collin College Foundation must determine whether to use the property or that there is a market for selling the property allowing sale within 12 months of receipt.
4. Costs must be calculated to safeguard, insure, and expense the property (including property tax, if applicable) during the holding period.

H. Life Insurance: Prior to acceptance of a life insurance policy, Collin College Foundation must be named as both the sole beneficiary and irrevocable owner of the insurance policy. Gifts are valued at its interpolated terminal reserve value, or cash surrender value, upon receipt. If donor contributes future premium payments, Collin College Foundation will include the entire amount of the additional premium payment as a gift in the year it is

received. No policy with a loan balance will be accepted. Other policies will be evaluated for conformance with the Foundation's Purpose.

Life Insurance gifts will only be considered with approval of the entire Foundation Board of Directors. Should a donor propose such a gift, the Gift Acceptance Committee and appropriate counsel will review and present a recommendation to the Board for approval.

1. continue paying the premiums,
2. convert the policy to paid up insurance, or
3. surrender the policy for its current cash value.

- I. **Charitable Gift Annuities:** Charitable Gift Annuity gifts will only be considered with approval of the entire Foundation Board of Directors. Should a donor propose such a gift, the Gift Acceptance Committee and appropriate counsel will review and present a recommendation to the Board for approval.
- J. **Charitable Remainder Trusts:** Collin College Foundation will accept designation as a remainder beneficiary of a charitable remainder trust with the approval of the Gift Acceptance Committee. The Foundation will not accept an appointment as trustee of a charitable remainder trust.
- K. **Charitable Lead Trust:** These gifts will only be considered with approval of the entire Foundation Board of Directors. Should a donor propose such a gift, the Gift Acceptance Committee and appropriate counsel will review and present a recommendation to the Board for approval. The Board of Directors of the Foundation will not accept an appointment as trustee of a charitable lead trust.
- L. **Retirement Plan Beneficiary Designations:** Designation of Collin College Foundation as beneficiary of donor retirement plans will not be recorded as gifts until the gift is irrevocable. When the gift is irrevocable and payment is due in the future, the value of the gift at the time the gift becomes irrevocable is the amount to be recorded. Retirement Plan Beneficiary Designation gifts will only be considered with approval of the entire Foundation Board of Directors. Should a donor propose such a gift, the Gift Acceptance Committee and appropriate counsel will review and present a recommendation to the Board for approval.
- M. **Bequests:** This type of gift will not be recorded as gifts to Collin College Foundation until the gift is irrevocable. When the gift is irrevocable and payment is due in the future, the value of the gift at the time the gift becomes irrevocable is the amount to be recorded.

Bequest gifts will only be considered with approval of the entire Foundation Board of Directors. Should a donor propose such a gift, the Gift Acceptance Committee and appropriate counsel will review and present a recommendation to the Board for approval.
- N. **Pooled Income Funds:** If the Board of Directors approves acceptance of Pooled Income Funds, a determination will need to be made regarding the initial minimum gift size, minimum gift size for additions and restrictions on the type of property that may be contributed. Tax exempt bonds are prohibited by statute. It is generally appropriate to restrict gifts to cash and taxable securities.

VIII. MISCELLANEOUS PROVISIONS:

A. Solicitation and Acceptance of Gifts: Fundraising is defined as solicitation of any type of donation with value from external sources by any officer, employee, agent, or volunteer acting on behalf of the Collin County Community College District, or Collin College Foundation, or any of its units or authorized organizations. All solicitations of gifts will follow the highest standard of ethics as outlined by the professional associations in the field.

1. Collin College Foundation is the designated entity for fundraising, including cultivation and solicitation of grants from public agencies, gifts and grants from foundations, corporations, private individuals, and other elements in the private sector.
2. All fundraising efforts directed to external organizations or individuals must be coordinated, reviewed and approved by Collin College Foundation.
3. Collin College Foundation will provide assistance to personnel who are authorized to fund raise.
4. Fundraising efforts will be prioritized according to the strategic plans and needs of Collin County Community College District. Types of giving opportunities are reviewed annually.
5. Donors are responsible for determination of an appraisal value for tax purposes for any gift to Collin College Foundation. Value assessments for tax purposes are not determined by any College or Foundation officer, employee, agent, or volunteer.
6. Fundraising efforts will be submitted to Collin College Foundation for review and approval prior to any contact with external sources.
7. Prior to formal acceptance of any gift, the individual representing Collin College in the transaction must receive approval through normal administrative channels from the appropriate dean and vice president/provost and must complete a Foundation donation form as designated by Foundation staff.

