

# **CCC Foundation Gift Acceptance Policy**

*Approved November 2005  
Clovis Community College Foundation Board of Directors*

*Reviewed February 2006  
Clovis Community College Trustees*

*The Board of Directors of the CCC Foundation reserves the right to modify this policy as needed.*

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This policy is designed to provide direction to the CCC Foundation and the general public to facilitate the gift-giving process. It is to be interpreted so that prospective donors may enjoy the greatest flexibility possible in formulating their gifts consistent with policies established by the CCC Foundation Board of Directors and CCC Trustees.

## **Overview**

The CCC Foundation strongly encourages the solicitation and acceptance of gifts that enable the College to fulfill its teaching and community service missions. To ensure institutional integrity, the solicitation, receipt, acceptance, application and recognition of gifts must adhere to the following general guidelines.

## **Acceptance**

The Foundation values and will protect the integrity, independence and the academic freedom of the College community. Gifts, which because of their source, conditions or purposes, may expose the College to undue adverse publicity, require unacceptable expenditures of additional College resources, or force upon the College inappropriate responsibilities will not be accepted.

The Foundation Board will review all potential gifts where any issues relating to restrictions, terms, or valuations of a proposed gift may arise. It will review such restrictions, terms or valuation questions and advise the President of the College on the acceptance of said gift. The President of the College will then recommend action to the Board of Trustees for final determination.

## **Unrestricted Gifts**

The most useful gifts are those with the fewest possible restrictions. Unrestricted funds allow the College to address its most pressing needs and important opportunities. Gifts donated without any express limitation placed upon them will be credited to the unrestricted fund account.

## **Restricted Gifts**

The College will seek and accept gifts from individuals, corporations and foundations for designated purposes which have received appropriate academic or administrative approval. A gift in any amount may be accepted as a contribution to an existing fund

earmarked for a specific need of the College so long as the terms and conditions of the existing fund so permit.

## **GIFTING CATEGORIES**

- I. Endowed: A fund established in perpetuity allowing the net income produced each year to be used for the specific purpose(s) established by the donor.

### Types of Endowed Gifts

1. Scholarships. The endorsement may be named for the donor, or in honor or memory of a person(s) the donor wishes to recognize.

- (a) “Named” Scholarship Endowment Fund.” The minimum amount to establish a named endowed scholarship fund is \$10,000.00, funding to be completed within 5 years or by an irrevocable deferred gift or bequest, such as through a will or trust.

The funds will be placed in a holding account and will accrue interest for the donor specified purpose, but no funds will be released for program purposes until the corpus reaches the appropriate fund threshold or unless otherwise directed by the donor. If a donor is unable to complete the funding of an endowment, he or she will have the option of directing that his or her gifts be aggregated with other endowment gifts or expended to support a specific program.

Because conditions change over time, Endowed Funds will be reviewed periodically by the CCC Foundation to determine if the funds continue to support the mission of the Foundation and College. If circumstances arise that make it impossible or impracticable to use the gift for the purpose specified, the CCC Foundation Board of Directors may authorize the use of the spendable income for a modified purpose while taking into consideration the expressed intent of the donor. In the event of such modification, the distribution will be used to benefit the College in a manner which will most nearly meet the donor’s intent. The donor’s name will continue to be associated with the fund.

- (b) “Pooled Scholarship Endowed Fund.” Endowed gifts of less than \$10,000 may be directed to a pooled or aggregated scholarship fund established for a designated purpose, a category of students, or the general scholarship

fund at the direction of the CCC Foundation Board of Directors.

2. Non-Scholarship or endowed gifts to benefit the College. These gifts will allow the college to address its most pressing needs and important opportunities.
  - (a) “Named Buildings or Property Endowed Gifts to Benefit the College (non scholarship).

#### INTENT

- (i) The “Administrative Process for Naming Buildings, Facilities, Rooms and Programs at Clovis Community College” establishes an approved procedure for receiving and processing proposals to name College buildings or system property.

