



Gift Acceptance Policies & Guidelines

The Northwest Florida State College Foundation (NWFSC), a not for profit organization organized under the laws of the State of Florida, encourages the solicitation and acceptance of gifts to the NWFSC Foundation for purposes that will help the NWFSC Foundation to further and fulfill its mission. The following policies and guidelines govern acceptance of gifts made to the NWFSC Foundation or for the benefit of any of its programs.

The mission of the NWFSC Foundation is as follows:

The Northwest Florida State College Foundation within the college's Division of College Advancement serves several purposes. Specifically, the foundation shall provide charitable and educational aid in the form of money and other property and services to and/or for the benefit of Northwest Florida State College.

Through solicitation and expenditure of funds, the foundation shall promote educational opportunities, enhance instruction and perform other related activities at NWFSC to encourage and support research in learning. On a non-discriminatory basis, the foundation shall receive and hold by gift, bequest, grant or purchase any real or personal property, and invest, use and dispose of the same in providing students attending NWFSC with funds to pursue their collegiate training; provide supplemental resources in support of student services, instruction and faculty and staff development.

The Division of College Advancement shall direct the college's advancement programs through publicity, publications, advertising, graphic services, media relations and scheduling activities and events in support of the college mission.

A. Purpose of Policies and Guidelines

The Board of Directors of the NWFSC Foundation and its staff solicit current and deferred gifts from individuals, corporations, and foundations to secure the future growth and mission of Northwest Florida State College. These policies and guidelines govern the acceptance of gifts by the NWFSC Foundation and provide guidance to prospective donors and their advisors when making gifts to the foundation. The provisions of these policies shall apply to all gifts received by the foundation for any of its programs or services.

A. Use of Legal Counsel

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

1. Closely held stock transfers that are subject to restrictions or buy-sell agreements.
2. Documents naming the NWFSC Foundation as Trustee.

3. Gifts involving contracts, such as bargain sales or other documents requiring the NWFSC Foundation to assume an obligation.
4. Transactions with potential conflict(s) of interest that may invoke IRS sanctions.
5. Other instances in which use of counsel is deemed appropriate by Foundation management.

B. Conflict of Interest

The NWFSC 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 NWFSC Foundation will comply with the Model Standards of Practice for the Charitable Gift Planner promulgated by the Partnership for Philanthropic Planning and the Donor Bill of Rights developed by the Association of Fundraising Professionals (AFP) and the Council for Advancement and Support of Education (CASE).

C. Restrictions on Gifts

The NWFSC 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 NWFSC 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 charter, gifts that are too difficult to administer, or gifts that are for purposes outside the mission of the foundation. All final decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the foundation's Finance and Investment Committee.

D. The Gift Acceptance Committee

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

Gifts for the purpose of endowment are officially established when reviewed by the NWFSC Foundation staff, accepted by the NWFSC Foundation Board and NWFSC Board of Trustees, to ensure consistency with the NWFSC Foundation mission, policies and procedures.

E. Types of Gifts

1. The following gifts are acceptable:
 - a) Cash
 - b) Tangible Personal Property
 - c) Securities
 - d) Real Estate
 - e) Remainder Interests in Property
 - f) Oil, Gas, and Mineral Interests
 - g) Bargain Sales
 - h) Life Insurance
 - i) Charitable Gift Annuities
 - j) Charitable Remainder Trusts
 - k) Charitable Lead Trusts
 - l) Retirement Plan Beneficiary Designations
 - m) Bequests
 - n) Life Insurance Beneficiary Designations

2. The following criteria govern the acceptance of each gift form:
- a) **Cash:** Cash is acceptable in any form. Checks shall be made payable to the NWFSC Foundation and shall be delivered to the NWFSC Foundation in its administrative offices at 100 College Boulevard, Niceville, FL 32578.
 - b) **Tangible Personal Property:** All other gifts of tangible personal property shall be examined in light of the following criteria:
 - (1) Does the property fulfill the mission of the NWFSC Foundation?
 - (2) Is the property marketable?
 - (3) Are there any undue restrictions on the use, display, or sale of the property?
 - (4) Are there any carrying costs for the property?
 - (5) The final determination on the acceptance of other tangible property gifts shall be made by the Foundation's Finance and Investment Committee.
 - c) **Securities:** The NWFSC Foundation can accept both publicly traded securities and closely held securities.
 - d) **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 and Investment 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 Foundation's Finance and Investment Committee.
 - e) **Closely Held Securities:** Closely held securities, which include not only debt and equity positions in non-publicly traded companies but also interest in LLPs and LLCs or other ownership forms, can be accepted subject to the approval of the Foundation's Finance and Investment Committee. However, gifts must be reviewed prior to acceptance to determine that:
 - (1) there are no restrictions on the security that would prevent the NWFSC Foundation from ultimately converting those assets to cash,
 - (2) the security is marketable, and
 - (3) the security will not generate any undesirable tax consequences for the 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 Foundation's Finance and Investment Committee and legal counsel when necessary. Every effort will be made to sell non-marketable securities as quickly as possible.
 - f) **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 foundation shall require an initial environmental review of the property to ensure that the property has no environmental damage. In the event that the initial

inspection reveals a potential problem, the 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 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 by resolution of the Board of Directors, the gift shall be approved by the Foundation's Finance and Investment Committee and by the Foundation's legal counsel.

