

## **GIFT ACCEPTANCE POLICIES AND GUIDELINES**

Columbia Gorge Community College Foundation, a nonprofit corporation organized under the laws of the State of Oregon, encourages the solicitation and acceptance of gifts to Columbia Gorge Community College Foundation (hereinafter referred to as the CGCC Foundation) for purposes that will help the CGCC Foundation to further and fulfill its mission. The following policies and guidelines govern acceptance of gifts made to the CGCC Foundation or for the benefit of any of its programs.

The mission of the CGCC Foundation is to advance and promote the interests and development of Columbia Gorge Community College (the College) and the students, faculty, and community. The CGCC Foundation shall provide a means for receiving and administering charitable donations to be used for student scholarships, for College facilities and improvements (including both real and personal properties), for special College projects and programs, or for other purposes that benefit the College. The CGCC Foundation may also provide funding for acquisition for College facilities and improvements, both real and personal properties, special College projects/programs, and any other matters which would benefit and support the College. The CGCC Foundation's Board of Directors shall solicit and accept gifts in support of the College; and shall manage, invest, and account for the assets of the CGCC Foundation.

### ***I. Purpose of Policies and Guidelines***

The Board of Directors of CGCC Foundation and its staff solicit current and deferred gifts to the CGCC Foundation to secure the future growth and mission of the CGCC Foundation. These policies and guidelines govern the acceptance of gifts by the CGCC Foundation and provide guidance to prospective donors and their advisors when making gifts to the CGCC Foundation. The provisions of these policies shall apply to all gifts received by the CGCC Foundation for any of its programs or services.

### ***II. Use of Legal Counsel***

CGCC Foundation shall seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review by counsel is recommended for:

- a. Closely held stock transfers that are subject to restrictions or buy-sell agreements
- b. Documents naming CGCC Foundation as Trustee
- c. Gifts involving contracts, such as bargain sales or other documents requiring the CGCC Foundation to assume an obligation
- d. Transactions with potential conflict of interest that may invoke IRS sanctions

- e. Other instances in which use of counsel is deemed appropriate by the CGCC Foundation Board or Finance Committee

### ***III. Conflict of Interest***

CGCC Foundation will urge all prospective donors 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 CGCC Foundation will comply with the Model Standards of Practice for the Charitable Gift Planner promulgated by the National Committee on Planned Giving, shown as an attachment to this document.

### ***IV. Restrictions on Gifts***

The CGCC Foundation will accept unrestricted gifts, and gifts for specific programs and purposes, provided that such gifts are not inconsistent with its stated mission, purposes, and priorities. The CGCC Foundation will not accept gifts that are too restrictive in purpose. Gifts that are too restrictive are those that violate the terms of the corporate Articles or Bylaws, gifts that are too difficult to administer, or gifts that are for purposes outside the mission of the CGCC Foundation. All final decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Finance Committee of the CGCC Foundation.

### ***V. The Finance Committee***

The Finance Committee is charged with the responsibility of reviewing all gifts made to CGCC Foundation, properly screening and accepting those gifts, and making recommendations to the Board on gift acceptance issues when appropriate.

### ***VI. Types of Gifts***

A. The following gifts are acceptable:

1. Cash
2. Tangible Personal Property
3. Securities
4. Real Estate
5. Remainder Interests in Property
6. Oil, Gas, Mineral Interests, timber, crops, etc.
7. Bargain Sales
8. Life Insurance
9. Charitable Gift Annuities
10. Charitable Remainder Trusts
11. Charitable Lead Trusts
12. Retirement Plan Beneficiary Designations
13. Bequests
14. Life Insurance Beneficiary Designations

B. The following criteria govern the acceptance of each gift form:

1. **Cash:** Cash is acceptable in any form. Checks shall be made payable to the CGCC Foundation and shall be delivered to the Foundation Executive Director in the CGCC Foundation's administrative offices.

2. **Tangible Personal Property:** All gifts of tangible personal property shall be examined in light of the following criteria:

- Does the property fulfill the mission of the CGCC Foundation?
- Is the property marketable?
- Are there any undue restrictions on the use, display, or sale of the property?
- Are there any carrying costs for the property?

