

Bucks County Community College Foundation

Gift Acceptance Policy

Introduction

The Bucks County Community College Foundation (hereinafter referred to as the Foundation), a not-for-profit, independent 501(c)(3) organization organized under the laws of the Commonwealth of Pennsylvania, encourages the solicitation and acceptance of gifts to the Foundation for purposes that will help the College to further and fulfill its mission. The following policies and guidelines govern acceptance of gifts made to the Foundation.

Authority to Accept Gifts

- The Executive Director, or members of the Board of Directors may accept an outright, unrestricted or restricted cash gift of any amount, subject to review and approval by the Board of Directors. Cash gifts are those defined as made by check or electronic transfer.
- 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 of Directors subject to a review by the gift acceptance committee and the Foundation Board of Directors under the terms and conditions of this document.

Gift Acceptance Committee

- The gift acceptance committee may review non-cash gifts to the Foundation and is charged with recommending the acceptance or rejection of such gifts to the Foundation Board of Directors.
- The Foundation's gift acceptance committee shall be comprised of a member of the College's Deans Council, a member of the Board of Directors, and the Executive Director. The gift acceptance committee reports its activities and recommendations to the Board of Directors.
- A written summary of the gift will be prepared by the Executive Director and presented to the gift acceptance committee for consideration. The following information will be provided:
 - Donor's name and address
 - Description of the asset
 - Estimated fair market value
 - Estimate of additional insurance cost and ongoing maintenance cost to the College (if applicable)
 - Possible physical plant and/or security implications
 - Evaluation of appropriateness of gift to College
- The Executive Director will notify the donor in writing of the Board of Directors' decision.

I. Outright Gifts

A. Cash

- Gifts in the form of cash and checks shall be accepted regardless of amount unless, as in the case of all gifts, there is a question as to whether the donor has sufficient title to the assets or is mentally competent to legally transfer the funds as a gift to the Foundation.
- All checks should be made payable to the Foundation and shall, in no event, be made payable to a Foundation employee, agent, or volunteer.

B. Publicly Traded Securities

- Securities which are traded on the New York, American Stock Exchanges, NASDAQ or other readily marketable securities shall be accepted by the Foundation. It is desired that such securities will be sold generally within five business days by the Foundation. In no event shall an employee or volunteer working on behalf of the Foundation commit to a donor that a particular security will be held by the Foundation unless authorized to do so by the Foundation Board of Directors and/or its Executive Committee.

C. Closely Held Securities

- Non-publicly traded securities may only be accepted after approval of the Foundation's gift acceptance committee or its designee. Such securities may be subsequently disposed of only with the approval of the gift acceptance committee or its designee. It is the Foundation's policy to convert closely held securities to cash. While it is permissible for the donor or donor's company to purchase the securities at fair market value, there can be no redemption agreement, either formal or implied, prior to the gift.

D. Real Estate

- No gift of real estate (commercial or residential) shall be accepted without prior approval of the Foundation's Board of Directors.
- No gift of real estate shall be accepted without first being appraised by a party chosen by the Foundation who shall have no business or other relationship to the donor.
- Real estate shall not be accepted to fund a charitable gift annuity without seeking an opinion as to the permissibility of this action under the laws of the state or states involved and approval of the Foundation Board of Directors.
- Due diligence concerning environmental concerns shall be considered before accepting any gift of real estate. This may involve conducting an environmental audit of the property.
- The Foundation Board of Directors or its designee is empowered to make exceptions on a case by case basis.

E. Tangible Personal Property

- No personal property shall be accepted by the Foundation unless there is reason to believe the property is related to the mission of the Foundation or can be quickly disposed of. No personal property shall be accepted that obligates the Foundation to ownership of it in perpetuity. No perishable property or property which will require special facilities or security to properly safeguard it will be accepted without prior approval by the gift acceptance committee or its designee.
- Jewelry, artwork, collections, and other personal property with a minimum value of \$10,000 may only be accepted after receipt of an appraisal, qualified under terms of the Internal Revenue Code governing gifts of property of this type, and review by the gift acceptance committee and/or the Foundation's Board of Directors.
- In evaluating the cost associated with receiving a gift of personal property, the following will be taken into consideration:
 - transportation cost
 - storage cost
 - cost of selling

