

## **Odessa College Foundation Gift Acceptance Policy**

The Odessa College Foundation (Foundation) welcomes all gifts for its use to benefit Odessa College (OC). The Foundation will endeavor in all instances to work with donors and their advisors to help assure that the goals of each contributor are accomplished.

This policy is intended for use as a guideline to the Foundation in accepting gifts; to outside advisors who assist in the gift planning process; and to prospective donors who wish to make gifts to the Foundation.

Gifts will be accepted from individuals, corporations and foundations in a manner that supports the purposes and activities of the Foundation and OC. Specific gifts will be considered on their merits and final action will be taken by those authorized by the Foundation Board of Directors to do so when appropriate.

### **General Policies**

1. All contributions are the property of the Foundation. Any restrictions placed on donations will be reflected in the bookkeeping records for the Foundation.
2. All gifts to the Foundation will comply with IRS requirements.
3. Complicated potential gifts involving multiple donors, multiple transactions, operating businesses, unusual assets or conditions, will generally be avoided, as the time requirements often involve more expense than the potential gain.
4. Any contributions or expenditures that would endanger the non-profit status of the Foundation will be administratively refused.
5. All information concerning prospective donors shall be confidential; however, all donations must be itemized in the Foundation's Form 990 which is public information.
6. Donors shall be encouraged to secure the advice of independent legal and tax counsel in all matters pertaining to gifts to the Foundation. The Foundation shall not pay a donor's fees for professional services retained with respect to a major gift.
7. The Foundation shall seek the advice of legal counsel in matters relating to the acceptance of gifts when appropriate.
8. Exceptions to this policy must be approved by the Foundation Board of Directors.

### **Solicitation of Gifts**

Any formal solicitation of gifts to the Foundation will be made only by authorized representatives, including staff and directors of the Foundation. All employees,

representatives or friends of the Foundation or of the College are encouraged to refer any prospective donor to the Foundation. Development personnel may accept cash and publicly traded securities subject to the terms of this policy.

### **Special Purpose Endowment Funds**

The Foundation encourages the establishment of special purpose endowment funds upon receipt of gifts or commitments that meet the approved funding levels and criteria established for the endowment.

Endowed Scholarships or Awards – An endowed scholarship is one in which the initial funds given to establish the award are invested, and only the return from the principal may be distributed to fund the scholarship

A minimum of \$10,000 is required for all new endowments. A donor may, however, take up to five years to build a fund to the minimum \$10,000 endowment level. In cases where the endowment minimum is not reached within five years, the Foundation will have the right to transfer the balance of the fund into a non-endowed Foundation account.

Scholarships or Awards – Non-endowed scholarships or awards may be accepted at anytime. These funds may be expended immediately or at the discretion of the Foundation in agreement with the donor.

### **Naming Opportunities**

Naming opportunities offer donors the occasion to help OC in a meaningful manner while establishing a tangible acknowledgement to their own success or life work. Naming opportunities may be used to honor living individuals or friends or family members of the donor or in memory of a loved one. Naming opportunities involving the College's physical facilities must be pre-approved by the OC Board of Trustees.

### **Outright Gifts**

Cash – All checks should be made payable to Odessa College Foundation and should not be made payable to an employee or volunteer for credit to the Odessa College Foundation.

Publicly Traded Securities – Securities that are traded on the New York and American Stock Exchanges or NASDAQ Market or other readily marketable securities shall be accepted by the Foundation.

Securities accepted by the Foundation will generally be sold as soon as practical, unless it is decided by the appropriate officers of the Foundation to hold the securities as investments of the organization. No agreement shall be made with a donor prior to or subsequent to a gift that such securities will be held for any period of time.

Closely Held Securities – Acceptance of non-publicly traded securities may be approved by the Foundation Board upon recommendation of the Finance Committee.

Real Property – It is the policy of the Foundation to accept gifts of real property to the organization on a case-by-case basis.

Gifts of real property shall be accepted only after prior approval of the Foundation Board of Directors and OC Administration.

Prior to acceptance of real property the Donor shall:

- Obtain a title insurance policy to insure the Foundation is receiving a good fee simple title with no liens or other adverse encumbrances,
- Obtain a Phase I environmental study for any property that has ever been used in a commercial venture or is situated near any commercial or industrial area,
- Obtain an asbestos and other environmental survey if the property has improvements and the Foundation is contemplating removing the improvement or otherwise renovating the existing improvements,
- Unless the donor specifies a time restriction on holding the property before being sold and the Foundation accepts such restriction or the College plans to keep the property for institutional use, the Foundation shall post the property for sale within 3 months of the date of donation, and
- any other relevant information to be determined by the Board, (i.e., liability for real property that is not immediately saleable.)

