



**SPARTANBURG**  
Community College

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**FOUNDATION**

**Spartanburg Community College Foundation**

**Gift Acceptance Policy**

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## **I. INTRODUCTION**

This policy serves as a guideline for the Spartanburg Community College Foundation (SCC Foundation) and outside advisors who assist in the gift planning and solicitation process and as a guideline for prospective donors who wish to make gifts to the SCC Foundation. This gift acceptance policy is intended as a guide and allows for flexibility on a case-by-case basis.

The SCC Foundation is exempt from income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code.

## **II. GUIDING PRINCIPLES**

The SCC Foundation encourages gifts in support of the SCC Foundation's mission to generate resources of all kinds by building and strengthening partnerships which advance the goals of Spartanburg Community College.

The SCC Foundation seeks to implement a Gift Acceptance Policy that will protect the best interests of the donor and the welfare of the SCC Foundation.

Donors are encouraged to consult with their own personal advisors (accountants, certified estate or financial planners, attorneys, investment brokers, etc.) prior to making any gift, particularly a deferred gift.

The SCC Foundation reserves the right not to accept certain gifts, including those from which the SCC Foundation will realize little or no financial gain, are too difficult or expensive to administer, which are made for purposes that are inconsistent with the SCC Foundation's mission, are not marketable, which have restrictions that violate the SCC Foundation's ethical standards, or would expose the SCC Foundation to legal claims, litigation, or criticism.

Donations of gifts for unrestricted and general purposes are encouraged because of the flexibility they provide in meeting the most pressing needs of the SCC Foundation.

This policy is designed to provide guidance to the SCC Foundation and the general public to facilitate the gift-giving process. This policy encourages philanthropic creativity and is to be interpreted liberally so that prospective donors may enjoy the greatest freedom possible in formulating their gifts.

### **III. GENERAL PROCEDURES**

Overall responsibility for assuring compliance with the requirements of this policy is assigned to the Executive Director of the SCC Foundation. In appropriate cases, as set forth with more particularity below, gift proposals may be further reviewed by the Executive Director, the Executive Committee of the Board of Directors, the Board of Directors, and/or the SCC Foundation's legal or other professional advisors.

At the request of the Executive Director and/or Board of Directors, the Executive Committee is responsible for reviewing and making recommendations regarding gifts which may present current and/or future encumbrances and in cases involving unusual non-cash gifts. The SCC Foundation's legal or other advisors may serve in a consultative role to the Committee. Gifts reviewed by the Committee may include, but are not limited to:

- Gifts of real property and gifts in kind.
- Gifts made via IRA, annuity, 401(k), 403(b) or other retirement vehicle.
- Deferred gifts that require special attention.
- Gifts of closely held securities, stock options, or other negotiable instruments.
- Gifts that, because of their unusual nature or restrictions, present questions as to the impact on the SCC Foundation or a particular program or area.
- Gifts that, because of their size, present questions as to the impact on the SCC Foundation, or a particular program or area.
- Gifts that might raise questions about the SCC Foundation's integrity, independence, or potentially expose the SCC Foundation to adverse publicity, financial risk, or litigation.
- Gifts that present the potential for an obligation under local, state, or federal law that the SCC Foundation may be unwilling or unable to assume.

Legal and ethical requirements, designed to protect both the donor and the SCC Foundation, prohibit the SCC Foundation itself from appraising gifts. Such appraisals, if required by law or circumstances, are to be conducted by an independent appraiser. Generally, the cost of such an appraisal will be the donor's responsibility.

Proposed gifts of property and gifts in kind must be evaluated to determine whether the costs to the SCC Foundation associated with receiving the gift can prudently be accommodated. For example, accepting real property may require payment of closing costs, payoff of debt secured by the property, and physical changes to the property necessary to assure safety or control environmental hazards. Likewise, the cost to retrofit building space and provide necessary utilities to make a proposed gift of equipment usable for the SCC Foundation purposes, or the impact of altering the interior or façade of

a building to display a gift, may be deemed excessive and may weigh against acceptance of the gift.

All donors are to be furnished gift acknowledgement letters and receipts that comply with IRS regulations. Oversight and assuring compliance with the requirements regarding gift acknowledgement, receipts, IRS regulations is the responsibility of the Executive Director.

The SCC Foundation may incur and pay reasonable fees for the professional services rendered to the SCC Foundation in direct connection with the completion of a gift to the SCC Foundation. Where advisors retained by the SCC Foundation prepare documents or render service of any kind to the SCC Foundation and/or the donor to the SCC Foundation, the donor shall be informed that the professional involved is in the employ of the SCC Foundation and is not acting on behalf of the donor and that any advice given, or documents prepared, should be reviewed by counsel for the donor prior to completion of the gift.

