



## **Gift Acceptance Policy**

### **I. Introduction & Purpose**

The Monterey Peninsula College Foundation (Foundation) is an auxiliary non-profit organization that raises funds for the benefit of Monterey Peninsula College (College) and its students. The Foundation is responsible for the solicitation and management of private, public and corporate gifts to the College. This policy is designed to help facilitate the gift-giving process, to provide guidance to prospective donors who wish to make gifts to the Foundation, and to ensure institutional integrity.

### **II. General Principles**

- A. All gifts to the Foundation are irrevocable and must comply with IRS requirements governing nonprofit 501(c)(3) corporations.
  
- B. Any formal solicitation of gifts to the MPC Foundation will be made only by or in consultation with an authorized representative of the Foundation, including Foundation staff and members of the Foundation Board of Directors.
  
- C. Only the Executive Director of the MPC Foundation, or his/her designee, is permitted to accept gifts on behalf of the Foundation. When appropriate, the Executive Director will seek legal advice in matters relating to the acceptance of gifts.
  
- D. The Foundation may reject any gift that it determines is inconsistent with the mission or goals of the Foundation and/or the College, or if the gift is determined to not be in the best interests of the Foundation or College to accept.
  
- E. Unless a donor imposes a restriction, all gifts will be considered unrestricted. If a donor desires to restrict a gift as to its use or purpose, a Letter of Gift or Gift Agreement signed by the donor and the Executive Director acknowledging the restrictions must be executed prior to the acceptance of the gift.
  
- F. Foundation staff shall promptly prepare and send to donors a receipt for their gifts in the form of an acknowledgement letter. For gifts of cash and cash equivalents, the letter shall identify the amount given. For gifts other than cash and cash equivalents, the Foundation cannot provide the donor with valuation of the gift; donors are advised to consult with their professional advisors to determine the value of the gift.
  
- G. Donors are strongly encouraged to seek the advice of independent legal and tax counsel in all matters pertaining to gifts to the Foundation. Foundation staff and board members do not offer legal or tax advice to donors or potential donors.

### **III. Types and Valuation of Gifts**

#### **A. Cash and cash-equivalents**

Gifts of cash and cash-equivalents will be credited at full value and can be made via check, credit card (online, by phone, or in person), Electronic Funds Transfer, money order, or delivery of cash to the Foundation office.

#### **B. Securities**

##### **1. Marketable/Publicly-traded Securities**

The Foundation may accept gifts of publicly-traded stocks, bonds and mutual funds in accordance with the procedures provided by the Foundation's Investment Policy. The Foundation must be able to convert the asset into cash and the gift may not cause any tax consequences to the Foundation. Gifts of securities will be valued at the average of the stock price on the date of sale.

##### **2. Closely Held Securities**

Closely held securities, which include not only debt and equity positions in non-publicly traded companies but also interests in limited partnerships and limited liability companies, or other ownership forms, can be accepted. However, gifts of closely held securities must be reviewed by the Executive Director or his/her designee prior to acceptance. The Foundation must be able to convert the asset into cash and the gift may not cause any tax consequences to the Foundation.

#### **C. Deferred Gifts**

Deferred Gifts, sometimes referred to as Planned Gifts, are those for which the asset transfer or a commitment to give is made irrevocably, but from which the Foundation derives benefit at some later date, either upon the passage of a defined time period or upon the completion of required conditions. In recognizing that many years may pass before a deferred gift is realized, donors considering gifts for a specific purpose are encouraged to consult a member of the Foundation staff.

The various types and methods of deferred gifts that can be made to the Foundation include:

1. **Bequests:** gifts made to the Foundation under a will or trust, which may provide for a specific dollar amount (or percentage) in cash, securities, personal property or all or part of the residue of the estate.
2. **Charitable Remainder Trusts and Lead Trusts** where the Foundation is designated as remainder or income beneficiary.
3. **Life Insurance and Retirement Plan Beneficiary Designation:** gifts made by donors who designate the Foundation as beneficiary or contingent beneficiary on their life insurance and/or retirement plans.

4. Charitable Gift Annuities: with approval from the Executive Director, the Foundation may choose to enter into a charitable gift annuity contract with a donor.