Buildings or other property of Clovis Community College may be named after or dedicated in honor of a person or entity only upon approval of the CCC Board of Trustees.

- (ii) Objectives of this process are to:
  - Ensure appropriate recognition of extraordinary and/or significant contributions to the College.
  - Facilitate and encourage significant financial contributions to the College. The College may, through its Foundation, staff, alumni, or through an individual, identify potential donors and approach the prospective donor, through such methods as are deemed appropriate by the College.

#### (b) Pooled Endowments to Benefit the College (non-scholarship)

- (i) Gifts of any amounts contributed to a pooled or aggregated endowment fund established for a designated purpose or category, such as a type of library collection, program support, general capital improvements or purchase of lab equipment.

## II. Types of Unendowed Gifts

1. Scholarship - The gifts can be of any amount and will be distributed in full without endowment according to the same guidelines for endowed funds.
2. Restricted Gifts - The Foundation will seek and accept gifts from individuals, corporations and foundations for designated purposes which have received appropriate academic or administrative approval. A gift in any amount may be accepted as a contribution to an existing fund

earmarked for a specific need of the College so long as the terms and conditions of the existing fund so permit.

The Foundation and/or the College, at its sole discretion, may choose not accept a gift if its restrictions:

- are inconsistent with the institutions stated academic purposes and priorities;
  - inhibit the College from seeking gifts from other donors, be they similar or different, foreign or domestic;
  - involve unlawful discrimination based upon race, religion, sex, age, national origin, color, handicap or any other basis prohibited by federal, state and local law and regulations;
  - obligate the College to violate any other applicable law or regulation, or which violates the Foundation's or College's charter, articles or incorporation, or by-laws.
3. Unrestricted Gifts -The most useful gifts are those with the fewest possible restrictions. Unrestricted funds allow the College to address its most pressing needs and important opportunities. Gifts donated without any express limitation placed upon them will be credited to the unrestricted fund account.

### **Methods of Giving**

Any asset of value may be gifted to the Foundation for the College's and our students' benefit. A variety of methods of giving allow donors to choose the one most appropriate for their circumstances and interests.

#### **Cash**

The most frequent method used to make a gift to the Foundation is a personal check. Gifts received by mail will be receipted on the postmark date.

#### **Securities**

Publicly traded securities, shares of stock in closely held companies, bonds, and government issues may be given to the College.

##### **Publicly-traded Securities**

These are securities regularly traded on a public stock exchange. The donor should be advised to (1) notify his/her broker of his/her intent to donate, and asked to instruct his/her broker to electronically transfer the desired stocks to the Foundation's account. The donor should promptly advise the Office of Resource Development of the pending transfer, and indicate in writing the purpose or designation of the gift, if any. The value of the gift will be the mean of the highest and lowest selling prices quoted for the stock on the day of the gift.

##### **Closely-held Securities**

These are shares of stock in entities that have been organized for profit-making purposes, and are rarely traded on stock exchanges. Donors may give shares of closely held corporate securities to the Foundation in the same manner as publicly traded securities. However, because closely held stock is not publicly traded,

these securities present special concerns and valuation issues. To convert them into cash, the Foundation must own the securities. Thus, it will not, formally or informally, enter into any redemption agreement with the donor. Gifts of closely held securities may be accepted only after review by the Foundation Board of Directors and legal counsel.

### **Methods of Delivery**

The Foundation prefers that a donor not sign stock certificates or has shares re-registered in the name of the Foundation. It is preferable for the donor, following consultation with College personnel, to transfer securities electronically from his or her personal brokerage account to an appropriate Foundation account and provide a letter of instruction to the Foundation regarding the application of the proceeds of the securities. If the securities are in the donor's possession, appropriate stock powers, signed exactly as the name (of the registered owner) appears on the stock certificates, should accompany securities that are hand-delivered. A letter of instruction to the Foundation should be attached to the stock certificates. The gift date is the day the securities are received by the Foundation. If the securities are mailed to the Foundation, the value of the gift will be its fair market value (mean of the high and low) on the date the securities were postmarked. Please note as described below, that there are very specific processes for mailing gifts of securities.

