

## **Cabrillo College Foundation Fund Development Policy**

### **Purpose of Fund Development Policy**

The purpose of the Cabrillo College Foundation campus-wide policy on fund development is to:

1. Define, as broadly as possible, a set of guidelines for solicitation to maximize support for campus's funding priorities from foundations, businesses/corporations, and individuals.
2. Minimize duplication of effort.
3. Outline procedures for identification, cultivation, and solicitation of prospective donors.

### **Role of the Cabrillo College Foundation in Fund Development**

The Cabrillo College Foundation is the lead entity for fund development. It works cooperatively with other individuals and groups on campus relative to fund development.

It is intended that all fund development activities be coordinated with the foundation in order to achieve an overall set of activities that are non-duplicative and appropriately conducted. Such coordination will also facilitate assistance from the foundation to those activities. Specifically, the foundation's duties are to:

1. Facilitate implementation of fund development policies.
2. Conduct a comprehensive, ongoing fundraising program.
3. Prioritize fundraising activities according to the fundraising priorities established by the Cabrillo College Executive staff and the Cabrillo College Foundation Board.
4. Provide fundraising counsel to college staff and faculty. As time allows, assistance includes strategizing approaches to donors, discussing special events, preparing written funding proposals, and related services.
5. Provide financial accountability to the college, the donors, and the public. This includes receiving, acknowledging, banking, and accounting for gifts to the college; approving all expenditures of donations administered by the foundation; as well as periodic reports to the college and to donors regarding the availability and use of funds.
6. Develop and administer a financial investment program to maximize investment income commensurate with prudent management.
7. Develop and administer a comprehensive donor recognition program.

### **Endowed Funds Policy**

An Endowed Fund is a perpetual fund where only the allocated earnings are distributed. The Cabrillo College Foundation establishes and manages endowment funds to benefit the educational and teaching mission of Cabrillo College. The minimum sum to establish a Named Endowed Fund is \$15,000; the minimum annual award amount is \$500. The fund may be named and the donor can specify how the funds will be used. The fund can be for scholarships, special projects, faculty grants or campus programs. The donor may establish the qualifications or guidelines for the fund's disbursement at the time the fund is established.

The annual payment is set by the Cabrillo College Foundation Board of Directors. In partial support of its management services, the Cabrillo College Foundation annually receives 1.5% of the endowment. The 1.5% management fee is calculated on the most recent quarter and the 4.0% distribution rate is calculated over a trailing 12 quarter period. Endowments, their terms and conditions, and naming guidelines are subject to the policies and administrative guidelines established by Cabrillo College and the Cabrillo College Foundation.

For endowed gifts under the \$15,000 minimum, an Accumulating Fund can be established. An Accumulating Fund is established with the intention of additional gifts being added within five years of receiving the initial gift to reach the \$15,000 minimum endowment. When the \$15,000 level is reached, the fund becomes an Endowment Fund as described above. Any Accumulating Funds that do not meet the minimum requirement of \$15,000 historical gift value by the end of the five-year period will be transferred to the Cabrillo College General Endowed Fund.

If it is found that all or part of the income from this fund is no longer needed for the purpose stated, then such gift may be used for other purposes as determined by the Board of Directors, giving special consideration to the interest as evidenced by the criteria of the fund.

### **Nonendowed Funds Policy**

Any amount of nonendowed funds can be allocated by the donor to support an existing fund. The minimum to establish a Named Nonendowed Scholarship is \$2,000 which includes defining criteria. The minimum award amount is \$500. If it is found that all or part of the income from this fund is no longer needed for the purpose stated, then such gift may be used for other purposes as determined by the Board of Directors, giving special consideration to the interest as evidenced by the criteria of the fund.

For Nonendowed Scholarship accounts with balances less than \$250 and accounts that have had no activity for two years, balances will be reallocated from temporarily restricted funds to unrestricted funds.

### **Foundation Support Fees Policy**

To cover some of the cost of business operations such as acceptance and acknowledgment of charitable gifts and the management of donor funds, a fee is charged. The following are foundation support fees:

- Endowment funds have a 1.5% management fee.
- All planned gifts including estate gifts have a 5% fee.

- A fee is charged for acceptance, sale and/or management of real property based on the circumstances of each property gift.
- 5% fee on gifts greater than \$15,000
- Direct and indirect costs for foundation services will be deducted from Special Campaign gifts
- Cabrillo College Foundation assesses a 2% administrative fee for checks written from Cabrillo College Foundation campus area fund accounts. This fee is waived for checks payable to Cabrillo College, checks payable to students for scholarships or for checks drawn on funds that had been charged an initial gift fee.

### **Naming Policy for Locations**

It is the policy of Cabrillo College that naming opportunities be available to recognize very significant monetary contributions to the Cabrillo College and the Cabrillo College Foundation. Determination of specific naming opportunities will be made by the Cabrillo College President, in consultation with the Chair of the Governing Board and President of the Cabrillo College Foundation for the naming of new or existing buildings on the campus; the target gift amount is 25% of actual or replacement construction cost.

The various types of recognition and levels of financial contribution between \$10,000 and \$3,000,000 consist of recognition plaques, which will be placed in appropriate locations to name parts of buildings, such as classrooms, labs, division offices, plazas, lounges, bookstore, cafeteria, and other similar type places in recognition of the gift.

### **Solicitation Policy**

The solicitation policy outlines procedures and protocol for the cultivation and solicitation of prospective donors in support of the people and programs of Cabrillo College. Donor prospects can be either an individual, a business/corporation, or a foundation. Approval by the Cabrillo College Foundation is needed before a solicitation takes place. Approval from a Dean and Vice President is needed to submit a request to the Foundation. The person wishing to make the solicitations completes the Approval for Fundraising form.

### **Fundraising Campaign**

The Cabrillo College executive leadership in conjunction with the Cabrillo College Foundation Board of Directors set the fundraising campaign priorities. All fundraising campaigns must be pre-approved by the Cabrillo College Foundation.

### **Publicity**

Solicitation letters and packets need to be reviewed by the Cabrillo College Foundation. All communication with the media regarding fundraising must be pre-approved by the Cabrillo College Foundation (the foundation will work with the Marketing and Communication Department on media related fundraising issues).

Approved by the Executive Committee on October 18, 2012.