#### D. Real Estate

The Foundation may accept gifts of real estate, including houses, condominiums, commercial properties, farm land, rental property, and undeveloped land. The following factors shall be considered prior to accepting gifts of real estate:

- The usefulness of the property for College purposes;
- The marketability of the property;
- The existence of restrictions, reservations, easements, and/or other limitations;
- The existence of encumbrances, such as mortgages and liens;
- Carrying costs, such as property owner's association dues, taxes, insurance, and other maintenance expenses; and
- Fair market value in relation to the costs and limits listed above as determined by a qualified appraisal conducted in accordance with IRS standards.

An environmental audit conducted by a professional service will be required before acceptance of real property in most instances. Exceptions may be made for owner-occupied single-family residences that have not previously been used for other purposes.

For all gifts of real estate, the Foundation Board of Directors will review the results of such assessment and recommend to the appropriate administrators whether the gift should be accepted.

#### E. Other Personal Property

The Foundation may accept gifts of tangible or intangible personal property for the College's benefit, including works of art, jewelry, antiques, collectibles, automobiles, manuscripts and books. An essential issue for donors to consider before contributing a gift of personal property is whether they would like the College to use or display the property; if so, the property should be donated directly to the College, not the Foundation.

Gifts of personal property may be accepted by the Foundation only after a review indicates the property is readily marketable. Prospective donors should be advised that the Foundation reserves the right to sell or otherwise dispose of the personal property in question, if such action is deemed advisable or necessary.

Whenever donors estimate their gifts of personal property at \$5,000 or more, they must obtain a current (within the past 12 months) written appraisal report following review by a qualified independent appraiser. The Foundation cannot appraise or assign valuation to gifts of personal property.

#### F. Pledges

A pledge is a commitment to give a specific dollar amount according to a fixed time schedule. The Foundation will accept pledges with durations of up to five (5) years. Annual fund pledges are usually for amounts less than \$5,000. All pledges except annual fund pledges must be substantiated in writing. Pledges are recorded and booked in the year they are received. Pledges that are not paid in full according to the agreed upon time schedule are subject to review and cancellation at the discretion of the Executive Director.

#### IV. Sustainability

In order to support the long-term health of the MPC Foundation, 5% of all temporarily restricted gifts<sup>1</sup> will be utilized to offset the costs associated with gift administration. This does not apply to scholarship gifts, gifts intended to immediately be transferred to the college, or grants (which will include an appropriate administrative fee based on the project/program and allowable grant expenses).

Per the Foundation's Investment and Endowment Expenditure Policies, endowments (also referred to as permanently restricted gifts), contribute to the Foundation's sustainability through a 1% annual fee based on the fund balance as of September 30 each year.

#### V. Naming Opportunities

##### A. Named Temporarily-Restricted Funds

A temporarily restricted fund that is established for the purpose of current, short-term (two years or less), or non-permanent use.

- i. A named temporarily restricted fund requires a minimum gift or pledge of \$1,000.
- ii. Temporarily restricted funds with balances under \$250 and/or no activity for two years will be reviewed and possibly closed if no additional activity or donations are anticipated.

##### B. Named Endowment or Permanently Restricted Funds

An endowment fund is one in which the initial gift establishing the fund is restricted by the terms of the gift instrument so as to not be fully expendable on a current basis. Such funds are invested and expended according to the Foundation's Investment and Endowment Spending Policies

- i. A named endowment fund requires a minimum gift or pledge of \$10,000.
- ii. Endowments must be fully funded within a maximum of five years. Funds that do not reach the minimum endowment level by the end of this period are subject to review and funds may be re-designated for current use at the discretion of the Executive Director. If such re-designation occurs, every attempt will be made to honor the original donor intent for the use of funds.

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<sup>1</sup> The term "temporarily restricted gifts" refers to restricted donations that are intended to be spent, rather than endowed in perpetuity.



### C. Capital Naming Opportunities

Naming of buildings and spaces is governed by *Monterey Peninsula Community College District Board Policy 1435*. The MPC Foundation's *Procedures for Soliciting and Administering Major Gifts Associated with the Naming of MPC Property* serves as a guideline for adhering to and implementing BP 1435.

A list of current capital naming opportunities is available, upon request, from the Foundation Office.

## VI. Stewardship

A. The Foundation will provide periodic reports to donors regarding the use of donated funds. In addition, donors will be afforded opportunities to experience, through various College and/or Foundation organized events, the impact of their philanthropy.

B. In order to protect donors' privacy, the MPC Foundation's Confidentiality Agreement applies to and must be signed by all board members, employees, and volunteers who have access to donors' personal information.

C. The Foundation will honor any donor's request for anonymity.