

GIFT ACCEPTANCE POLICY

Introduction

Central Carolina Community College Foundation (hereafter known as the Foundation) partners with private entities and individuals to raise awareness, financial resources, and other assets in support of Central Carolina Community College's (hereafter known as the College) mission, goals and funding priorities. The Foundation encourages the solicitation and acceptance of gifts for purposes that help the college further and fulfill its mission. The Foundation is a private, non-profit 501(c)(3) organization recognized by the State of North Carolina and the United States Internal Revenue Service.

Purpose

This policy serves as a guideline for the Foundation staff, board members, volunteers, outside advisors who assist in the gift planning and solicitation process, and prospective donors who wish to make gifts to the Foundation of unrestricted, restricted, and endowment funds. The Foundation actively solicits gifts and grants to further the mission of the College. As gifts can encourage others to give, this gift acceptance policy is intended only as a guide and allows for flexibility on a case-by-case basis.

This policy is intended to ensure that only items useful to the College are accepted by the Foundation and that the items are used as the donor intended. The provisions of this policy apply to all gifts received by the Foundation for any of its programs or services. Gifts will be considered on their merits with final action taken by the Foundation's Board of Directors.

Definition of Fund Types

Endowment Fund

An endowment fund is an investment portfolio held by the CCC Foundation for the purpose of generating a permanent stream of capital. The fund's portfolio can be made up of cash, publicly traded securities, real estate, life insurance, retirement accounts, and other assets.

Endowment funds are usually permanent because the principal balance, or "corpus," stays invested forever. The Foundation can only spend the investment income generated by the fund—and that income must be used according to donors' wishes.

Restricted Fund

Restricted funds are monies set aside for a particular purpose as a result of designated giving. They are permanently restricted to that purpose and cannot be used for other expenses of the nonprofit.

Unrestricted Fund

Unrestricted funds may be used for any legal purpose appropriate to the organization.

Legal and Ethical Considerations

The Foundation and its staff cannot give accounting, tax, or legal advice but will work closely with the donor's advisors. It is strongly encouraged that donors consult with a qualified advisor. Where appropriate, the Foundation seeks the advice of legal counsel in matters relating to the acceptance of gifts. All requests for gifts shall be made within ethical business and philanthropic practices to avoid any real or apparent conflicts of interest in present or future relationships. The Foundation adheres to the Association of Fundraising Professionals Code of Ethics and the Donor Bill of Rights. In accordance with the Association of Fundraising Professionals' Code of Ethical Standards, no fundraiser is compensated based on a percentage of funds raised or on a contingent basis.

Foundation staff is compensated based on a set annual salary. Independent contractors and consultants are compensated on a project basis.

Adherence to the law

All gifts must be consistent with the laws, regulations, and policies of the State of North Carolina and the Federal government. The Foundation will not accept any gift or enter any agreement that would jeopardize its tax-exempt status.

Donor privacy and anonymity

While the College and the Foundation understand the desire of some donors to remain anonymous, their identity must be disclosed for our internal records. All information concerning prospective donors and donors not considered public record shall be confidential. Only authorized staff and members of the board are permitted to view donor files. Unless anonymity is specifically requested, the College and Foundation regards all gifts, once received, as a matter of public record. Donors who wish to remain anonymous and not be included in published lists of donors must state so at the time of the gift. Permission will be noted in the gift agreement and/or donation paperwork along with the donor's record in the Foundation's donor software.

Gift Solicitation and Acceptance

The Foundation Board of Directors, Executive Director, and staff of the Foundation have the authority to solicit and/or accept gifts on behalf of the Foundation and the College. No individual or staff member of the College shall solicit gifts in the name of, or on behalf of, the College or the Foundation until and unless authorized to do so by the President of the College and the Executive Director of the Foundation, or his/her designee. The Foundation was organized to accept gifts on behalf of the College from the private sector. As such, the Foundation has certain responsibilities to document and acknowledge the acceptance of all gifts received. Foundation procedures comply with the standards of North Carolina and the Internal Revenue Service. Individuals wishing to implement a fundraising effort in support of a College program or activity must contact the Foundation for assistance. In addition to ensuring that a proposed fundraiser is properly established and in the best interest of the College, a second consideration includes the avoidance of competing and conflicting requests to the Foundation's current donor base.