#### **IV. GIFT ACCEPTANCE PROCEDURES**

The following procedures relate to the more common types of gifts to the SCC Foundation. It is understood that special gifts or circumstances may require a case-by-case review and may not be covered by this policy.

##### **A. Outright Gifts**

###### 1. Cash

- a) Gifts in the form of cash and checks shall be accepted by the SCC Foundation, regardless of amount, unless, as with any gift, there is a question as to whether the donor has sufficient title to the assets or is mentally competent to legally transfer the funds.
- b) Checks shall be made payable to the "SCC Foundation." In no event shall a check be made payable to an employee, agent, or volunteer who represents the SCC Foundation.

###### 2. Gifts of Securities

- a) Publicly Traded Securities. Securities that are traded on any recognized stock exchange and are readily marketable shall be accepted by the SCC Foundation.
- b) For gift crediting and accounting purposes, the value of the securities is the

average of the high and the low on the date of the gift, in accordance with IRS regulations. The date of the gift is the date that the securities are received by the SCC Foundation's account. Securities will be sold upon receipt.

- c) Closely Held Securities. Non-publicly traded securities shall be accepted only after consideration of the costs associated with such a gift and may require approval of the Board of Directors.

### 3. Gifts of Real Estate

The following restrictions on acceptance of gifts of real estate apply unless waived by the Executive Committee:

- a) No gift of residential, commercial, industrial, or agricultural real estate shall be accepted without approval of the Board of Directors.
- b) The donor is responsible for obtaining an appraisal of the property by a qualified appraiser.
- c) All gifts of real estate shall be evaluated considering the need for an environmental audit. The cost of such an audit is to be paid for by the donor. The environmental audit is to determine whether a hazardous substance is, or likely could be, present of the property.
- d) If the environmental audit discloses the presence or likely presence of, or a release or threatened release of, a hazardous substance on the property, the transfer of the property to the SCC Foundation will not be accepted until satisfactory documentation is provided to the Executive Committee that federal, state, and local environmental authorities have determined that such condition has been remediated. The donor bears the cost of any environmental cleanup.
- e) No gift of real estate encumbered by a mortgage or lien shall be accepted.
- f) Prior to presentation of the gift proposal to the Board of Directors, the donor must provide the following documents:
  - Real estate deed,

- Most recent real estate tax bill,
  - Plot plan,
  - Substantiation of zoning status, and
  - Environmental site assessment.
- g) Prior to presentation of the gift proposal, the donor must certify in writing that:
- No violations of state, local, or federal law exist on the property,
  - There are no restrictions on the title to the property,
  - No unrecorded rights of way, easements, or encumbrances are attached to the property,
  - No contractual or other donative commitments to other individuals, corporations, or groups are attached to the property,
  - The property is neither the subject of, nor threatened with, litigation.
- h) If the donor is giving a retained life estate gift, the donor shall pay for all or a portion of the following during the donor's lifetime:
- Maintenance costs,
  - Real estate taxes,
  - Insurance,
  - Real estate broker's commission and other costs of sale, and
  - Appraisal costs.
- i) The donor must be advised before making a gift of real estate that the property may be sold upon receipt.
- j) The goals of that acceptance of real estate are as follows:
- There is an established market to sell such property at a profit within a 3-year time frame.
  - Gift of property comes with a monetary provision to pay for taxes and fees associated with the property for 3 years. This provision can be waived by the Executive Committee after consideration.
  - Appraisal has been by a qualified appraiser and paid for by the donor within 1 year of the donation.

#### 4. Gifts of Life Insurance

- a) The SCC Foundation will accept life insurance policies as gifts only when the SCC Foundation is named as the irrevocable owner and beneficiary of 100% of the policy.
- b) If the policy is a paid-up policy, the value of the gift for the SCC Foundation's gift crediting and accounting purposes is the policy's replacement cost.
- c) If the policy is partially paid-up, the value of the gift for the SCC Foundation's gift crediting and accounting purposes is the policy's cash surrender value.

#### 5. Corporate Matching Gifts

- a) Unless the company specifies otherwise, matching gifts from corporations follow the restrictions of the donor whose gift is being matched: if a donor makes an unrestricted gift, the matching gift is unrestricted and, if the donor makes a restricted gift, the match is likewise restricted. The SCC Foundation counts matching gifts toward an individual's gift total in the year the matching gift is received.

#### 6. Pledges

- a) All pledges must have written documentation that contains the following:
  - Amount of pledge clearly specified.
  - Pledge period over which the donor will make the gift, which should not normally exceed 5 years.
  - Type of payment (check, credit card, securities).
  - Name, address, phone number, and signature of the donor.
  - Statement regarding the gifts restricted or unrestricted nature.
  - No contingencies or conditions.

