



Gift Acceptance Policy

GENERAL

It is the policy of the Board of Trustees for the Southern Regional Technical College Foundation to offer donors the opportunity to make gifts to the Foundation primarily for the benefit and support of Scouting programs and facilities of the Foundation. It is also the policy of the Organization to actively seek and solicit such gifts to the Foundation, and to provide adequate staff and resources in support of the Foundation's gift program needs and requirements.

These guidelines provide the parameters within which Foundation staff and volunteers shall function in discussing and promoting acceptable gifts from interested prospects. The guidelines also identify procedures and limitations on gifts that are offered to the Foundation, for consistent consideration of such gifts in determining their suitability for the Foundation. These guidelines are adopted as official policy by the Foundation's Board.

Donations to Southern Regional Technical College will be accepted by the Foundation for unrestricted use or for restricted use in any one of the funding priorities established annually. The Foundation may accept a gift designated for a specific purpose for which no special fund has been established if it is within the scope of the college's mission.

Unusual gifts, gifts that have conditions attached, or gifts that require the college to assume an additional or specific liability will be referred to a committee for acceptance or rejection. (An example of a gift requiring review: gift of land which requires the college to assume a property tax or other liability.)

Acceptance of a gift imposes a legal obligation to comply with the terms established by the donor. It is therefore, necessary that the nature and extent of this obligation be clearly understood. If the gift is deemed unacceptable, because of the restrictions the donor has placed on its use, the donor will be counseled to remove or modify the restrictions. As stipulated above, any unusual gifts will be referred to a review committee for acceptance or rejection.

The Board of Trustees reserves the right to refuse any donor-restricted contribution that does not further the mission or goals of the college or whose restrictions are counter to the ethical values and principles of the college or to sound business and fiscal practices. (An example of an unacceptable gift would be an expectation of future employment for the donor or person designated by the donor.)

PRIORITY OF THE DONOR'S INTEREST

The interest of the donor shall have priority over the interest of the Foundation. No program, trust agreement, contract, or commitment may be urged upon any donor or prospective donor to benefit the Foundation at the expense of the donor's intent, or which would knowingly jeopardize a donor's interests. Agents or representatives of the Foundation must make full disclosure to the donor on all aspects of benefits and liabilities of which they are aware that may reasonably be expected to influence the decision of the donor to make a gift with the Foundation.

USE OF LEGAL COUNSEL

- a. The Foundation shall seek legal counsel as needed in matters pertaining to its planned gift program and shall execute no planned giving agreement unless and until all relevant documents have been duly reviewed. The use of documents that have received prior review and approval shall be acceptable.
- b. All agreements in which the Foundation is the trustee shall follow the format of the specimen agreements approved by the Foundation or the Foundation's legal counsel, or shall be otherwise approved by them.
- c. Though the Foundation is obligated to provide donors with as much information as possible regarding benefits, limitations, and tax implications of specific gifts or gift arrangements, the Foundation shall not be considered to be offering tax or legal advice to donors or prospects. All prospects and donors shall be advised, both orally and in writing, to seek their own legal counsel in matters relating to their gifts, tax, and estate planning. In particular, donors will be informed that the Foundation cannot take into consideration the effect or impact that state laws, statutes, or taxes may have upon the suitability of a gift, or upon the terms of an agreement.

AUTHORIZATION FOR NEGOTIATION

- a. Representatives and agents of the Foundation, organization executives, and other appropriate organization professionals and volunteers are encouraged to discuss planned giving with prospective donors. However, only persons authorized by the Foundation Board may accept and formalize any Foundation gift from a donor.
- b. No gift or gift agreement may be accepted by the Foundation unless it complies with the requirements of the guidelines herein stated. Any variances must receive prior approval by the Foundation's legal counsel and/or Executive Board.

CONFIDENTIAL INFORMATION

All information concerning donors and prospective donors, including names, names of beneficiaries, amount of gift, size of estate, etc., shall be kept in strict confidence by the Foundation and its authorized personnel. A donor or, in the case of a testamentary gift or other acceptable circumstances, an executor,

beneficiary, or close family member, may grant permission to the Foundation to publicly announce or recognize a gift.

DATE OF GIFT

The date of the gift is determined to be the date the gift passes out of the donor's control. For cash/check donations and securities sent through the U.S. Postal Service, this is the postmark date on the envelope. For hand-delivered and non-U.S. Mail, the credit date is the date received, and for securities held in an account, the date it was transferred from the donor account to the gift account.