A donor should obtain a stock power from his or her banker or broker, signing his or her name exactly as it appears on the certificates, and have that signature guaranteed by the banker or broker. The stock power and a letter of instruction should be mailed to the appropriate development officer **under separate cover** from the stock certificates. Upon receipt, these original documents will be immediately hand-delivered by the development officer to the Vice President for Administration. The Foundation should be designated on the stock certificate(s), stock power, or related instruments of transfer as the "CCC Foundation." The stock certificate(s) should be sent by registered mail, return receipt requested, directly to the Vice President for Administration. Unendorsed stock certificates are non-negotiable, so leaving them unsigned provides protection against unauthorized redemption of those certificates. The postmark date on the stock power will be used as the gift date when the stock certificate and stock power are mailed, as they always should be, under separate cover.

### **Real Estate**

The Foundation may accept gifts of real estate, including houses, condominiums, commercial properties, farm land, rental property, and undeveloped land after a thorough review of the following factors:

1. The usefulness of the property for College purposes;
2. The marketability of the property;
3. The existence of restrictions, reservations, easements, and/or other limitations;
4. The existence of encumbrances, such as mortgages and liens;
5. Carrying costs, such as property owner's association dues, taxes, insurance, and other maintenance expenses; and

6. Fair market value in relation to the costs and limits listed above as determined by a qualified appraisal conducted in accordance with Internal Revenue Service (IRS) standards.

Prior to the acceptance of any parcel of real property, as a minimum, a Phase 1 environmental assessment of the potential environmental risks will be conducted. This assessment shall include the following:

- An inquiry of the present owner regarding his/her knowledge of the history of the property;
- A title search to determine who the prior owners might have been;
- A consultation with federal, state, and local environmental agencies to ascertain whether the property has any history of hazardous waste contamination; and
- A visual inspection of the property for any evidence of environmental hazards.

An environmental audit conducted by a professional service will be required before acceptance of real property in most instances. Exceptions may be made for owner-occupied single-family residences that have not previously been used for other purposes. For all gifts of real estate, the Foundation Board of Directors will review the results of such assessment and recommend to the appropriate administrators whether the gift should be accepted.

### **Personal Property**

The Foundation may accept gifts of tangible or intangible personal property for the College's benefit, including works of art, jewelry, antiques, coin, stamp and other collections, automobiles, manuscripts and books. Such gifts may be accepted only after a thorough review indicates the property is readily marketable or may be used by the College in a manner consistent with one of the purposes for which it was granted its charitable and educational status. An essential issue for donors to consider before contributing a gift of personal property is whether they would like the College to use or display the property. Prospective donors should be advised that the Foundation reserves the right to sell or otherwise dispose of the personal property in question, if such action is deemed advisable or necessary. Whenever possible, the proceeds from these sales will benefit the programs or departments that were the intended beneficiaries of the contributions. The Resource Development Office and Finance Office will maintain a current inventory of items received as gifts of personal property. If the Foundation intends to sell a gift immediately, rather than use it, the donor must be informed that IRS rules will probably limit the amount of the charitable deduction to the donor's cost basis. Whenever donors estimate their gifts of personal property at \$5,000 or more, they must obtain a written appraisal report following review by a qualified independent appraiser. The Foundation cannot appraise or assign valuation to gifts of personal property. The Foundation Board of Directors will review and make recommendations regarding acceptance of any gifts of personal property

### **Inventory**

As with personal property, gifts of inventory or in-kind services may be accepted if those are appropriate to the advancement of the College's mission. Donors should be aware that special rules apply to the valuation of both inventory and services donated to charitable organizations.