Solicitation by External Groups

Solicitations for support of community non-profits on a broad or collegewide basis where the Foundation and/or the College's name will be affiliated with the fundraising activities (e.g. the United Way payroll campaign) must have the prior approval of the President. College employees are permitted, within reason, to solicit for other nonprofits and charitable causes on an individual basis.

Gift Management

Subject to the terms of this operations manual and the record associated with each specific gift, restricted gifts may be used only for the specific purposes set out in the giving instrument and cannot be used for other expenses of the Foundation or the College.

If the restriction becomes unlawful, impracticable, wasteful, or if implementation becomes impossible or impairs the management or investment of the fund, or if, because of circumstances not anticipated by the donor, a modification of the restriction will further the purposes of the fund, the donor may give consent to the Foundation to modify the restriction so long as the gift is used for a charitable purposes of the Foundation or CCCC.

At the time of making the gift or at any time thereafter, the donor of a restricted gift may give consent in a record, authorizing the Foundation and/or the College to release or modify, in whole or in part, a restriction contained in a gift instrument regarding the management, investment or purpose of the restricted gift/fund based as provided for in North Carolina General Statute § 36E-6. If the donor fails to fulfill their pledge or obligations in making the gift, the Foundation reserves the right to release or modify the restriction, with or without a record of consent.

In the event it becomes necessary to modify or release the restriction of a gift, the Foundation will use all reasonable efforts to designate an alternative use of the gift in the spirit of the donor's original intent when making the gift to further the objectives of the College. Under no circumstances may a restricted gift be used for any purposes other than a charitable purpose of the Foundation and/or the College. Nothing herein shall be deemed to modify or nullify the Foundation's Endowment Policy.

Endowment Fund/Scholarship

An endowment fund or endowment scholarship is an investment portfolio held by the Foundation for the purpose of creating a permanent stream of capital to support the mission and goals of the College. These endowment gifts are also governed by the provisions as set out in this operations manual and the Foundation Endowment Policy.

Restricted Gift/Restricted Funds

Restricted gifts and funds are donations made to the Foundation for one or more specific charitable purposes. Restricted gifts and funds are the result of designated giving that assist in furthering the mission and goals of the College. All restricted gifts are held by the Foundation until an appropriate disbursement request has been made and formal approval of the request has been granted.

Types of Gifts

Cash

Gifts of cash will be accepted regardless of the amount. Cash gifts include credit card commitments, checks, check drafts, and/or payroll deduction arrangements. Checks should be made payable to the CCCC Foundation and should not be made payable to an employee, volunteer or any individual who represents the Foundation.

Publicly Traded Securities

The Foundation can accept readily marketable securities, such as those traded on a stock exchange. Gift securities are likely to be sold immediately by the Foundation. For the Foundation's gift crediting and accounting purposes, the value of the securities is the average of the high and low on the date of the gift, in accordance with IRS regulations.

Closely Held Securities

Non-publicly traded securities will be accepted upon prior approval of the Investment Committee and/or the Executive Committee. 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.

Such securities may be sold with the prior recommendation of the Investment Committee and/or the Executive Committee. In keeping with relevant rulings and court determinations, in order to assure appropriate tax benefits for contributors of non-publicly traded securities, no commitment shall be made for the repurchase of such securities prior to the completion of a gift of such securities.

Gifts in Kind (non-cash physical assets, not including real estate)

A gift in kind to the Foundation is most often equipment, supplies, or a product. Gifts of professional services given at no charge may also be considered gifts in kind and be recognized by the Foundation, but may not be considered tax deductible by the Internal Revenue Service. Donors should consult their financial advisor regarding a gift's tax deductibility.

All gifts in kind accepted must demonstrate at least one of the following:

- Have clear educational purpose;
- Provide savings on administrative costs;
- Be intended for use in the Foundation or the College;
- Be intended for sale by the Foundation to benefit the mission of the College.