ACCEPTABLE GIFT ASSETS

The following assets may be deemed acceptable as outright gifts to the Organization. Acceptance and suitability of any such property used to fund a charitable trust or income arrangement is discussed herein in Guideline 6. Acceptable assets include:

- a. Cash
- b. Securities
 1. *Publicly Traded Stocks and Bonds* -- may be accepted at fair market value of the stock on the day the gift is received by the Foundation, as determined under IRS rules.
 2. *Stock in a Closely Held Corporation* -- may be accepted if a valuation has been made by a recent and reliable appraisal acceptable to the Foundation and as described in Guideline 6 herein. The Foundation recognizes the difficulties that may arise with such gifts, and will give special attention in the preparation of gift proposals and agreements to any issues relating to restrictions on excess business holdings, restricted or controlled stock, potential redemptions, pending corporate liquidations, and capital gains treatment upon sale or maturity.
- c. Real Estate
 1. The Foundation may accept gifts of real property at fair market value if, at the time of the gift, there are no outstanding mortgages, tax liens, or other encumbrances upon the land. Such value shall be established by at least one recent, reliable, and qualified appraisal acceptable to the Foundation.
 2. If any encumbrances are present at the time the gift is offered, and such encumbrances represent a nominal amount when compared with the total value of the property, such property may be accepted with the approval of the Foundation Board. How the encumbrance will be removed, and by whom, shall be agreed upon by the Organization and the donor in writing prior to acceptance of such property.
 3. No gift of real property may be accepted by the Foundation unless and until such property has been personally visited by a designated Board member, Foundation staff member, or

appropriate agent or designee of the Foundation (e.g., an Foundation employee or recommended real estate agent). In addition, a written analysis of the marketability and potential use of the gift property shall be prepared by the Foundation prior to acceptance of the property.

4. No gift of real property may be accepted until a preliminary environmental evaluation, questionnaire, or disclosure statement has been completed or made available for the property in question. This should include a recent Phase I Environmental Site Assessment prepared by an assessor suitable to the Foundation. In the event that this evaluation or Phase I assessment discloses any information indicating the presence or reasonable possibility of toxic materials, hazardous waste, oil seepage, or other contaminants on the property, additional environmental studies and phase assessments must be completed before the gift is accepted.
5. Arrangements to cover post-transfer expenses should be agreed upon in writing by the donor and the Foundation prior to the gift. Such expenses include taxes and assessments, insurance, and maintenance costs of the land or any buildings on the land.
6. Tax benefits previously derived by the donor from the gift property, as well as a reasonable estimate of the net value of a real estate gift, shall be taken into consideration when offering and discussing gift proposals, especially involving charitable or split interest trusts funded with real estate.
7. Any tangible personal property associated with real property gifts, such as furnishings for a home or ranch, should be segregated into separate gift proposals or agreements.

d. Oil and Gas Properties

1. Acceptable by the Foundation if in the form of a royalty interest. Working interests and limited partnership interests will not be accepted.

e. Life Insurance

1. The Foundation may only accept gifts of a life insurance policy if the Foundation is irrevocably named as owner and beneficiary of the policy, with all incidents of ownership intact in the policy. Gifts of paid-up policies are preferred. If a policy is accepted that is not paid up, the Foundation is under no obligation to continue premium payments, but may do so if it is found to be in the best interest of the Foundation.

f. Tangible Personal Property/Gifts in Kind

1. Gifts of tangible personal property, or gifts in kind, including but not limited to cars, boats, art, stamp/coin collections, equipment, inventory, etc., may be accepted if there are no

significant restrictions, limitations, or unreimbursed additional expenses for their present or future use, display, maintenance, transfer, sale, insurance, storage, or other fees and costs. In particular, donors may not require the Foundation to hold any property of any kind for a minimum or specified period of time prior to sale or disposition.

2. Such gifts are normally not accepted if there is a condition, understanding, or expectation that the items will be loaned or sold back to the donor or the donor's family or designee. The Foundation will presumptively sell all tangible personal property it receives, unless specifically needed for use or consumption related to its charitable purposes, and such sales shall be to disinterested third parties.
3. Prior to any gift of tangible personal property, the Foundation will provide all donors or prospects written guidance on possible related or unrelated use of the gift property, and IRS Form 8283 and its accompanying instructions. This shall be provided only for the convenience and general information of the donor on the reporting and tax issues relevant to such gifts.

g. Other Acceptable Gift Assets

1. Upon consideration prior to acceptance, the Foundation Board may accept gifts to the Organization of other types of assets not herein specified or discussed. All appropriate liability and cost/benefit issues related to the gift or gift property shall, as usual, be considered.