#### 7. Gift in Kind

- a) Donors are responsible for establishing the fair market value of their in-kind gift with a qualified appraisal report by a recognized independent professional appraiser. The qualified appraisal report must be dated no more than 60 days prior to the date of the contribution, and it must be prepared in accordance with the requirements of the IRS to substantiate a donor's charitable deduction for non-cash gifts. If the value of the gift

in the appraisal is listed as a range of values, the gift will be booked at the midpoint of the range of values.

- b) In most cases, gifts-in-kind that are produced or manufactured by the corporation or other business making the contribution must include an itemized inventory list, a letter from the vendor/donor, or published information on the value of the items to establish the booked value of the gift.
- c) If the gift triggers the need for completion and filing of IRS Forms 8282 and/or 8283, the SCC Foundation's Executive Director, or designee, subject to the legal and/or tax advice of the SCC Foundation's legal or other advisors, will ensure the SCC Foundation takes appropriate action in compliance with IRS rules and regulations.

#### 8. Gifts of Personal Property

- a) In evaluating the cost associated with receiving a gift of personal property, including jewelry, artwork, collections, equipment, and other personal property, the following will be taken into consideration: transportation cost; storage cost; cost of selling; cost of maintenance and repairs; location of property; and the cost of insurance.
- b) Gifts of personal property shall be used or sold for the benefit of the SCC Foundation, in the sole discretion of the SCC Foundation. If sale or disposition of the gift triggers the need for completion and filing of IRS Form 8282, the SCC Foundation's Executive Director, or designee, subject to the legal and/or tax advice of the SCC Foundation's legal or other advisors, will ensure the SCC Foundation takes appropriate action in compliance with IRS rules and regulations.
- c) The value of a gift of personal property shall be determined by a qualified appraisal under the terms of the Internal Revenue Code. Donors must complete IRS form 8283 and all other required government documents.
- d) Donors will be informed at the time of the acceptance of such a gift that the SCC Foundation will cooperate fully in all matters related to IRS investigations of non-cash charitable gifts.
- e) No personal property shall be accepted under conditions that obligate the SCC Foundation to own the property in perpetuity.



## B. Deferred Gifts

### 1. Bequests

- a) The SCC Foundation encourages donors to disclose their bequest intentions to the Development Office in writing to ensure that the SCC Foundation can carry out their future wishes and that the gifts conform to this Policy Statement.
- b) All bequests should conform to the principles set out in Section II of this policy.
- c) Gifts from estates of deceased donors which do not conform to the SCC Foundation's policies may be accepted or rejected and such a decision communicated to the legal representative of the estate. If possible, a mutually agreeable plan shall be negotiated between the SCC Foundation and the representative to make the gift acceptable.
- d) Suggested Bequest Language: *"I give and bequeath to the SCC Foundation, a non-profit corporation established under the laws of the State of South Carolina, [state percentage of estate, residue, sum of money, or otherwise described property] ..."*

### 2. Charitable Lead Trusts

- a) This type of trust may be designed to make periodic payments to the SCC Foundation for a period of a term of years or for the life of the donor, after which the trust terminates, and the assets pass to the designated beneficiaries or remaindermen.
- b) Major gift donors may use charitable lead trusts to fulfill pledge agreements with cash, stock, real estate, or other appropriate things of value which will be acceptable or not as defined by this policy (or a combination of these assets) placed in trusts.
- c) The SCC Foundation will not serve as trustee.

### 3. Charitable Gift Annuities

- a) No gift annuity which names an income beneficiary under 55 years of age, or any Deferred Payment Gift Annuity which names a beneficiary under 45 years of age, shall be accepted without approval of the Board of Directors.
- b) Gift Annuities and Deferred Payment Gift Annuities will be accepted for a single life or two life-joint, and survivor only, unless the Board of Directors approves acceptance under other circumstances.
- c) The minimum initial contribution for a Gift Annuity shall be \$10,000. The minimum contribution for an additional gift annuity shall be \$5,000.
- d) The SCC Foundation will use the payout rate schedule suggested by the *American Council on Gift Annuities* as a representative guide.

### **C. Restricted Gifts/Endowments**

1. Gifts to the SCC Foundation may be restricted in their use if the proposed use is consistent with the SCC Foundation's mission and the restrictions do not violate the SCC Foundation's ethical standards or require illegal discrimination.
2. The SCC Foundation has the discretion to reject proposed designated or restricted gifts.
3. Significant restricted gifts and endowments shall be approved by the Board of Directors.