Tangible Personal Property – Jewelry, artwork, collections and other personal property will be accepted only after prior approval of the Foundation Board of Directors and OC Administration on a case-by-case basis. The Foundation will consider all gifts of tangible personal property after it has made two determinations: the asset's marketability and its intended use by the Foundation. Careful consideration will be given where the Foundation is obligated to maintain ownership of the property in perpetuity.

Questions the Foundation will consider regarding the acceptance of tangible personal property may include:

- Does the property fulfill the mission of the Foundation and the College?
- Is the property marketable?
- Are there any undue restrictions on the use, display or sale of the property?
- Are there any public relations issues related to acceptance of the property?
- Are there carrying costs, such as insurance, lease space, maintenance to preserve value, costs of sale or appraisal, that will create a negative cash flow for the Foundation?

Personal Property may only be accepted after receipt and review of an appraisal qualified under relevant Internal Revenue Code requirements.

Other Property – Other property such as mortgages, notes, copyrights, royalties and easements, whether real or personal, may be accepted after prior approval of the Board of

Directors. Debt-encumbered property will not be accepted unless extraordinary circumstances prevail and the acceptance is approved by the Board of Directors and OC Administration.

Special consideration shall be given to the nature of any gift of property, whether real or personal, as to whether it is in keeping with the mission of the Foundation prior to acceptance by the Foundation.

Property must be offered for sale to the public before sale to the Foundation directors, College trustees and employees, or their families.

### **Bequests**

Gifts through wills shall be actively encouraged by the Foundation.

Where persons indicate their intention to bequeath property other than cash or equivalents to the Foundation, the provisions of the preceding paragraphs of this policy statement shall be communicated to such persons where feasible and deemed appropriate.

Gifts-in-kind credit and recognition will be given only in cases where the actual value of the gift (i.e., listed stocks and bonds) can be determined or an appraisal is submitted by a qualified appraiser for real estate of personal property or other satisfactory evidence of value. In the absence of satisfactory evidence of value, the donor's acknowledgement will state no value.

Gifts from the estates of deceased donors shall be accepted subject to the terms of the policy statement.

### **Charitable Trusts and Lead Trusts**

The Foundation encourages those interested in doing so to establish charitable remainder or lead trusts for the benefit of the organization. It is understood that charitable remainder or lead trusts and other deferred gifts shall be encouraged as vehicles, the primary purpose of which are to make gifts to the Foundation. 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.

The Foundation will not serve as trustee of a charitable remainder or lead trust of which it is also the beneficiary. The Foundation may, if necessary, assist in the selection of an appropriate and independent trustee.

The fees for management of a charitable remainder or lead trust will only be paid by the Foundation upon prior approval of the Board of Directors.

The Foundation will make no representations as to performance of trust assets or the manner in which charitable remainder or lead trust assets will be managed or invested by

any corporate fiduciary who may be recommended by the Foundation, its employees or directors.

### **Gifts of Life Insurance**

The Foundation will consider all gifts of life insurance and will encourage donors to name the Foundation as the exclusive beneficiary for life insurance policies. The Foundation will also accept the naming of the Foundation as partial interest beneficiary of life insurance policies.

### **Payment of Fees Related to Gifts**

Finders Fees or Commissions – 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 amount to a violation of state and federal securities laws by the Foundation and its management and board of Directors.

In no event will a commission or finders fee of any type be paid to any party in connection with the completion of a gift to the Foundation.

Professional Fees – The donor will assume the cost of professional services rendered in connection with the completion of a gift to the Foundation.

### **Professional Counsel**

Prospective donors shall be encouraged to seek their own legal and/or tax counsel.

### **Restrictions**

Restricted gifts are discouraged.

Any gift restrictions must comply with the guidelines detailed in the gift acceptance and scholarship policy statements and shall be in compliance with the law.

### **Perpetual Endowments**

In the event that it becomes no longer possible to hold funds in endowment under the terms originally prescribed by the donor of such funds, applicable state laws will determine the subsequent use of such funds.