

# ROGUE COMMUNITY COLLEGE FOUNDATION

## Gift Acceptance Policies

**Purpose:** To provide a framework for the types and forms of gifts that will provide maximum benefit both to the donor and to the Rogue Community College Foundation.

This overview addresses both current and planned gifts. The goal is to encourage support for the Rogue Community College Foundation, without encumbering the Foundation with gifts that may generate costs or liabilities in excess of the benefit provided, or that are restricted in a manner not consistent with the purpose, goals or policies of the Foundation.

## Gift Acceptance Committee

In some cases, a proposed gift may require consultation by a Gift Acceptance Committee (GAC), as outlined below:

1. Executive Committee of the RCC Foundation
2. Executive Director of the RCC Foundation
3. RCC President

These policies and procedures are to be reviewed every three years to ensure that components are up-to-date. The GAC is responsible for initiating this review, and the RCC Foundation Board is responsible for adoption.

## Authority to accept gifts

1. The Executive Director, or members of the board may accept an outright, unrestricted cash gift of any amount.
2. A non-cash gift (including real property, stock, or a planned gift vehicle) may be accepted by the Executive Director, or members of the board subject to a review by the GAC and under the terms and conditions of this document.

## Professional relationships

In all dealings with legal, financial and planned giving advisors, ethical relationships will be established and maintained. If asked to recommend such advisors and professionals to donors, a list of 3-5 names will be presented and the donor will make the choice of advisor.

The RCC Foundation will not draft legal documents for any donor or planned gift. In most cases, any and all fees associated with Planned Gift legal documents, the donor will pay appraisals or assessments before the gift is accepted. The RCC Foundation's Executive Committee will review all documents submitted by the donor's advisors. The Executive Committee may seek independent legal or other professional review before accepting a gift.

## Outright Gifts

### Cash

1. Cash in the form of cash and checks shall be accepted regardless of amount unless there is a question as to whether the donor is competent to legally transfer the funds as a gift to the RCC Foundation.
2. All checks must be made payable to “RCC Foundation” and shall in no event be made payable to an employee, agent or volunteer for the credit of the RCC Foundation.
3. Donations can be directed to a specified existing endowment, project or scholarship fund.

### Publicly Traded Securities

1. Securities which are publicly traded, or other readily marketable securities, may be accepted by the Foundation will be sold at an appropriate time as determined by the Investment Committee. In no event shall an employee or volunteer commit to a donor that a particular security will be held without prior written authorization to do so by the GAC.

### Closely Held Securities

1. Non-publicly traded securities may only be accepted after approval of the Gift Acceptance Committee (GAC).
2. Such securities will be sold at an appropriate time, as determined by the Investment Committee.
3. No commitments shall be made for disposition of such securities prior to completion of the gift.

### Real Property

1. No gift of real estate shall be accepted without prior written approval of the GAC.
2. No gift of real estate shall be accepted without first being appraised by an independent party acceptable to the RCC Foundation who shall have no business or other relationship with the donor or Rogue Community College. If appropriate to the property, a Level I Environmental Site Assessment would be performed by a qualified geologist, engineer, or site assessment firm.
3. A follow-up Level II Site Assessment may be required dependent on the initial study. Clean up of contamination would be completed prior to the acceptance of the gift property, except in rare cases as determined by the GAC.
4. The RCC Foundation will not accept real estate encumbered by a mortgage, unless special circumstances exist and with written authorization of the GAC.

5. An independent appraiser must evaluate gifts of real property valued at \$5,000 and over and appropriate IRS forms required would be completed.

### Tangible Personal Property

1. No personal property shall be accepted unless there is reason to believe the property can be quickly disposed of. Generally, no personal property shall be accepted that obligates the RCC Foundation or Rogue Community College to ownership in perpetuity, although the GAC may approve exceptions. No perishable property or property which will require special facilities or security to properly safeguard will be accepted without prior GAC approval.
2. Property valued at \$5,000+ will be independently appraised and appropriate IRS forms completed. For tax deduction purposes, the donor must obtain a written appraisal for inclusion on his/her tax form. The RCC Foundation does not determine the value of donated personal property.

### Planned Gift Types

1. The gift types include Bequests, Life Insurance, Irrevocable or Revocable Trusts, Life Estates, Charitable Remainder Annuity and Unitrusts, Charitable Lead Trust (Annuities). The GAC and the RCC Foundation's legal counsel will review all planned gift vehicles.
2. Gift types can be funded with cash, marketable securities, closely held stock, real estate, notes, mortgages and contracts and miscellaneous tangible personal property. The funding source for the planned gift will be reviewed according to the previously stated policy for outright gifts.

### Endowments

Establishment of an endowment in the RCC Foundation, to be held and invested in perpetuity, requires a minimum of \$2,500. As with all gifts, the Foundation encourages less restrictive language in the endowment agreement. Endowments are managed by the Foundation according to the following principles:

- 1) The corpus, or principal of endowment accounts is maintained in perpetuity and is not expended.
- 2) Endowment fund earnings are used for the activities specified by the donor, or in the case of Board-designated endowments, as determined by the Foundation Board of Directors.
- 3) Endowment funds are invested according to the Foundation Investment policy, utilizing professional investment managers. The fee for such investment management, normally ranging from ½ percent to 1-1/4 percent, is paid from endowment earnings. The Foundation Investment Committee monitors the performance of the investment manager(s).