In all cases, consideration should be given to ensure that acceptance will not involve financial commitments in excess of the value of the donation. Consideration should be given to the cost of maintenance, delivery, insurance, disposal, and any space requirements for exhibiting, usage or storage. No gift in kind shall be accepted that obligates the Foundation or the College to ownership in perpetuity **or**

that in the sole discretion of the Foundation or College would place an undue financial or administrative burden on the Foundation or College. Depending on the anticipated value of the gift, the Foundation may have a qualified outside appraiser value the gift before accepting it. Foundation staff must be given a copy of the Gift in Kind form prior to a gift being delivered. In general, the donor is responsible for paying charges related to transportation or shipping, but in some cases, Foundation staff can make arrangements for the item to be picked up and delivered by College warehouse personnel. These decisions will be made on a case-by-case basis. Gifts in kind intended for use by the College will be transferred to State property, tagged for inventory and covered by the College's insurance.

Donated Vehicles – Title Transfers

The vast majority of vehicles donated to the College are for the educational benefit of the Automotive Technologies department at the College, not for resale or reassignment. If the item requires a transfer of title, the title is delivered to the Foundation, at which point the donor assigns the title to the Foundation or the College, as is appropriate. The title is then given to the College Business Office for additional processing and submission (having it tagged for educational purposes).

The Foundation adheres to all IRS requirements for disposing gifts of tangible personal property and filing the appropriate forms.

Real Estate

Gifts of real estate require special acceptance procedures. All forms of real estate will be considered by the Foundation, including, but not limited to improved and unimproved land, single family dwellings, apartment buildings, condominiums, office buildings, farms, leasehold interests and gifts subject to a retained life estate. Inasmuch as gifts of real estate can be costly to maintain, the Executive Committee will make a thorough review of the gift to insure compliance with criteria stated below prior to their formal acceptance by the Foundation.

1. **Market Value/Marketability.** The donor must provide a current certified appraisal of the property (not more than 6 months old) and the value of the interest in the property the Foundation will receive if the gift is approved.
2. **Environmental Report.** A Phase I environmental audit must be performed on all gifts of real property. The Executive Committee may waive this requirement for certain residential properties used exclusively for residential purposes.
3. **Encumbrances/Restrictions.** All mortgages, deeds of trust, restriction, reservations, easements, mechanic liens, and other limitations must be disclosed.
4. **Carrying Costs.** All carrying costs including, but not limited to taxes, insurance, association dues, membership fees, and transfer charges must be disclosed.
5. **Title Information.** The donor must provide the Foundation with a title insurance policy.
6. **Life Income.** Real estate shall not be accepted to fund a life income gift without seeking an opinion as to the permissibility of this action under federal tax laws and the laws of the state.

The Executive Director or her/his designee will conduct a visual inspection of the property. If the property is located in a geographically distant area, a local real estate broker may substitute for a member of the Executive Committee or leadership staff in conducting the visual inspection.

If the donor is giving a life estate gift, the donor may be asked to pay for all or a portion of the following:

- maintenance cost
- real estate taxes
- insurance
- real estate broker's commission and other costs of sales
- appraisal costs

If the real estate is an outright gift, the Foundation will pay for these costs. For the Foundation's gift crediting and accounting purposes, the value of the gift is the appraised value of the real estate, excluding any costs to the Foundation for insurance, real estate taxes, broker's commission, or other expenses of the sale. Properties with mortgages will be considered on a case-by-case basis. Consideration may include an independent appraisal and the mortgage percentage of property value. Mortgaged property is not acceptable for charitable remainder trusts.

Life Insurance

A donor may make a revocable gift of life insurance by naming the Foundation as beneficiary. A donor may also buy a special policy for the benefit of the Foundation that is irrevocable and may provide an income tax deduction for premiums paid and an estate deduction for the proceeds paid.

- Foundation as Beneficiary. Donors should be encouraged to name the Foundation as the exclusive beneficiary for life insurance policies that have been purchased on their lives. The Foundation will also accept the naming of the Foundation as a partial interest beneficiary of life insurance policies.
- Purchase of Life Insurance. The Foundation will not accept gifts from donors for the purchase of life insurance on the donor's life. If the donor is unable to (or elects not to) continue to make gifts to cover premium payments on the life insurance policy, the Foundation will not take over the payments. The Executive Committee shall make a recommendation whether to convert the policy to paid-up insurance, or surrender the policy for its current cash value. No insurance products and no insurance companies or agents are endorsed by the Foundation for use in funding gifts to the Foundation.

