

# **The Victoria College Foundation, Inc.**

## **Gift Acceptance Policy**

The Victoria College Foundation (Foundation) welcomes and appreciates all gifts for its use to benefit The Victoria College (VC). The Foundation will endeavor in all instances to work with donors and their advisors to help assure that the goals of each contributor are accomplished.

### **PURPOSE**

This policy serves as a guideline for the VC 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 Victoria College. As gifts can encourage others to give or do the opposite, this gift acceptance policy is intended only as a guide and allows for flexibility on a case-by-case basis.

Gifts will be accepted from individuals, corporations and foundations in a manner that supports the purposes and activities of the Foundation and VC. Specific gifts will be considered on their merits and final action will be taken by those authorized by the Foundation Board of Directors to do so when appropriate.

### **General Policies**

1. All contributions are the property of the Foundation. Any restrictions placed on donations will be included in the standard bookkeeping for the Foundation.
2. All gifts to the Foundation will comply with IRS requirements.
3. Complicated potential gifts involving multiple donors, multiple transactions, operating businesses, unusual assets or conditions, will be considered on a case-by-case basis.
4. Any contributions or expenditures that would endanger the non-profit status of the Foundation will be administratively refused.
5. All information concerning prospective donors shall be confidential. No information shall be released to the general public without securing the prior permission of the donor.
6. Donors shall be encouraged to secure the advice of independent legal and tax counsel in all matters pertaining to gifts to the Foundation. The Foundation shall not pay a donor's fees for professional services retained with respect to a major gift.
7. The Foundation shall seek the advice of legal counsel in matters relating to the acceptance of gifts when appropriate.

8. Exceptions to this policy must be approved by the Foundation Board of Directors.

### **Gifts to the College must not:**

1. Bring undue or hidden costs to the College.
2. Place restrictions on the College's educational programs.
3. Imply endorsement of any business or product.
4. Be in conflict with VC policy, public law or ethical practices.

### **Gift Review Committee**

1. The President of the Foundation may establish a Gift Review Committee responsible for recommending whether or not the Foundation should accept proposed gifts. The Committee shall consist of no less than three members from the Board of Directors to include a Trustee liaison, as well as the VC President as a non-voting member, and the Executive Director as a non-voting member and convener. The President shall have the authority to appoint other volunteers or employees of The College, on an ad hoc basis, who have special expertise that may be needed in order to make a decision on a specific gift.
2. The Gift Review Committee may consider each gift according to its intended use, restrictions, liabilities and financial impact on the Foundation or the College, now and in the future. Only gifts, bequests, devises, endowments, trusts and similar funds that are designated for the use of the Foundation consistent with the stated goals and mission of the College will be considered for acceptance.

### **Solicitation of Gifts**

Any formal solicitation of gifts to the Foundation will be made only by authorized representatives, including staff and directors of the Foundation and the College president. All employees, representatives or friends of the Foundation or of the College are encouraged to refer any prospective donor to the Foundation.

### **Special Purpose Endowment Funds**

The Foundation encourages the establishment of special purpose endowment funds upon receipt of gifts or commitments that meet the approved funding levels and criteria established for the endowment.

Endowed Scholarships or Awards – An endowed scholarship is one in which the initial funds given to establish the award are invested, and only the return from the principal may be distributed to fund the scholarship. Endowed scholarships are awarded on a yearly basis.

A minimum of \$15,000 is required for all new endowments. A donor may, however, take up to three years to build a fund to the minimum \$15,000 endowment level. In cases where the endowment minimum is not reached within three years, the Foundation will have the right to transfer the balance of the fund into another Foundation endowed account.

Endowed Teaching Chairs – The Endowed Teaching Chair Program seeks to recognize and promote academic excellence at Victoria College. The Program honors noteworthy faculty members and provides resources for improving instruction, academic programs, and professional development.

A minimum of \$500,000 is required to establish an endowed teaching chair. Support for a salaried position may require additional funding. Refer to established program guidelines for additional information.

Scholarships or Awards – Non-endowed scholarships or awards may be accepted at any time. These funds may be expended immediately or at the discretion of the Foundation in agreement with the donor.

## **Naming Opportunities**

Naming opportunities offer donors the occasion to help VC in a meaningful manner while establishing a tangible acknowledgement to their own success or life work. Naming opportunities may be used to honor living individuals, friends or family members of the donor, in memory of a loved one or in the name of a foundation or company. Naming opportunities involving the College's physical facilities must be pre-approved by the VC Board of Trustees.

## **Outright Gifts**

### **CASH**

- The Foundation, regardless of amount, shall accept all gifts by cash, credit card, or check.
- Checks shall be made payable to the Victoria College Foundation, unless otherwise specified. In no event shall a check be made payable to an 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

- Gifts of closely held corporate stock would be carried on the Foundation's books at \$1 in the absence of financial information that would enable determination of book value.
- Such securities will be carried at book value until audited financial statements are provided to the Foundation so that book value can be substantiated, or the donor provides a qualified appraisal in compliance with IRS regulations.
- An appraisal of securities may be conducted under the direction of the Foundation to determine both value and potential for sale.
- Gifts of securities that require a holding period will be accepted and sold when the holding period has expired.
- Gifts of securities that will not be accepted include: securities that are assessable or in any way could create a liability to the Foundation; securities that, by their nature, may not be assigned (such as "S" corporation stock); securities that on investigation have no apparent value.