- cost of maintenance and repairs
- location of property
- cost of insurance
- The donor is responsible for obtaining an appraisal of the property by a qualified appraiser. To be acceptable to the IRS, the appraisal of such gifts must be made no more than 60 days prior to the date of the contribution and before the due date of the tax return. The donor is asked to present a copy of the appraisal and completed IRS Form 8283 to the Foundation at the time of the gift. The form will be returned to the donor with the proper signature. If contributed property reported on Form 8283 is sold, exchanged, or otherwise disposed of within two years of the date of the gift, the Foundation/College will file Form 8282 - information return - with the IRS (and the donor) within 90 days of the disposition.
- The Foundation will, as a matter of policy, cooperate fully in all matters related to IRS investigations of non-cash charitable gifts.
- Only the Board of Directors may tell a donor that property will or will not be held by the Foundation for a specific period of time or for purposes related to its tax-exempt status.
- Items donated for special events, to be consumed, used for prizes and auctions shall generally be exempt from this section.

F. Other Property

- Gifts are accepted by the Library with the explicit understanding that, once received, the Director of Library Services will determine whether materials should be added to the collection or discarded. Materials must be in good to excellent condition and be in conformance with the mission of the College. The College's Policy Manual (Library Materials selection) provides further guidance in accepting these types of gifts.
- Other property of any description including mortgages, notes, copyrights, royalties, easements, whether real or personal, shall only be accepted by the Foundation Board of Directors.
- Appropriate inquiry shall be made and special consideration shall be given to the nature of any gift property and whether it is in keeping with the mission of the Foundation prior to the acceptance of any property.

II. *Deferred Gifts*

A. Bequests

- Gift through wills or trust agreements (bequests) are instruments by which a person may make a disposition of property to take effect after death and which may be altered or revoked at any time during life, thus these gifts are categorized as revocable. Generally, the counting of revocable gifts is left up to the decision of the charitable organization as stated in the Council for Advancement and Support of Education (CASE) Management Reporting Standards. Bequests can be included in campaign totals if the following CASE guidelines are followed:
 - The commitment must have a specific amount or percentage of the estate with a credible estimate of the future value of the estate; and
 - The commitment must be verified by a letter from the donor or his attorney stating the commitment and that the Foundation will be notified of changes.

- Revocable provisions in a will are noted in the Foundation's gift system, but do not constitute gifts that can be counted for generally accepted accounting principles. Donors who have indicated that they have made a bequest will be asked to disclose, in writing or by copy of the will, the relevant clause that benefits the College as evidence of their gift. This information is used for internal financial purposes only and is not binding on the donor.
- In the event of inquiry by a prospective legator, representations as to the future acceptability of property proposed to be left to the Foundation in a will or through any other deferred gift arrangement shall only be made in accordance with the terms and provisions of paragraphs I (A-F) of this document.
- Gifts from the estates of deceased donors consisting of property which is not acceptable shall be declined by action of the Foundation Board of Directors. The Foundation shall expeditiously communicate the decision of the Board of Directors to the legal representatives of the estate. If there is any indication that the representatives of the estate or any family member of the deceased is dissatisfied with the decision, this fact shall be communicated to the Foundation's Executive Committee and Board of Directors.
- Attempts shall be made to discover bequest expectancies wherever possible in order to reveal situations that might lead to unpleasant donor relations in the future. Where possible, intended bequest of property other than cash or marketable securities should be brought to the attention of the Foundation Board of Directors, and every attempt should be made to encourage the donor involved to conform his or her plans to the Foundation's policy.
- No Foundation or BCCC representative may serve as a legal witness to a donor's will or other estate planning document that includes a provision by which the donor intends to support BCCC.

B. Charitable Remainder Trusts

- The Foundation Board of Directors will identify a number of corporate fiduciaries nationwide in which it has confidence. Only with the approval of the board may any corporate fiduciary be recommended to a donor.
- Employees and volunteers acting on behalf of the Foundation should become familiar with the types of property generally accepted by corporate fiduciary as suitable contributions to charitable remainder trusts. Employees or others acting on behalf of the Foundation shall not encourage donors to make gifts of any property to charitable remainder trusts which are not in keeping with such guidelines. Cash, publicly traded stock, bonds, and highly marketable properties are the preferred funding assets for charitable trusts.
- No representations shall be made by any employee or other person acting on behalf of the Foundation as to the manner in which charitable remainder trust assets will be managed or invested by a corporate fiduciary that may be recommended by the Foundation without the prior approval of such representation by the fiduciary.
- Charitable remainder trusts and all other deferred gifts shall be encouraged as a method of making gifts to the Foundation while retaining income which may be needed by the donor or other persons chosen by the donor for any number of personal purposes. 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.

