

CHAPTER 3: GENERAL INSTITUTION
BOARD POLICY NO.: 3820

BOARD POLICY
SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT

Subject: Gifts

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5/4/99

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9/2/08
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4/3/12

Policy Reference: Education Code Section 72122

The Board shall consider all gifts, donations and bequests made to the District. The Board reserves the right to refuse to accept any gift which does not contribute toward the goals of the District, or the ownership of which would have the potential to deplete resources of the District.

The District shall assume no responsibility for appraising the value of gifts made to the District.

Acceptance of a gift shall not be considered endorsement by the District of a product, enterprise or entity.

In no event shall the District accept a donation from any donor who engages in practices or policies which discriminate against any person on the basis of race, sex (i.e., gender), color, religion, national origin, age, disability, or sexual preference; or when the stated purposes of the donation are to facilitate such discrimination in providing educational opportunity.

The Board will not accept any gift that has not been vetted by the COS Foundation.

See Administrative Procedure 3820

FOUNDATION

GIFT ACCEPTANCE POLICIES AND GUIDELINES

COS Foundation, a not for profit organization organized under the laws of the State of California, encourages the solicitation and acceptance of gifts to COS Foundation (hereinafter referred to as the Foundation) for purposes that will help the Foundation to further and fulfill its mission. The Board of Directors of the Siskiyou Joint Community College District shall only accept gifts vetted by the Foundation. The following policies and guidelines govern acceptance of gifts made to the Foundation or for the benefit of any of its programs.

The mission of the COS Foundation is:

The COS Foundation supports the mission and values of the College of the Siskiyous by fostering community relationships and raising funds to enhance exceptional learning environments.

I. Purpose of Policies and Guidelines

The Board of Directors of COS Foundation and its staff solicit current and deferred gifts from individuals, corporations, and foundations to secure the future growth and missions of the Foundation. These policies and guidelines govern the acceptance of gifts by the Foundation and provide guidance to prospective donors and their advisors when making gifts to the Foundation. The provisions of these policies shall apply to all gifts received by the Foundation for any of its programs or services.

II. Use of Legal Counsel

COS Foundation shall seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review by counsel is recommended for:

- a. Closely held stock transfers that are subject to restrictions or buy-sell agreements
- b. Documents naming COS Foundation as Trustee
- c. Gifts involving contracts, such as bargain sales or other documents requiring the COS Foundation to assume an obligation
- d. Transactions with potential conflict of interest that may invoke IRS sanctions
- e. Other instances in which use of counsel is deemed appropriate by the Gift Acceptance Committee

III. Conflict of Interest

COS Foundation will urge all prospective donors to seek the assistance of personal legal and financial advisors

Conflict of Interest

COS Foundation will urge all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences. The Foundation will comply with the Model Standards of Practice for the Charitable Gift Planner promulgated by the National Committee on Planned Giving, shown as an appendix to this document.

IV. Restrictions on Gifts

The Foundation will accept unrestricted gifts, and gifts for specific programs and purposes, provided that such gifts are not inconsistent with its stated mission, purposes, and priorities. The Foundation will not accept gifts that are too restrictive in purpose. Gifts that are too restrictive are those that violate the federal, state or local laws pertaining to the College of the Siskiyous, gifts that are too difficult to administer, or gifts that are for purposes outside the mission of the Foundation. All final decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Executive Committee of the Foundation (Executive Committee) after receipt of the recommendation the Gift Acceptance Committee of the Foundation.

V. The Gift Acceptance Committee

The gift acceptance committee shall consist of:

- The President of COS Foundation
- The Treasurer of COS Foundation

- One additional member of the Foundation Executive Committee, appointed by the Foundation President
- One additional member of the Foundation Development Committee, appointed by the Foundation President
- Such other members as appointed by the President of the Foundation
- the Foundation Executive Director

The gift acceptance committee is charged with the responsibility of reviewing all gifts made to the Foundation, properly screening and accepting those gifts, including without limitation obtaining appraisals where necessary, subject to approval of the Executive Committee of the Foundation, and making recommendations to the Foundation Board and the Board of Directors of the Siskiyou Joint Community College District on gift acceptance issues when appropriate.