APPRAISALS FOR ORGANIZATION GIFTS

The Foundation will not be responsible for furnishing a donor with property appraisals or valuations for gifts to the Foundation. The Foundation also will not, under any circumstances, participate in a transaction in which the value of a gift is known to have been significantly inflated above its true fair market value to obtain a tax advantage for a donor.

It is the intention of the Foundation to follow the requirements and guidelines set out, and from time to time amended, by the Internal Revenue Code related to qualified appraisals and appraisers and gift reporting. Proper receipts will be provided to each donor in a timely manner, and appropriate reporting forms will be used for all property sold by the Foundation within two years of the date of contribution.

GIFTS AND SPECIFIC ACCEPTANCE CRITERIA

In considering the acceptance of any gift and its value to the Foundation, the following factors must be taken into account:

1. The nature of the assets contributed;
2. Total return on investment of the gift assets;

3. The length of the management or trust period; and
4. Factors that cannot be controlled by the Foundation, but are subject to estimate such as investment performance, life expectancy, etc.

Donors and Foundation representatives should consider as controlling all restrictions and minimums on the following types of gifts. Gifts may vary from these guidelines in certain circumstances, where permitted by law, but must receive prior approval from the Foundation Board, if it is determined that such variance is to the advantage of both the Foundation and the donor.

It is the intention of the Foundation to sell all gifts it accepts, as soon as reasonably prudent and in the sole discretion of the Foundation trustee, and to reinvest the proceeds from those gifts in keeping with its recommended investment guidelines and portfolio mix.

a. Outright Gifts

No minimum is required, except for gifts of real estate which require a minimum appraised fair market value before they may be accepted by the Foundation. Donors may not retain any significant rights or benefits in any property or asset offered to the Foundation, except as herein described in Guideline 7 (e) and (f).

Gifts for a specific purpose will not be segregated or designated as a separate cost center within the Foundation, unless the gift value is a minimum of \$xx, and either the donor requests it or the Foundation believes it is in its best interest to create segregated accounting for the gift.

b. Charitable Remainder Unitrusts

As a general rule, because of staffing limitations, the Foundation would prefer not to serve as trustee for charitable remainder trusts. We encourage donors to either use a bank or trust company of their choice, or the National Foundation (if the unitrust meets its required guidelines). However, the Foundation would serve as trustee if this was an important aspect of the gift for the donor.

c. Charitable Remainder Annuity Trusts

As with unitrusts, because of staffing limitations, the Foundation would prefer not to serve as trustee for charitable remainder annuity trusts. We encourage donors to either use a bank or trust company of their choice (if the annuity trust meets its required guidelines). However, the Foundation would serve as trustee if this was an important aspect of the gift for the donor.

d. Charitable Lead Trust

As with remainder trusts, because of staffing limitations, the Foundation would prefer not to serve as trustee for charitable lead trusts. We encourage donors to either use a bank or trust company of their choice, or the National Foundation (if the lead trust meets its required guidelines). However, the Foundation would serve as trustee if this was an important aspect of the gift for the donor.

e. Bargain Sales, Gift/Sales, and Undivided Interests

The Foundation is authorized to enter into a bargain sale with donors, to purchase property of an appropriate nature at less than its fair market value. While each proposed bargain sale gift must be considered on an individual basis, it is the policy of the Foundation to purchase such property for no more than 50 percent of its established or appraised value. The Foundation is also authorized to enter into gift/sale transactions (where a donor contributes an undivided interest in property to the Foundation prior to, and in anticipation of, a subsequent sale of the property). It is the policy of the Foundation to accept undivided interests of no less than 25 percent of the total established or appraised value of the property. The Foundation shall recommend to such donors that they discuss with their own advisers the possible tax implications for prearranged sale contracts or agreements entered into, prior to a charitable gift of that property.

Appropriate safeguards shall be taken with respect to any bargain sales, gift/sales, or undivided interests offered to the Foundation involving real estate, and all procedures as described in Guideline 5(c) herein shall be followed for such gifts.

f. Life Estate Agreements

The Foundation may enter into a life estate agreement on homes, vacation homes, farms, ranches, or other real property interests that the Foundation deems suitable, beneficial, or advisable for use or investment by the Foundation. The minimum fair market value of the property must be \$200,000 at the time of the gift, and the minimum age for any measuring life on a life interest will be 60 years of age at the time of the gift. Under no circumstances will a life estate agreement be entered into for more than two measuring lifetimes.