#### **D. Capital Campaign Gifts**

1. All gifts and bequests received, along with pledges made, designated for a capital campaign will be credited to the capital campaign. Funds received for a capital campaign will be accounted for as a separate line item to ensure that funds are used for the purposes intended.
2. Gifts made in anticipation of a campaign may also be credited to the campaign at the discretion of the Executive Director. The Executive Director may credit any unrestricted gifts received during the campaign solicitation period to the campaign or to other purposes. The pledge period for the campaign will generally be 3 years, with some gifts paid over 5 years.
3. The campaign will count towards its goal the fair market value of gifts received, including the present or actuarial value of planned gifts. Gifts of securities and other non-cash gifts shall be handled according to the procedures as described in Section IV(A) of this document.
4. Gifts in kind shall only be credited towards the campaign when directly relieving the budget of the capital project for which they are intended.

#### **V. Counting and Valuing Planned Gifts**

*Taken from National Association of Charitable Gift Planners © 2009.*

##### **A. Revocable Deferred Gifts**

Definition: Gifts solicited and committed during the reporting period, on which the donor retains the right to change the commitment and/or beneficiary. Examples include:

1. Estate provisions, either from a will or a living trust.
2. IRAs or other retirement plan assets in which the charitable beneficiary's interest remains revocable by the donor.
3. Life insurance in which the donor retains ownership (face value less any policy loans) and in which charity is owner, but premiums remain due.
4. The portion of Donor Advised Fund assets due to the charity in which the charity is the owner of the DAF program.
5. Other revocable pledges

It is difficult to put specific numbers on certain revocable commitments whose ultimate maturation value is uncertain. The numbers reported may at best be estimates and should reflect both a conservative and realistic understanding of each donor's circumstances. Commitments counted

nominally at time of receipt (for example, at \$1, because the charity had no information about the value) can be counted at full value if they mature in a later campaign.

## **B. Estate Provisions**

To include estate provisions in campaign totals, the following requirements must be satisfied:

1. The commitment should specify an amount to be distributed to the SCC Foundation or, if a percentage of the estate or a trust, specify a credible estimate of the value of the estate at the time the commitment is made.

(Note: The decision about whether these types of gifts should be given campaign credit is often based on the value of the estate. At best, this requires a judgment call to be made by the campaign managers after conversation with the donor and their advisor.)

2. Have verification of the commitment through one of the following forms:
  - a. A letter or agreement from the donor or donor's advisor affirming the commitment.
  - b. Copy of will, or at minimum the page(s) where the SCC Foundation is mentioned.
  - c. Notification form provided by the SCC Foundation, signed by donor or advisor
3. The campaign will carefully investigate the actual circumstances underlying the estate and be conservative in counting such commitments toward campaign totals. If any circumstances should make it unlikely that the amount pledged by bequest will be realized by the SCC Foundation, then the commitment should be further adjusted according to specific circumstances, or not reported at all.

## **C. Retirement Plan Assets**

1. The SCC Foundation may be named as the beneficiary of retirement plan assets. A testamentary pledge of retirement plan assets shall be included in campaign totals if the following requirements have been satisfied:
  - a. There must be a means to establish a credible estimate of the value of the retirement plan account at the time the commitment is made.
  - b. Have verification of the commitment in the form of a letter from the donor or the

donor's advisor affirming the commitment.

- c. The campaign will investigate carefully the actual circumstances underlying the plan and be conservative in counting such commitments toward campaign totals. If any circumstances should make it unlikely that the amount pledged will be realized by the SCC Foundation, then the commitment should be further adjusted according to specific circumstances, or not reported at all.

(Note: The decision about whether these types of gifts should be given campaign credit is often based on the value of the retirement plan assets at the death of the donor. At best, this requires a judgment call to be made by the campaign managers after conversation with the donor and their advisor.)

## **VI. DONOR BILL OF RIGHTS**

Philanthropy is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To ensure that philanthropy merits the respect and trust of the public, and that donors and prospective donors can have full confidence in the nonprofit organizations and causes they are asked to support, we declare that all donors have these rights:

1. To be informed of the SCC Foundation's mission, of the way the SCC Foundation intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.
2. To be informed of the identity of those serving on the SCC Foundation's governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities.
3. To have access to the SCC Foundation's most recent financial statements.
4. To be assured their gifts will be used for the purposes for which they were given.
5. To receive appropriate acknowledgement and recognition.
6. To be assured that information about their donation is handled with respect and with confidentiality to the extent provided by law.

7. To expect that all relationships with individuals representing the SCC Foundation of interest to the donor will be professional in nature.
8. To be informed whether those seeking donations are volunteers, employees of the SCC Foundation, or hired solicitors.
9. To feel free to ask questions when donating and to receive prompt, truthful, and forthright answers.