Bequests

The Foundation encourages donors to include the "Central Carolina Community College Foundation" in their wills.

- Acceptance Policy. The Foundation shall attempt to identify a bequest in advance in order to permit the donor and the Foundation to work together in order to conform to the gift acceptance policies and provide an opportunity for recognition of the donor.
- Deceased Donors. Gifts from the estates of deceased donors shall be accepted subject to the provisions and policies stated herein. The Foundation shall expeditiously communicate the terms of applicable policies to the legal representatives of the estate.

Charitable Remainder Trusts

The Foundation encourages donors to establish a trust for the benefit of the College's programs. A description of the many forms of trust, their advantages and disadvantages, is available to the donor from the Foundation.

- No member of the Foundation will serve as trustee of a charitable remainder trust of which the Foundation is also the beneficiary. If necessary, the Foundation may assist in the selection of an independent trustee.
- The fees for management of a charitable remainder trust will only be paid upon prior approval of the Executive Committee.
- The Foundation will make no representations as to performance of trust assets of the manner in which charitable remainder trust assets will be managed or invested by any corporate fiduciary who may be recommended by the Foundation or its employees.
- No charitable remainder trust which identifies an income beneficiary under the age of sixty (60) years or which identifies more than two (2) income beneficiaries shall be accepted with the Foundation named as Trustee without the approval of the Executive Committee.

Charitable Gift Annuities

A charitable gift annuity is a contractual arrangement between the donor and the Foundation. The donor transfers money or property to the Foundation in exchange for a promise to receive an annuity for a specific period. Donors interested in this simple form of gift should seek the advice of legal counsel.

- Gift annuities shall be accepted with persons 65 years of age or older.
- The minimum contribution for a gift annuity shall be \$10,000.

Retirement Plans

Donors and supporters of the Foundation are encouraged to name the “Central Carolina Community College Foundation” as beneficiary of their retirement plans.

Charitable Lead Trust

An arrangement where income producing assets may be placed in a trust with the Central Carolina Community College Foundation for a designated period of years, after which period the assets transfer to non-charitable beneficiaries named by the donor. It is called a “lead” trust because the income interest

paid to CCCC Foundation “leads” the “remainder” interest paid to beneficiaries.

Changes to the Gift Acceptance and General Policies

These policies and guidelines have been reviewed and approved by the Foundation Board of Directors. This document is subject to exceptions for individual situations as recommended by the Executive Committee. The CCCC Foundation Board of Directors must approve any changes to or deviations from these policies.

Endowments

- An endowed scholarship or award may be established with a minimum commitment of not less than \$10,000.
- An endowed award means that the initial funds given to establish the award are invested and that only the investment income from the principal may be distributed according to the Foundation.
- The Foundation spending policy uses the market value of the investment fund, which is measured over the past 12 quarters. Five percent (5%) of the average of those values is made available for

payout for endowments.. While the payout rate is intended to be stable, it may be periodically adjusted to reflect returns in the capital markets, budgetary needs, or inflation experience.

- The spending policy is applied only to endowed funds, both restricted and unrestricted. Funds given to the Foundation for operating use and not for endowment purposes do not come under the spending policy guideline.

Administrative Issues

- The Foundation and its staff shall not act as an executor (personal representative) for a donor's estate.
- The Foundation may act as a co-trustee of a charitable trust when the trust names the Foundation and/or the College as a beneficiary of 50% or more of the trust.
- The Foundation will pay for the drafting of legal documents for a charitable remainder trust of which the Foundation is named as a beneficiary of 50% or more of the trust. The donor's own counsel must review the documents at the donor's cost.
- For restricted and endowed funds, if future circumstances change, or the donor fails to fulfill his pledge obligation, or the purpose for which the fund is established becomes illegal, impractical, or no longer meets the needs of the College, the Foundation may designate an alternative use in the spirit of the donor's original intent for the gift to further the objectives of the College.