Prior to acceptance of any life estate agreement, the guidelines and restrictions on real estate gifts in general, as described in Guideline 5 (c) herein, shall be followed by the Organization. No life estate agreement shall be entered into in exchange for any annual income or annuity amount payable by the Organization.

g. Testamentary Gifts

The Foundation may accept any gifts approved by these Guidelines if offered to the Foundation through bequests, will substitutes, or testamentary trusts and instruments. Such gifts will be subject to the same guidelines and restrictions as if the gift had been made to the Foundation during the donor's lifetime. The Foundation may disclaim any bequest or testamentary gift if determined by the Foundation Board to be in the best interests of the Foundation to do so.

h. Revocable Trusts

The Foundation may accept or serve as trustee on trusts subject to amendment or revocation by the donor. Such trust must, however, be established by a donor who has, in the past, demonstrated significant support of Scouting either in contributions of service or financial gifts. Revocable trusts are

subject to the same minimums and restrictions as described herein for irrevocable gifts and trusts of similar nature.

i. Gift Annuities/Pooled Income Fund Gifts

The Foundation will not accept gifts in exchange for a gift annuity or pooled income fund payment from the Foundation. Donors interested in such gifts shall be referred to the National Foundation and encouraged to get information from them about the Gift Annuity Program and the Pooled Income Fund.

FINAL DISPOSITION OF PLANNED GIFT FUNDS

Upon the death of the surviving beneficiary, or termination, of a gift agreement, the assets and any accruals derived therefrom shall be paid to the Foundation for its general purposes or specific purposes, unless otherwise restricted by the donor and stated in the gift agreement. It is the policy of the Foundation to direct all gifts received for general purposes to the Foundation for discretionary use. All gifts that are donor-restricted shall be directed to the appropriate restricted or endowment funds, for such uses as are consistent with the donor's restriction or request.

INVESTMENT OF FUNDS, PHILOSOPHY, DUTIES AND RESPONSIBILITIES

Guidelines related to investment of Organization funds, investment strategies, philosophies, asset allocations, duties, and responsibilities may be set out in a separate document, as drafted and duly adopted from time to time by the Foundation investment committee and/or endowment committee, and the Organization Board.

Endowment Funds

It shall be the general policy, right and privilege of the Foundation to approve the establishment of endowment funds for the purpose of enhancing the mission and purpose of Southern Regional Technical College provided that the gifts meet the approved funding levels and criteria established for the endowment.

a. General Guidelines for Endowments

- (1) Minimum dollar amounts for donor-directed endowments described herein are absolute minimums but may be changed by formal action of the Foundation board in the future to offset the effects of inflation.

Gifts totaling a minimum of \$25,000 will be required for an endowment. This amount is subject to periodic review by the Foundation board.

- (2) Proposed endowment funds may be initiated for a smaller amount provided that within a reasonable period of time from the date of the receipt of the initial gift (usually 2 to 3 years), the entire principal, including capitalized earnings and additional gifts shall equal the proposed endowment amount as described in the Memorandum of Understanding.

- (3) Earnings from any fund less than \$25,000 established as herein provided shall continue to be capitalized annually until the minimum stated amount has been reached and the purposes of the fund are activated.
- (4) A Memorandum of Understanding with specific guidelines for administering the gift to each endowment will be prepared by Foundation staff. Originals are kept by the donor and the Foundation office.
- (5) Changed Conditions – If, after the making of a gift, circumstances change such that it is no longer feasible in the opinion of the Board of Trustees of the Southern Regional Technical College Foundation to distribute the funds as originally specified, a representative of the Board of Trustees shall contact the original donor, if possible, to discuss modification of the use of the gift. If it is not possible to contact the donor, or if agreement concerning modified use of the gift cannot be reached, the Board of Trustees may (i) if required, seek from the appropriate court a determination concerning application of the funds, or (ii) if no such court determination is required, apply the funds to such feasible and appropriate purposes as, in the opinion of the Board of Trustees, most closely fulfill the original intention of the donor.
- (6) For any bequeathed endowment in which the guidelines are in violation of College regulations, the College will seek changes through the appropriate court.
- (7) The endowment corpus will not be invaded unless authority to do so has been expressly stipulated in the Memorandum of Understanding.

b. Appropriate Purposes for Endowment

The following purposes are deemed acceptable for endowment gifts. Other proposed purposes will be reviewed and accepted on a case-by-case basis.

--Faculty: e.g. visiting scholars/artists, lectureships, professional travel funds, special research, publications funds, achievement, awards or honors.

--Students: scholarships, achievement awards, student activities, travel study awards, funds for student equipment, tools or supplies.

--Maintenance or operating funds for buildings or physical space.

--Furnishings/equipment.