VI. Types of Gifts

A. The following gifts are acceptable:

1. Cash
2. Tangible Personal Property
3. Securities
4. Real Estate
5. Life Insurance
6. Charitable Gift Annuities
7. Charitable Remainder Trusts
8. Charitable Lead Trusts
9. Retirement Plan Beneficiary Designations
10. Bequests
11. Life Insurance Beneficiary Designations

B. The following criteria govern the acceptance of each gift form:

1. **Cash:** Unrestricted cash is acceptable in any form. Checks shall be made payable to The COS Foundation and shall be delivered to the Foundation Executive Director in the Foundation's administrative offices. Restricted cash gifts may be made to programs included as line items in the Foundation budget. All other restricted cash gifts over One Thousand Dollars (\$1,000.00) shall be made by the Executive Committee after receipt of the recommendation the Gift Acceptance Committee of the Foundation and the President of COS

2. **Tangible Personal Property:** All other gifts of tangible personal property shall be examined in light of the following criteria:

- Does the property fulfill the mission of the Foundation?
- Is the property marketable?
- Are there any undue restrictions on the use, display, or sale of the property?
- Are there any carrying costs for the property?

The final determination on the acceptance of other tangible property gifts shall be made by the Executive Committee after receipt of the recommendation the Gift Acceptance Committee of the Foundation.

3. **Securities:** The Foundation can accept both publicly traded securities and closely held securities.

Publicly Traded Securities: Marketable securities may be transferred to an account maintained at one or more brokerage firms or delivered physically with the transferor's signature or stock power attached. As a general rule, all marketable securities shall be sold upon receipt unless otherwise directed by the Investment Committee. In some cases marketable securities may be restricted by applicable securities laws; in such instance the final determination on the acceptance of the restricted securities shall be made by the Executive Committee after receipt of the recommendation the Gift Acceptance Committee of the Foundation.

Closely Held Securities: Closely held securities, which include not only debt and equity positions in non-publicly traded companies but also interests in LLPs and LLCs or other ownership forms, can be accepted subject to the approval of the Executive Committee after receipt of the recommendation the Gift Acceptance Committee of the

Foundation. However, gifts must be reviewed prior to acceptance to determine that:

- there are no restrictions on the security that would prevent the Foundation from ultimately converting those assets to cash,
- the security is marketable, and
- the security will not generate any undesirable tax consequences for the Foundation.

If potential problems arise on initial review of the security, further review and recommendation by an outside professional may be sought before making a final decision on acceptance of the gift. The final determination on the acceptance of closely held securities shall be made by the Executive Committee after receipt of the recommendation the Gift Acceptance Committee of the Foundation and legal counsel when necessary. Every effort will be made to sell non-marketable securities as quickly as possible.

4. **Real Estate:** Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest. Prior to acceptance of real estate, the Foundation shall require an initial environmental review of the property to ensure that the property has no environmental damage. Environmental inspection forms are attached as an appendix to this document. In the event that the initial inspection reveals a potential problem, the Foundation shall retain a qualified inspection firm to conduct an environmental audit. The cost of the environmental audit shall generally be an expense of the donor.

When appropriate, a title binder shall be obtained by the Foundation prior to the acceptance of the real property gift. The cost of this title binder shall generally be an expense of the donor.

Prior to acceptance of the real property, the gift shall be approved by the Executive Committee after receipt of the recommendation the Gift Acceptance Committee of the Foundation and by the Foundation's legal counsel. Criteria for acceptance of the property shall include, but not be limited to:

- Is the property useful for the purposes of the Foundation?
- Is the property marketable?
- Are there any restrictions, reservations, easements, or other limitations associated with the property?
- Are there carrying costs, which may include insurance, property taxes, mortgages, or notes, etc., associated with the property?
- Does the environmental audit reflect that the property is not damaged?

5. **Life Insurance:** The Foundation must be named as both beneficiary and irrevocable owner of an insurance policy before a life insurance policy can be recorded as a gift. The gift is valued at its interpolated terminal reserve value, or cash surrender value, upon receipt. If the donor contributes future premium payments, the Foundation will include the entire amount of the additional premium payment as a gift in the year that it is made.

If the donor does not elect to continue to make gifts to cover premium payments on the life insurance policy, the Foundation may:

- continue to pay the premiums,
- convert the policy to paid up insurance, or
- surrender the policy for its current cash value.

Also see Section VI. 11 **Life Insurance Beneficiary Designations**, herein.

6. **Charitable Gift Annuities:** The Foundation may offer charitable gift annuities. The minimum gift for funding is \$5,000. The Foundation President may make exceptions to this minimum. The minimum age for life income beneficiaries of a gift annuity shall be 60. Where a deferred gift annuity is offered, the minimum age for life income beneficiaries shall be 50. No more than two life income beneficiaries will be permitted for any gift annuity.