The final determination on the acceptance of tangible property gifts shall be made by the Finance Committee.

3. **Securities:** The CGCC Foundation can accept both publicly traded securities and closely held securities.

**Publicly Traded Securities:** Marketable securities may be transferred to an account maintained at one or more brokerage firms or delivered physically with the transferor's signature or stock power attached. As a general rule, all marketable securities shall be sold upon receipt unless otherwise directed by the Finance Committee. In some cases marketable securities may be restricted by applicable securities laws; in such instance the final determination on the acceptance of the restricted securities shall be made by the Finance Committee.

**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 Finance Committee. However, gifts must be reviewed prior to acceptance to determine that:

- there are no restrictions on the security that would prevent CGCC Foundation from ultimately converting those assets to cash,
- the security is marketable, and
- the security will not generate any undesirable tax consequences for CGCC 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 final determination on the acceptance of closely held securities shall be made by the Finance Committee and legal counsel when necessary. Every effort will be made to sell non-marketable securities as quickly as possible.

**4. Real Estate.** Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest. Prior to acceptance of real estate, the CGCC Foundation shall require an initial environmental review of the property to ensure that the property has no environmental damage. Environmental inspection forms are attached as an attachment to this document. In the event that the initial inspection reveals a potential problem, the CGCC Foundation shall retain a qualified inspection firm to conduct an environmental audit. The cost of the environmental audit shall generally be an expense of the donor.

When appropriate, a title binder shall be obtained by the CGCC Foundation prior to the acceptance of the real property gift. The cost of this title binder shall generally be an expense of the donor.

Prior to acceptance of the real property, the gift shall be approved by the Finance Committee and by the CGCC Foundation's legal counsel. Criteria for acceptance of the property shall include:

- Is the property useful for the purposes of the CGCC Foundation?
- Is the property marketable?
- Are there any restrictions, reservations, easements, or other limitations associated with the property?
- Are there carrying costs, which may include insurance, property taxes, mortgages, or notes, etc., associated with the property?
- Does the environmental audit reflect that the property is not damaged?
- Should an archaeological assessment be obtained prior to acceptance?
- Are there any potential adverse income tax consequences to the CGCC Foundation?

**5. Remainder Interests In Property:** The CGCC Foundation will accept a remainder interest in a personal residence, farm, or vacation property subject to the provisions of paragraph 4 above. The donor or other occupants may continue to occupy the real property for the duration of the stated life. At the death of the donor, the CGCC Foundation may use the property or reduce it to cash. Where the CGCC Foundation receives a gift of a remainder interest, expenses for maintenance, real estate taxes, and any property indebtedness are to be paid by the donor or primary beneficiary.

6. **Oil, Gas, Mineral Interests, Timber, and Crops:** The CGCC Foundation may accept oil and gas property interests and interests in timber and crops, when appropriate. Prior to acceptance of such property interests the gift shall be approved by the Finance Committee, and if necessary, by the Foundation's legal counsel. Criteria for acceptance of the property shall include:

- Gifts of surface rights should have a value of \$20,000 or greater.
- Gifts of oil, gas and mineral interests should generate at least \$3,000 per year in royalties or other income (as determined by the average of the three years prior to the gift).
- The property should not have extended liabilities or other considerations that make receipt of the gift inappropriate.
- A working interest is rarely accepted. A working interest may only be accepted where when there is a plan to minimize potential liability and tax consequences.
- The property should undergo an environmental review to ensure that the CGCC Foundation has no current or potential exposure to environmental liability.

7. **Bargain Sales:** CGCC Foundation will enter into a bargain and sale arrangement in instances in which the bargain sale furthers the mission and purposes of the CGCC Foundation. All bargain sales must be reviewed and recommended by the Finance Committee and approved by the Board of Directors. Factors used in determining the appropriateness of the transaction include:

- The CGCC Foundation must obtain an independent appraisal substantiating the value of the property.
- If the CGCC Foundation assumes debt with the property, the debt ratio must be less than 50% of the appraised market value.
- The CGCC Foundation must determine that it will use the property, or that there is a market for sale of the property allowing sale within 12 months of receipt.
- The CGCC Foundation must calculate the costs to safeguard, insure, and expense the property (including property taxes, if applicable) during the holding period.