#### REAL ESTATE

- The Gifts Review Committee will review gifts of real estate on a case-by-case basis.
- The donor is responsible for obtaining an appraisal of the property, unless otherwise determined by the Foundation.
- A member of the Gifts Review Committee must 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 Committee in conducting the visual inspection. The Foundation may also require an environmental site assessment including Title V status for possible contamination, (i.e., leaking underground storage tanks) or other restrictions (i.e., wetlands).
- Due to the expenses associated with gifts of real estate, only gifts valued in excess of \$10,000 will be accepted.
- Prior to presentation to the Foundation board, the donor must provide the following documents: real estate deed; real estate tax bill; plot plan; substantiation of zoning status; environmental site assessment.
- 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 sale; 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 will be determined as 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

- The Foundation will consider all gifts of life insurance and will encourage donors to name the Foundation as the exclusive beneficiary for life insurance policies. The Foundation will also accept the naming of the Foundation as partial interest beneficiary of life insurance policies.
- The Foundation will also accept gifts of life insurance policies when the Foundation is named as the owner and beneficiary of 100% of the policy.
- If the policy is paid-up, the value of the gift for the Foundation's gift crediting and accounting purposes is the policy's replacement costs.
- If the policy is partially paid up, the value of the gift for the Foundation's gift crediting and accounting purposes is the policy's cash surrender value.

#### TANGIBLE PERSONAL PROPERTY

- Gifts of tangible personal property to the Foundation should have a use related to the Foundation's exempt purpose.
- Gifts of jewelry, artwork, collections, equipment, and software shall be accepted with approval by the Foundation.
  - Questions the Foundation will consider regarding the acceptance of tangible personal property may include:
    - 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 public relations issues related to acceptance of the property?
    - Are there carrying costs, such as insurance, lease space, maintenance to preserve?
- Such gifts of tangible personal property defined above shall be used by or sold for the benefit of the Foundation or the College.
- Depending upon the anticipated value of the gift, the Foundation shall have a qualified outside appraiser value the gift before accepting it.
- The Foundation adheres to all IRS requirements for disposing gifts of tangible personal property and filing appropriate forms.

#### PLANNED GIFTS AND MEMORIALS

##### Bequests

- Gifts through wills shall be actively encouraged by the Foundation.
- Where persons indicate their intention to bequeath property other than cash or equivalents to the Foundation, the provisions of the preceding paragraphs of this policy statement shall be communicated to such persons where feasible and deemed appropriate.
- Gifts-in-kind credit and recognition will be given only in cases where the actual value of the gift (i.e., listed stocks and bonds) can be determined or a qualified appraisal is submitted by a qualified appraiser for real estate of personal property or other satisfactory evidence of value. In the absence of satisfactory evidence of value, the donor's acknowledgement will state no value.
- Gifts from the estates of deceased donors shall be accepted subject to the terms of the policy statement.

- The Foundation may accept and administer bequests and memorials designated for specific purposes.

### Memorials

- The Foundation will accept and administer memorials designated for specific purposes. Memorials not designated by the donor shall be deposited into the Foundation's endowment fund.

### Charitable Trusts and Lead Trusts

- The Foundation encourages those interested in doing so to establish charitable remainder or lead trusts for the benefit of the organization. It is understood that charitable remainder or lead trusts and other deferred gifts shall be encouraged as vehicles, the primary purpose of which are to make gifts to the Foundation. Such trusts shall not be marketed as tax avoidance devices or as investment vehicles, as it is understood such activity may violate federal and/or state securities regulations.
- The Foundation will not serve as trustee of a charitable remainder or lead trust of which it is also the beneficiary. The Foundation may, if necessary, assist in the selection of an appropriate and independent trustee.
- The fees for management of a charitable remainder or lead trust will only be paid by the Foundation upon prior approval of the Board of Directors.
- The Foundation will make no representations as to performance of trust assets or the manner in which charitable remainder or lead trust assets will be managed or invested by any corporate fiduciary who may be recommended by the Foundation, its employees or directors.

### **Payment of Fees Related to Gifts**

Finders Fees or Commissions – The Foundation will pay no fee to any person as consideration for directing a gift to the Foundation. It is understood that such fees may or may not be legal and that in the case of irrevocable deferred gifts which involve management of assets, the payment of such fee may amount to a violation of state and federal securities laws by the Foundation and its management and board of Directors.

In no event will a commission or finder's fee of any type be paid to any party in connection with the completion of a gift to the Foundation.

Professional Fees – The Foundation prefers that the donor assume the cost of professional services rendered in connection with the completion of a gift to the Foundation.

Fees paid by the Foundation shall be directly related to the completion of a gift.

### Professional Counsel

Prospective donors shall be encouraged to seek their own legal and/or tax counsel.

### **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 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.
- Terms and conditions must be agreed upon before an endowment is established; therefore, contact with the Foundation's Executive Director for appropriate documentation is required.
- In accordance with the Foundation's Investment Policy, a minimum contribution is required to establish a named endowment.
- 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.
- Property must be offered for sale to the public before sale to the Foundation directors, College trustees and employees, or their families.

### **Institutional Privilege**

If, in the opinion of the VC Foundation, future circumstances change so that the purposes for which the endowed fund is established become illegal, impractical, or so that the purposes no longer meet the needs of The Victoria College, said Foundation Board may designate an alternative use for the fund to further the objectives of the College, in the spirit of the donor's original intent.