Annuity payments may be made on a quarterly, semi-annual, or annual schedule. The Foundation President may approve exceptions to this payment schedule.

The Foundation will not accept real estate, tangible personal property, or any other illiquid asset in exchange for current charitable gift annuities.

7. **Charitable Remainder Trusts:** The Foundation may accept designation as remainder beneficiary of an irrevocable charitable remainder trust and the gift shall be approved by the Executive Committee after receipt of the recommendation of the Gift Acceptance Committee of the Foundation. The Foundation will not accept appointment as Trustee of a charitable remainder trust.

8. **Charitable Lead Trusts:** The Foundation may accept a designation as income beneficiary of a charitable lead trust. The Foundation will not accept an appointment as Trustee of a charitable lead trust. The Foundation will only accept irrevocable charitable lead trusts that specifically state that the donor and or trustee must be responsible for the costs of all; administration, tax preparation and tax implications. The Executive Committee must approve the gift after receipt of the recommendation of the Gift Acceptance Committee of the Foundation and legal counsel.

9. **Retirement Plan Beneficiary Designations:** Donors and supporters of the Foundation will be encouraged to name the Foundation as beneficiary of their retirement plans. Such designations will not be recorded as gifts to the Foundation until such time as the gift is irrevocable and the Foundation receives notice of such gift becoming irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

10. **Bequests:** Donors and supporters of the Foundation will be encouraged to make bequests to the Foundation under their wills and trusts. Such bequests will not be recorded as gifts to the Foundation until such time as the gift is irrevocable and the Foundation receives notice of such gift becoming irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

11. **Life Insurance Beneficiary Designations:** Donors and supporters of the Foundation will be encouraged to name the Foundation as beneficiary or contingent beneficiary of their life insurance policies. Such designations shall not be recorded as gifts to the Foundation until such time as the gift is irrevocable. Where the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable. On irrevocable life insurance policies where the Foundation is named as a beneficiary, the Foundation may consider providing partial to full payment of the premiums for such policies. Also refer to Section VI. 5 herein.

VII. Miscellaneous Provisions

A. **Securing appraisals and legal fees for gifts to the Foundation:** It will be the responsibility of the donor to secure an appraisal (where required) and independent legal counsel for all gifts made to the Foundation, provided, however; the Foundation may pay for such appraisal or legal fees if deemed appropriate.

B. **Valuation of gifts for development purposes:** The Foundation will record a gift received by the Foundation at its valuation for gift purposes on the date of gift.

C. **Responsibility for IRS Filings upon sale of gift items:** The Foundation office is responsible for filing IRS Form 8282 upon the sale or disposition of any asset sold within two years of receipt by the Foundation when the charitable deduction value of the item is more than \$5,000. The Foundation must file this form within 125 days of the date of sale or disposition of the asset. Form 8282 with Filing Instructions is attached as an appendix to these policies.

D. Acknowledgement of all gifts accepted by the Foundation and compliance with the current IRS requirements in acknowledgement of such gifts shall be the responsibility of the Board of the Foundation. IRS Publication 561 ***Determining the Value of Donated Property*** and IRS Publication 526 ***Charitable Contributions*** are attached to these policies as an Appendix.

E. The Gift Acceptance Committee of the Foundation shall determine the acceptability of all gifts valued at One Thousand Dollars (\$1,000.00) or more. The Executive Director of the Foundation shall determine the acceptability of all gifts with a valuation of under One Thousand Dollars (\$1,000.00) or those donations made through retail sales.

F. The tender of any gifts to the College of the Siskiyous, the Foundation or the Board of Directors of the Siskiyou Joint Community College District shall be subject to all policies and procedures of the Board of Directors of the Siskiyou Joint Community College District, including without limitation Board Policy of the Siskiyou Joint Community College District regarding gifts with policy reference to Education Code Section 72122 and Board

Policy Number 1.16 - Gifts.

VIII. Changes to Gift Acceptance Policies

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

Approved on the _____ day of _____, 2009.

Chairman, Board of Directors, The COS Foundation

Printed Name

ATTACHMENTS

I. Model Standards of Practice of the Charitable Gift Planner

II. Environmental Review Forms

II. IRS Form 8282 and Instructions

III. IRS Publication 561 Determining the Value of Donated Property

IV. IRS Publication 526 Charitable Contributions