

# Napa Valley College Foundation

## Gift Acceptance Policy

### Purpose

This policy serves as a guideline for the Napa Valley College Foundation (hereafter known as 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 Napa Valley College (hereafter known as The 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.

### Guidelines

1. The Foundation President, the Executive Director, gift solicitor, Board members, volunteers, and/or staff of the College so designated, have authority to solicit on behalf of the Foundation and recommend acceptance to the Board, gifts to give to the College.
2. The Foundation President may establish an ad hoc 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, the NVC President or designee as a non-voting member, and the Executive Director as a non-voting member and convener. The Foundation 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.

An ad hoc 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 that are consistent with its stated goals and the stated goals and mission of the College will be considered for acceptance.

3. The Executive Director or Gift Review Committee will refer to the Executive Committee, before acceptance, unusual gifts. These gifts are defined as gifts given with unusual restrictions or designations, may have the potential of jeopardizing the tax-exempt status or violating the foundation or the college's policies, local, state or federal laws. These gifts will be reviewed for clear title, ownership rights, intellectual property and other pertinent facts.
4. The Executive Director or Gift Review Committee shall obtain from the donor of a gift with unusual restrictions, or designations, a statement of free and clear title as well as a reasonable estimate of value.

### Procedure Guidelines - Types of Gifts

#### CASH

- The Foundation, regardless of amount, shall accept all gifts by cash, money orders, credit card, or check.
- Checks shall be made payable to Napa Valley College Foundation (NVCF), 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 Executive Director may accept and recommend to the Executive Committee gifts of real estate.
- The donor is responsible for obtaining an appraisal of the property and proof of free and clear title, unless otherwise determined by The Foundation, and reasonable estimates value.
- A member of the Executive Committee, Gifts Review Committee, Executive Director or NVC President 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 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 \$100,000 will be accepted.
- Prior to presentation to the Foundation Board, the donor may need to provide some or all of 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. Transfer of title will be completed prior to any capital improvements or repairs deemed necessary.
- 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 or properties owned in percentages will be considered on a case-by-case basis. Consideration may include an independent appraisal and the mortgage percentage of property value.

## **LIFE INSURANCE**

- The Foundation will accept gifts of life insurance policies only 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, wine, and software shall be accepted with approval by the

Foundation or the College. Other matters that will be taken into consideration by the Foundation and/or the College before deciding on acceptable gifts of personal property include: transportation cost; storage cost; cost of selling; cost of maintenance and repairs; location of property; cost of insurance.

- 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.

#### **GIFT ANNUITY**

- Gift annuities are administered in accordance with specifications outlined by the Network of California Community College Foundations and the Community College League of California.
- The minimum annuity is \$5,000.
- Donors must complete the Charitable Gift Annuity Profile Form.

#### **CHARITABLE REMAINDER TRUST & CHARITABLE LEAD TRUST**

- The Foundation may accept Charitable Remainder Trusts and Charitable Lead Trust gifts and will be reviewed on a case-by-case basis.

#### **PLANNED GIFTS AND MEMORIALS**

- The staff and volunteers shall encourage assets transferred through bequests that have immediate value to The Foundation, or that can be liquidated. Gifts that appear to require more cost than benefit shall be discouraged or rejected.
- The Foundation may accept and administer bequests and memorials designated for specific purposes. The Foundation has the power to modify the specific purposes to the extent necessary to enable a restricted gift to be used. Any such alternative use shall be for a purpose which most closely coincides with the donor's primary original intent.

#### **Administrative Issues**

- The Foundation and its staff shall not act as an executor (personal representative) for a donor's estate.
- All prospective donors shall be urged to seek their own legal counsel in matters relating to their deferred gifts and tax /estate planning.
- 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 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.
- The Foundation will accommodate donor's wishes to remain anonymous when requested.

Adopted 11/20/07