- No charitable remainder trust shall be encouraged where it is determined that the net present value of the remainder interest in the trust is less than 10% of the value of the funds transferred to the trust, as it is felt that it is generally unwise to encourage donors of a young age to make such gifts, as this may have a detrimental impact on future giving.

D. Charitable Gift Annuities

- No immediate payment gift annuity shall be accepted which names an income beneficiary younger than 65 years of age without prior approval of the planned giving advisory council and/or the Foundation Board of Directors. Deferred payment gift annuities may be accepted for younger beneficiaries.
- There shall not be more than two income beneficiaries for each gift annuity.
- The minimum initial contribution for a gift annuity shall be \$5,000.
- The minimum contribution for an additional gift annuity by an individual who has previously entered into a gift annuity shall be \$5,000.

E. Life Insurance

- The Foundation will encourage donors to name the Foundation to receive all or a portion of the benefits of life insurance policies which they have purchased on their lives.
- The Foundation will not, however, as a matter of course, agree to accept gifts from donors for the purpose of purchasing life insurance on the donor's life. Exceptions to this policy will be made only after researching relevant state laws to assure that the Foundation has an insurable interest under applicable state laws.
- No insurance products may be endorsed for use in funding gifts to the Foundation.
- In no event, shall donor lists be furnished to anyone for the purpose of marketing life insurance for the benefit of donors and/or the Foundation. This policy is based on the fact that this practice represents a potential conflict of interest, may cause donor relations problems, and may subject the Foundation to state insurance regulation should the activity be construed as involvement in the marketing of life insurance. Also, as a general rule, the Foundation shall not include inserts for commercial promotions.

III. Payment of Fees Related to Gifts

A. Finder's Fees or Commissions

- In general, 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 subject the Foundation and its management and board of directors to federal and state regulation.
- In no event whatsoever 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.

B. Professional Fees

- The Foundation will pay reasonable fees for professional services rendered in connection with the completion of a gift to the Foundation.
- Fees shall be reasonable and directly related to the completion of a gift. They shall be limited to appraisal fees by persons who are competent and qualified to appraise the property involved and who have no conflict of interest, legal fees for the preparation of documents, accounting fees incident to the transaction and fees for

“fee for service” financial planners. In case of financial planners, such persons must affirm in writing that they are compensated only through fees for services rendered and that they are not compensated for the sale of products to clients. This distinction is vital in avoiding the payment of commissions, which could be construed as triggering securities regulation.

- In case of legal, accounting and other professional fees, an attempt shall be made by the Foundation to ascertain the reasonableness of these fees, prior to payment. An hourly breakdown of time should be requested. In cases which appear excessive, the summary of fees shall be submitted to the Foundation’s corporate counsel for review and approval prior to payment.
- In cases where the persons receiving fees were initially employed by the donor and the Foundation is asked to pay the fees involved, the donor shall be notified that the payment of such fees may result in a taxable income to the donor in the amount of the fees paid.
- In situations where advisors retained by the Foundation prepare documents or render advice in any form to the Foundation and/or a donor to the Foundation, it shall be disclosed to the donor that the professional involved is in the employ of the Foundation and is not acting on behalf of the donor and that any documents or other advice rendered in the course of the relationship between the Foundation and the donor should be reviewed by counsel for the donor prior to the completion of the gift.

IV. Gift Acknowledgements

- All gifts to the Foundation are sincerely appreciated and promptly acknowledged in writing. Current IRS rulings and requirements will be adhered to concerning all gifts.
- Whenever possible, an official contribution form will be used to document in-kind gifts of \$250 or more to the Foundation. This form constitutes the transfer of title and serves to assign to the Foundation legal title to the property which is conveyed to the College.

V. Other

- In all gift arrangements the interest and wishes of the donor come before that of the Foundation. Representatives of the 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 Foundation will be reviewed and approved by its own legal counsel.
- The Foundation will use the National Committee on Planned Giving’s valuation standards for charitable planned gifts.
- The Foundation will not accept gifts where it is required to serve as an executor (personal representative) for a donor’s estate, or as trustee of a trust other than a charitable remainder trust.
- The Foundation will observe and respect the confidentiality of all donor negotiations and gift arrangements.
- The Foundation shall not provide legal or tax planning advice for donors.