B. Transfer of Gifts to Collin County Community College District:

8. Cash assets are transferred to the College District for purposes of scholarships or payment of other activities by faculty, staff or students. All transactions are approved in accordance with agreement documents established for receiving cash gifts. The funds may be transferred via wire transfer or issuance of checks.
9. Non-cash assets received for the purpose of becoming an asset of the College District will be transferred via the required official documentation.

C. Endowments:

1. Gifts received for the purpose of depositing in endowment funds will be accepted and administered in accordance with donor intent. Generally, the principal amount is held in perpetuity and not to be disbursed.
2. To establish a named endowment fund, the minimum amount required is approved by the Foundation Board of Directors and reviewed annually.
 - a. Minimum contribution amount for a named endowment fund is \$25,000.
 - b. Endowment pledges may be paid over a period of up to 6 years.

3. Extensions of the time period for fulfilling payment of pledge will require approval of the Foundation Board of Directors. The policy requirement will be reviewed annually.
4. During the time of pledge payments, a quasi-endowment fund will be established. At such time the pledge is paid in full to meet the minimum endowment fund requirement, the fund will be named as a permanent endowment.
5. Endowment gifts received under the annual amount approved by the Foundation Board of Directors will be deposited in a designated fund already established and in agreement with donors. An agreement, via letter of understanding or endowment agreement will be administered and signed by donor(s), Foundation Board chair and secretary, and Executive Director.
6. Disbursements will be made from the earnings of endowment investments after the endowment principal amount is paid in full.
7. Endowment agreements will be executed with appropriate signatures. This agreement outlines the donors' intentions and other pertinent information regarding management of the endowed gift. All provisions will be in accordance with Collin College Foundation policies and procedures.
8. Disbursements from earnings will be in accordance with the Spending Policy governed by the Investment Committee and approved by the Board of Directors.
9. If an endowment fails to achieve permanent status within the required time period, the balance of the said fund will revert to and become part of the general scholarship endowment corpus of the Foundation for general benefit of the College.
10. If interest earnings are zero dollars or below, Foundation staff will make recommendations to the Gift Acceptance Committee and Investment Committee for consideration of alternative options for awarding scholarships.

D. Excellence Funds: These funds are intended to provide a repository for small, non-endowment gifts that are designated to benefit a specific department or program of Collin College. The primary intent of Excellence Funds is to provide a vehicle that will encourage the establishment of discipline-specific scholarships; however, the funds also may be utilized to meet other critical needs.

1. These Funds are established at the request of a College department or program with the approval process established by the designated Vice President/Provost. The purpose needs to be in accordance with Collin College goals.
2. Requests for disbursement must be in compliance with the policies and procedures of Collin College Foundation and Collin College.
3. These Funds will not receive any gains or losses from interest or investments.

E. Appraisals and Legal Fees for Gifts: Donors will be responsible to secure an appraisal, and independent legal counsel, when required, for gifts made to Collin College Foundation.

F. Valuation of Gifts for Development Purposes: Collin College Foundation will record a gift received by the donor for the appropriate valuation for gift purposes on the date of the gift.

G. IRS Filings Upon Sale of Gift Items: The Gift Acceptance Committee is responsible for filing IRS Form 8282 upon the sale or disposition of any asset sold within two years of receipt when the charitable deduction value of the item is more than \$5,000. Collin

College Foundation must file this form within 125 days of the date of sale or disposition of the asset.

H. Acknowledgment of all Gifts: The Board of Directors has ultimate responsibility of acknowledging all gifts made to Collin College Foundation. The Board is also responsible for compliance with the current IRS requirements in acknowledgment of such gifts. IRS Publication 561 covers determining the value of donated property and IRS Publication 526 covers charitable contributions.

IX. CHANGES TO GIFT ACCEPTANCE POLICIES:

These policies have been reviewed and accepted by the Gift Acceptance Committee of Collin College Foundation. The Gift Acceptance Committee and Collin College Foundation must approve any changes to or deviations from these policies.

Approved on the _____ day of _____ 2009.

Milton Buschbom, Chair, Gift Acceptance Committee

_____, Chair, Board of Directors, Collin College Foundation