

**Cabrillo College Foundation**  
**Gift Acceptance Policy**  
**September 2011**

**Background and Purpose**

**The Cabrillo College Foundation of Santa Cruz County**, a nonprofit corporation organized under the laws of the State of California, encourages the solicitation and acceptance of gifts to the Cabrillo College Foundation (hereinafter referred to as “the Foundation”) for purposes that will help the Foundation to further and fulfill its mission. The following policies and guidelines govern acceptance of gifts made to the Foundation or for the benefit of any of its programs.

It is the purpose of these policies to govern the acceptance and use of gifts by the Foundation. The provisions of these policies shall apply to all gifts received by the Foundation and all assets received in trust when the Foundation is serving as Trustee.

This policy statement is to provide general information about the criteria and framework by which donations may be accepted or recommended to the Foundation board for acceptance. This information should not be interpreted as legal advice, nor is this policy intended to override current IRS code and regulations.

**General Policy**

1. Only gifts, bequests, devises, endowments, trusts, and similar funds that further the mission of the college and are designed for use by the college or the Foundation for college-related programs or projects may be considered for acceptance.
2. Except as provided below, the Foundation Executive Director has authority to accept gifts or related funds and instruments designated by the donor/grantor a) for purposes or uses previously approved by the Foundation Board of Directors or b) for established, instructional or support programs and functions of the college authorized by the College President or her/his designee.
3. Gifts that are exceptions to these policies may be submitted for consideration to the College President or designee and the Foundation Director.

**A. Conflict of Interest**

All prospective donors shall be strongly urged 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 endorsed by the National Committee on Planned Giving.

**B. Confidentiality**

All information and agreements concerning current or prospective donors shall be held in strict confidence by the Foundation, subject to appropriate legal requirements. Any release of information concerning a donor will be made only if permission is obtained from the donor; or in the case of a gift received after the death of a donor, from the appropriate personal representative.

### **C. General Procedures Related to All Gifts**

It is the general policy of the Foundation to sell all gifts of property including, but not limited to, securities, real property, partnership interests, limited liability company interests, and tangible personal property as promptly as practicable following the receipt of the property from the donor unless it is otherwise recommended by the Executive Committee and approved by the Board that any such gift of property should be retained and held by the Foundation for a defined period.

### **D. Standard Documents**

The Foundation will provide to the donor a set of appropriate documents (e.g., fund agreements and trust agreements, etc.) for the donor to accomplish his or her philanthropic objectives. These documents must be executed prior to the acceptance of gifts related to the documents. Certain documents require review by the donor's legal counsel and the Foundation will advise the donor accordingly.

### **E. Restrictions on Gifts**

The Foundation will accept unrestricted gifts, and gifts for specific programs and purposes, provided that such gifts are consistent with its stated mission. The Foundation will not accept gifts that are too restrictive or inappropriate in their purpose. Gifts that are not acceptable include those that violate the terms of the corporate charter, gifts that are too difficult to administer, or gifts that are for purposes outside the authority or mission of the Foundation. The Executive Committee shall make all final decisions on the restrictive nature of a gift, and its acceptance or refusal.

### **F. Investment of Gifts**

All investments will be selected in conformance with investment policies established and modified from time to time by the Foundation.

By making a gift to the Foundation, a donor gives up all rights, title and interest to the assets comprising the gift. In addition, a donor may not place any material restrictions on a gift that would, according to the provisions of the Internal Revenue Code, prevent the asset from being considered a component part of the Foundation, a supporting organization, or a charitable trust for which the Foundation has agreed to serve as Trustee. The Foundation may consult with a donor regarding his or her investment preferences, but cannot give the donor the right to direct or veto trust investments.

### **G. Authority for Negotiation**

The Executive Director is authorized to negotiate planned gift agreements with prospective donors. The Executive Director may also delegate his or her authority on a particular gift or during a particular campaign to a staff member, agent, or volunteer.

### **H. Authority for Acceptance of Outright Gifts and Bequests**

The Executive Director is authorized to accept all gifts or bequests on behalf of the Foundation unless one or more of the following circumstances apply:

1. The property that is the subject of the gift or bequest is not cash, marketable securities, or other readily marketable assets;
2. The gift or bequest includes a restriction or suggestion regarding the Foundation's use of funds that would raise legal, ethical, policy or practical concerns for the Foundation; or
3. There are other risks or concerns that require further review.

All gifts of interests in real property will be approved by the Executive Committee prior to acceptance. See the Real Property Gift Acceptance Policy and Procedure.

### **I. The Gift Acceptance**

If the members of the Executive Committee, present and voting, are not unanimous in their decision to accept or reject a gift or bequest, the proposed gift or bequest shall be referred to the full Board of Directors for consideration.

#### **1. Cash**

Cash is acceptable in any form. Checks shall be payable to Cabrillo College Foundation and shall be delivered to the Executive Director at the Foundation's office.

#### **2. Tangible Personal Property**

All gifts of tangible personal property are accepted with approval by the Foundation Executive Director. A Gift In-Kind form (internal document) must be provided for the proposed donation with the following information:

- a. Donor information
- b. Description of item (s)
- c. Origination and destination of item
- d. Estimated value of gift
- e. Value estimated by
- f. Required acceptance and approval signatures

#### **3. Valuation**

- a. For donations valued in excess of \$5,000 the donor is responsible for acquiring a qualified appraisal. The cost of an independent appraisal is tax deductible.
- b. For donations valued in excess of \$5,000 the Foundation provides the donor with IRS Form 8283 for tax purposes.
- c. Donors are responsible for determining the value of the donated tangible property with values of less than \$5,000 for purpose of charitable deductions related to their personal tax filings.

#### **4. Intangible Personal Property**

Intangible personal property is personal property (other than real estate) whose value stems from intangible elements rather than physical or tangible elements. Examples of intangible personal property include patents, copyrights, subscription lists, trade names and trademarks, and installment obligations. It also includes partnership interests and certain rights to tangible property, whether personal or real, such as mineral production

payments. The Executive Committee shall make the final determination on the acceptance of intangible personal property gifts.

## **5. Securities**

The Foundation can accept both publicly traded securities and closely held securities.

### **a. Publicly Traded Securities**

Marketable securities may be transferred to an account maintained at one or more brokerage firms or delivered physically to the Foundation. As a general rule, all marketable securities shall be sold upon receipt unless otherwise directed by the Finance Committee. In some cases marketability of the securities may be restricted by the applicable securities laws. In such instance the Executive Committee shall make the final determination on the acceptance of the restricted securities.

### **b. 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. However, gifts must be reviewed prior to acceptance to determine that:

1. there are no restrictions on the security that would prevent the Foundation from ultimately converting those assets to cash,
2. the security is, or is likely to become marketable, and
3. the security will not generate any undesirable tax consequences or substantial risk of liability 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 Executive Committee shall make the final determination on the acceptance of closely held securities. Every effort will be made to sell non-marketable securities as quickly as possible, unless the Finance Committee determines it to be in the best interests of the Foundation to retain the securities.

Approved by the Executive Committee on 10-6-11.

Approved by the Board of Directors on 11-8-11