Criteria for acceptance of the property shall include:

- (1) Is the property useful for the purposes of the foundation and the college?
 - (2) Is the property marketable?
 - (3) Are there any restrictions, reservations, easements, or other limitations associated with the property?
 - (4) Are there carrying costs, which may include insurance, property taxes, mortgages, or notes, etc., associated with the property?
 - (5) Does the environmental audit reflect that the property is not damaged?
- g) Remainder Interests in Property: The Foundation will accept a remainder interest in a personal residence, farm, or vacation property subject to the provisions of paragraph (f) 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 Foundation may use the property or reduce it to cash. Where the 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.
- h) Oil, Gas, and Mineral Interests: The NWFSC Foundation may accept oil and gas property interests, when appropriate. Prior to acceptance of an oil and gas interest the gift shall be approved by the Finance and Investment Committee, and if necessary, by the Foundation's legal counsel. Criteria for acceptance of the property shall include:
- (1) Gift of surface rights should have a value of \$20,000 or greater.
 - (2) 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.)
 - (3) The property should not have extended liabilities or other considerations that make receipt of the gift inappropriate.
 - (4) 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.
 - (5) The property should undergo an environmental review to ensure that the foundation has no current or potential exposure to environmental liability.
- i) Bargain Sales: The NWFSC Foundation will enter into a bargain sale arrangement in instances in which the bargain sale furthers the mission and purposes of the foundation. All bargain sales must be reviewed and recommended by the Finance

and Investment Committee and approved by resolution of the Board of Directors. Factors used in determining the appropriateness of the transaction include:

- (1) The foundation must obtain an independent appraisal substantiating the value of the property.
 - (2) If the foundation assumes debt with the property, the debt ratio must be less than 50% of the appraised market value.
 - (3) The 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.
 - (4) The foundation must calculate the costs to safeguard, insure, and expense the property (including property tax, if applicable) during the holding period.
- j) Life Insurance: The NWFSC 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 NWFSC Foundation will include the entire amount of the additional premium payment as a gift in the year it is made.

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

- (1) Continue to pay the premiums,
 - (2) Convert the policy to paid up insurance, or
 - (3) Surrender the policy for its current cash value
- k) Charitable Remainder Trusts: The NWFSC Foundation may accept designation as remainder beneficiary of a charitable remainder trust with the approval of the Foundation's Finance and Investment Committee. The foundation will not accept appointment as Trustee of a charitable remainder trust.
- l) Charitable Lead Trusts: The NWFSC Foundation may accept a designation as income beneficiary of a charitable lead trust. The Foundation Board of Directors will not accept an appointment as Trustee of a charitable lead trust.
- m) Retirement Plan Beneficiary Designations: Donors and supporters of the NWFSC Foundation will be encouraged to name the Foundation as beneficiary of their retirement plans. Such designations will not be recorded as gifts to the 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.
- n) Bequests: Donors and supporters of the NWFSC Foundation will be encouraged to make bequests to the Foundation under their wills and trusts. Such bequests will not be recorded as gifts to the 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.

F. Miscellaneous Provisions

1. Securing appraisals and legal fees for gifts to the 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 foundation.
2. Valuation of gifts for development purposes: The NWFSC Foundation will record a gift received by the Foundation at its valuation for gift purposes on the date of the gift.
3. Responsibility for IRS Filings upon sale of gift items: Foundation management is responsible for filing IRS Form 8282 upon the sale or disposition of any asset sold within three years of receipt by the foundation when the charitable deduction value of the item is more than \$500. The foundation must file this form with 125 days of the date of sale or disposition of the asset.
4. Acknowledgement of gifts: Acknowledgement of all gifts made to the NWFSC Foundation and compliance with the current IRS requirements in acknowledging such gifts shall be the responsibility of the Foundation. (IRS Publication 561, Determining the Value of Donated Property, and IRS Publication 526, Charitable Contributions may be referenced.).

G. **Changes to Gift Acceptance Policies**

These policies and guidelines have been reviewed and accepted by the NWFSC Foundation's Finance and Investment Committee. The foundation's Board of Directors must approve any changes to or deviations from these policies.

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