--Other special projects as approved by the Foundation Board of Trustees.

c. Scholarship endowments

- (1) Criteria for awarding scholarships will be kept as broad as is reasonably possible to avoid difficulties in administering the fund.
- (2) To preserve the tax benefits, donors are not permitted to choose recipients unless they select from a list of qualified scholarship applicants provided by the College.
- (3) Scholarship awards are considered outright grants to student recipients and, as such, scholarship criteria may not include work or repayment requirements.

d. Endowment Spending and Fees

In order to achieve the goals of both the Endowment Policy as stated above and in the Investment Policy, the spendable portion from the Foundation's unrestricted funds or from any donor-directed endowment fund will generally represent up to five percent of the three-year moving average market value of the endowment investment assets.

The amount of the spendable portion of the Foundation general endowment will be recommended annually by the Foundation's Investment Committee to the full Board for adoption. The Committee's recommendation will reflect due consideration of spending needs, the investment market environment, donor intent, and maintenance of the economic value of the endowment by adjusting for inflation.

For donor-directed endowments the remainder of earnings, in excess of the spendable portion, may be apportioned a 1% fee paid to the Foundation annually for operating expenses, with the balance returned to the endowment corpus as a hedge against inflation.

The Southern Regional Technical College Foundation reserves the right to periodically review and amend its spending and fee policies affecting all funds.

RECEIVING AND DEPOSITING FUNDS

When a gift is received the Foundation will acknowledge by:

- 1) Determining if the funds received are gifts rather than payments for goods and services.
- 2) Obtaining all necessary approval and/or appraisal of gifts.
- 3) Determining that the gifts are placed in the correct fund account(s), especially in cases involving restricted discretionary accounts.
- 4) Maintaining documentation for all gifts received which include letters, annual giving cards, pledge cards, copies of checks, from donors etc.

Upon receipt of a cash gift and accompanying materials, the Foundation will:

- 1) Copy donor check for files and log gifts into fund accounting software.
- 2) Prepare acknowledgement letter.

- 3) Mail acknowledgement letter to donor.
- 4) Maintain copy of acknowledgement letter and check for file.
- 5) Log gift into fund accounting software.

Upon receipt of gifts of real or personal property, the Foundation will:

- 1) Log gift into fund accounting software
- 2) Complete in-kind gift donation form.
- 3) Place Southern Regional Technical College Foundation inventory decal on property
- 4) Prepare acknowledgement letter.
- 5) Maintain copy of acknowledgement letter for file.
- 6) Mail acknowledgement letter to donor.

Gifts of real or personal property that are to be maintained for use by Southern Regional Technical College will be accepted by the Foundation, and when appropriate will be leased back to Southern Regional Technical College for \$1 per year. In-kind gifts that shall be liquidated will be accepted by the Foundation. Exceptions to this procedure shall be by majority vote of the trustees.

The Foundation will process acknowledgements for all gifts within three (3) days. The Foundation will send a written acknowledgement stating the amount and date of the gift and whether any considerations were given in exchange for the gift.

Major or special gifts shall be acknowledged in person, by telephone or by personal letter by the President of the college and by others deemed appropriate, according to the nature of the gift.

DISPOSITION OF INACTIVE FUNDS

Inactive funds are those temporarily restricted funds which have less than \$1,000 and to which there have been no additional gifts for a period of at least 24 months. If feasible, an inactive fund should be reactivated by contacting the original donor(s) or donor(s) representative. If a fund cannot be reasonably reactivated, but other funds exist with similar purposes, recommendation will be made by

the Foundation Board that the balance of the inactive funds be moved to an active fund with a similar purpose. If the donor's original intent has been fulfilled, or if a fund cannot be reasonably reactivated, a recommendation may be made that any balances remaining in the fund be moved into the Foundation's general account.

GIFT REPORTING

The Foundation has the responsibility to publish an Annual Report of gift revenue and activities and distribute them to donors and other constituents in the community.

Donor recognition "Giving Levels" are as follow:

Friends (\$1-\$499)

Sponsors (\$500-\$2,499)

Promoter (\$2,500-\$4,999)

Partners (\$5,000-\$9,999)

Sustainers (\$10,000-\$24,999)

Investors (\$25,000-\$49,999)

Builders (\$50,000-\$99,999)

Benefactors (\$100,000-\$499,999)

Visionaries (\$500,000+)

AMENDMENT OF POLICIES AND GUIDELINES

All gift acceptance policies of the Foundation are subject to amendment, upon appropriate resolution and vote by the Foundation Board. However, such amendments may not be used to defeat or infringe upon the rights or expectations of any donor who may have made a gift, or entered into a gift agreement, prior to such amendment.

Adopted: 7/1/15