8. **Life Insurance:** CGCC Foundation must be named as both beneficiary and irrevocable owner of an insurance policy before a life insurance policy can be recorded as a gift. The gift is valued at its interpolated terminal reserve value, or cash surrender value, upon receipt. If the donor contributes future premium payments, the CGCC Foundation will include the entire amount of the additional premium payment as a gift in the year that it is made.

If the donor does not elect to continue to make gifts to cover premium payments on the life insurance policy, the CGCC Foundation may:

- continue to pay the premiums,
- convert the policy to paid up insurance, or
- surrender the policy for its current cash value.

**9. Charitable Gift Annuities:** The CGCC Foundation has not been issued a Certificate of Authority by the State of Oregon to issue charitable gift annuities. If the CGCC Foundation obtains such Certificate of Authority it will develop a policy on issuing charitable gift annuities prior to issuance of any such annuities.

**10. Charitable Remainder Trusts:** The CGCC Foundation may accept designation as remainder beneficiary of a charitable remainder trust with the approval of the Finance Committee. The CGCC Foundation will not accept appointment as Trustee of a charitable remainder trust.

**11. Charitable Lead Trusts:** The CGCC Foundation may accept a designation as income beneficiary of a charitable lead trust. The Board of CGCC Foundation will not accept an appointment as Trustee of a charitable lead trust.

**12. Retirement Plan Beneficiary Designations:** Donors and supporters of CGCC Foundation will be encouraged to name the CGCC Foundation as beneficiary of their retirement plans. Such designations will not be recorded as gifts to the CGCC Foundation until such time as the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

**13. Bequests:** Donors and supporters of CGCC Foundation will be encouraged to make bequests to the CGCC Foundation under their wills and trusts. Such bequests will not be recorded as gifts to the CGCC Foundation until such time as the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

**14. Life Insurance Beneficiary Designations:** Donors and supporters of CGCC Foundation will be encouraged to name the CGCC Foundation as beneficiary or contingent beneficiary of their life insurance policies. Such designations shall not be recorded as gifts to the CGCC Foundation until such time as the gift is irrevocable. Where the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

## ***VII. Miscellaneous Provisions.***

- A. Securing appraisals and legal fees for gifts to the CGCC Foundation:**  
It will be the responsibility of the donor to secure an appraisal (where

required) and independent legal counsel for all gifts made to the CGCC Foundation.

- B. **Valuation of gifts for development purposes:** The CGCC Foundation will record a gift received by the CGCC Foundation at its valuation for gift purposes on the date of gift.
- C. **Responsibility for IRS Filings upon sale of gift items:** The CGCC Foundation is responsible for filing IRS Form 8282 upon the sale or disposition of any asset sold within two years of receipt by the CGCC Foundation when the charitable deduction value of the item is more than \$5,000. The CGCC Foundation must file this form within 125 days of the date of sale or disposition of the asset. Form 8282 with Filing Instructions is attached as an appendix to these policies.
- D. Acknowledgement of all gifts made to the CGCC Foundation and compliance with the current IRS requirements in acknowledgment of such gifts shall be the responsibility of the Board of the CGCC Foundation. IRS Publication 561 *Determining the Value of Donated Property* and IRS Publication 526 *Charitable Contributions* are attached to these policies as an Appendix.

***VIII. Changes to Gift Acceptance Policies***

These policies and guidelines have been reviewed and accepted by the CGCC Foundation Board. The CGCC Foundation Board must approve any changes to or deviations from these policies.

Approved on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

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President, Board of Directors, The Columbia Gorge Community College Foundation

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Secretary, Board of Directors, The Columbia Gorge Community College Foundation

## **ATTACHMENTS**

- I. Model Standards of Practice of the Charitable Gift Planner**
- II. Environmental Review Forms**
- III. IRS Form 8282 and Instructions**
- IV. IRS Publication 561 Determining the Value of Donated Property**
- V. IRS Publication 526 Charitable Contributions**