## **Deferred Instruments**

Deferred Gifts are those for which the asset transfer or a commitment to give is made irrevocably, but from which the Foundation derives benefit at some later date, either upon the passage of a defined time period or upon the completion of some required conditional precedent. The acceptable methods of creating deferred gifts to the Foundation are described below.

**Bequest:** A bequest is a gift made to the Foundation through a donor's will. Bequests may provide for a specific dollar amount in cash, specific securities, specific personal property or all or part of the residue of the estate. In addition to specific and residuary bequests, a donor can choose to make a contingent bequest. A residuary bequest will give the Foundation all or a portion of the estate after all debts, taxes, expenses, and all other bequests have been paid. A contingent bequest directs specified property or the residue of an estate to the Foundation if other named beneficiaries are not living at the time of the donor's death. Gifts may be made to the Foundation through the execution of a new will or through a codicil to an existing will. Donors may also add specific, residual or contingent codicils to their wills.

Donors may also establish, by will, an annuity trust or unitrust (described below) to provide income for a designated beneficiary. If such a gift is made by will, the principal will become available for use by the College only after the death of the income beneficiary.

Donors are encouraged to recognize that many years may pass following the description of gift restrictions in a will before a gift is realized. During that period, or as endowment earnings are used thereafter, the needs, policies and circumstances of the College can change in unforeseen ways. The Foundation must have the flexibility to make use of funds in the best interest of the institution and in accord with donor interests and specifications. Thus, donors are advised to describe the specific purposes of their gifts as broadly as possible and to avoid detailed limitations and restrictions. Donors considering bequests for a specific purpose are encouraged to consult a member of the College's development staff.

**Charitable Remainder Unitrust:** A charitable remainder unitrust provides for periodic payment of income to the donor, or another person specified by the donor, for life or a specified term of years, after which the trust assets become available for use by the College. During his or her lifetime, a donor creates a formal trust agreement which irrevocably transfers assets such as cash, appreciated securities, or both to a trustee who then pays the donor, or a person specified by the donor, an income for life or for a defined term of years.

During the donor's lifetime, the trust assets are managed and invested by the trustee as a single fund. The donor cannot borrow or otherwise deal with the trust assets. The designated beneficiary receives payments based on a fixed percentage of the net fair market value of the trust as valued annually by the Vice President for Administration. The donor determines the fixed percentage, which may not be less than five percent, when the unitrust is created. Donors may make subsequent additions to the unitrust during their lifetimes or by bequest.

**Charitable Remainder Annuity Trust:** The annuity trust shares many common features with the unitrust, the principal difference being the manner used to calculate the payment to the income beneficiary. Whereas the unitrust provides for a payout that varies with each annual valuation, the annuity trust provides for fixed payments based upon the fair market value on the date the trust is established. Another difference is that additional contributions cannot be made to an annuity trust. During his or her lifetime, the donor irrevocably transfers assets to a trustee, who pays the donor, or a person specified by the donor, a fixed dollar amount annually for life. The trust can also provide income for the donor's survivors for life; however, the trust assets become the sole property of the Foundation.

**Permanent Life Insurance:** Permanent life insurance can also be used to benefit the College. With it, the donor can make a substantial gift for a relatively modest annual outlay. A donor may irrevocably assign to the Foundation an existing life insurance policy that is no longer needed for family protection, making the Foundation both the policy owner and the beneficiary. The donor will be required to sign an agreement that he/she will make annual contributions and the Foundation will make the premium payments. If the donor does not choose to continue paying the premiums, the Foundation may elect to:

- Continue paying the premiums and receive the full face value of the policy at the death of the donor's or other insured life designated by the donor;
- Convert the policy to paid-up insurance at a reduced amount with no further payments; or Surrender the policy for its present cash value.

Before contributing gifts of life insurance to the College, a donor should consult with a member of the College's development staff to ensure that his or her gift will be consistent with the College's needs.