- 4) Earnings are credited to endowment income accounts on a quarterly basis, in proportion to each endowment's share of all such accounts. Foundation administrative costs are deducted from gross earnings before crediting endowment income accounts, also in proportion to each endowment's share of all such accounts. These costs will normally not exceed 1 percent per year.
- 5) The Board of Directors of the RCC Foundation establishes the annual Foundation budget. A rate of 5 percent is used as a guideline for authorizing expenditure (to activities specified by the donor) of net endowment earnings. All earnings are maintained in separate endowment income accounts.
- 6) The Rogue Community College Foundation Board will periodically reinvest (or transfer) up to 5 percent of the value of each endowment from earnings to principal. This procedure is intended to prevent the value of endowment accounts from being eroded by inflation. Such transfers will be made only to the extent that accrued earnings are sufficient to support both the specific wishes of the donor and the transfer.

### **Gift Acknowledgements**

1. All gifts to the RCC Foundation are sincerely appreciated and promptly acknowledged with a letter. The current IRS rulings and requirements will be adhered to concerning gifts of \$250.+ as well as gifts of \$50+ and providing goods and services to the donor.
2. Stock gifts are attributed the median price on the day received.
3. The Executive Committee of the RCC Foundation will determine the need for and appropriateness of gift clubs, or groupings.

### **Gift Levels**

Requirements of gift minimums pertain mostly to planned and estate gifts, trusts and other gift vehicles. In setting and updating these gift amounts, the cost of administration and return is a factor.

1. Trusts are established for a minimum of \$2,500.00. The RCC Foundation may serve as trustee for charitable remainder trusts on the condition the trust instrument shall give the RCC Foundation the authority to delegate management of trust funds to a bank, investment advisor, or other financial institutions, as well as to remove or change such financial institution. An appropriate management fee may be charged against the trust as normally required by the bank or financial institution.
2. Bequest gifts of any amount may be received. Donors are encouraged to leave their charitable bequests by Will as unrestricted, rather than specific program areas that may or may not be in existence in the future.

3. In-kind donations of goods and services are accepted from competent professionals wishing to assist the organization with its on-going operation. Tangible property such as appliances, clothing and similar items will be accepted only if they can be currently used. All such tangible property donations will be previewed, *prior to acceptance*, by the GAC. In-kind gifts are assigned no value by the RCC Foundation. It is the responsibility of the donor to do so for tax purposes.

### **General Planned Gift Policies and Procedures**

- I. The Rogue Community College Foundation (*RCC Foundation*) will involve itself only in recognized legal and approved forms of Planned Gifts, which are authorized, by the Internal Revenue Code and that are controlled by subsequent IRS regulations. Further, the RCC Foundation will not engage in doubtful arrangements that could jeopardize the donor's tax advantage or exempt status and financial stability of the RCC Foundation.
- II. The Planned Giving effort will follow these guidelines with the understanding that the Gift Acceptance Committee may recommend to the RCC Foundation Executive Committee variations when in its best judgment it is good for the donor and for the RCC Foundation.
- III. In all gift arrangements the interest and wishes of the donor come before that of the RCC Foundation. Representatives of the RCC Foundation will assist donors in making gifts and will always urge the donor to seek professional financial and legal counsel for their own situation. Likewise, all agreements that involve an on-going responsibility on the part of the RCC Foundation will be reviewed and approved by its own legal counsel.
- IV. The RCC Foundation will not engage in the payment of finder's fees for Planned Gifts.
- V. The RCC Foundation will observe and respect the confidentiality of all donor negotiations and gift arrangements.
- VI. The Gift Acceptance Committee, in consultation with the Executive Director, shall be responsible for the oversight, promotion, and marketing and securing of Planned Gifts.

## **ROGUE COMMUNITY COLLEGE FOUNDATION**

### **Investment Policy**

The Investment Committee of the Rogue Community College Foundation will adhere to the following guidelines in administering Foundation endowment and other funds:

1. The fiduciary responsibility of the Rogue Community College Foundation in managing endowment and other funds requires a prudent approach to investment decisions, carefully balancing risk and return.
2. The safety and preservation of capital is the primary objective in managing Foundation funds. This is to be accomplished through diversification of the investment portfolio and the purchase of high-quality money market instruments.
3. The second objective of fund management is to earn a return sufficient to meet Foundation expenditure goals and to attempt to maintain the real value of endowment funds.
4. Liquidity needs of the Foundation will be met by staggering maturities, maintaining liquid balances, and anticipating cash requirements in making investment decisions. Up to 5 percent of Foundation funds may be held in demand deposits, NOW accounts, money market mutual funds, and similar interest-bearing, highly liquid accounts. These deposits will be maintained by the Rogue Community College Business Office.
5. Long-term investments in the form of equities, fixed-income securities (including US Treasury securities), and money market instruments will be made through professional investment management firms. The Investment Committee will select professional investment management firms for such portfolio management and will determine with managers the appropriate asset allocation between the selected asset classes. A portfolio report will be available for review in the Executive Director's office. An annual review of fund performance will be provided to the Board.
6. This policy will be reviewed and modified if necessary, annually, or as requested by a member of the Board.

Approved: 06/07/00 (RCC Foundation Board)