The FOUNDATION DAYTONA STATE COLLEGE

Gift Acceptance Guidelines & Procedures

1. Purpose

The Gift Acceptance Guidelines & Procedures are established to provide equitable protection for the interests of the Daytona State College Foundation and the interests of those who support its programs through charitable gifts. These guidelines and procedures are established to assure that each gift to, or for the use of, the Foundation are structured to provide maximum benefits to both donor and donee. Furthermore, these guidelines and procedures are intended to serve the best interests of both the donor and donee in any particular gift planning opportunity.

The guidelines and procedures address both current and deferred gifts. The goal is to encourage financial support for the Foundation without encumbering Daytona State College with gifts which either generates more cost than benefit or which may be restricted in a manner that is not in keeping with the mission of the Foundation.

Those gifts that have direct application to educational programs will follow the College Gift Acceptance Policy.

2. General Guidelines

All gifts shall be acquired in compliance with the regulations set forth by the Internal Revenue Code and the laws of the State of Florida. The Foundation shall not accept any gift which would improperly inure to the benefit of any individual or in a manner that would jeopardize the tax-exempt status of the Foundation.

The Foundation reserves the right to refuse any gift that is not consistent with its mission. In addition, gifts will not be accepted by the Foundation that:

a) Violate any federal, state or local statute or ordinance;
b) Create a fund to provide for scholarships, fellowships, professorships or lecture series with restrictive clauses that could cause embarrassment to the Foundation;
c) As a condition thereof, require any action on the part of the Foundation which is unacceptable to the Foundation's Board of Directors;
d) Require/stipulate to the Foundation and its Board of Directors the future employment of any specified person;

e) Contain unreasonable conditions (i.e,. a lien or other encumbrance) on gifts of partial interest and property without prior approval of the Gifts Committee;

f) Are intended to be tuition payments and/or which provide for inappropriate personal financial gain for a related party or family member of the donor; or

g) Are financially unsound or could expose the Foundation to liability.

Gift Types

I. Bequests:

Definition: A will is an instrument by which a person stipulates the disposition of property to take effect after his death and can be altered or revoked at any time during his life.

Policy: Donors may make bequests to the Daytona State College Foundation under their wills and trusts. A bequest will not be recorded as a gift until the gift is irrevocable. When a gift is irrevocable, but is not due until a future date, the value of the gift will be recorded into the Foundation's gift records when the Foundation receives the appropriate documentation.

Procedures:

a) Attempts may be made to discover bequest expectancies in order to recognize the donors and to find opportunities for other positive donor relations.

b) In the event of an inquiry by a person who is making a will as to the acceptability of property proposed to be left to the Foundation, such inquiries shall be referred to the Director of Gift Planning or the Executive Director.

c) Gifts, from the estates of deceased donors consisting of property, which do not meet the general guidelines, shall not be accepted. This information will be communicated to the legal representatives of the estate.

II. Cash:

Policy: Gifts in the form of currency and checks may be accepted in any amount unless, as in the case of all gifts, there is a question as to whether the donor has sufficient title to the assets or is mentally competent to legally transfer the funds to the Foundation.

Procedures:

a) All checks must be made payable to the "Daytona State College Foundation" and shall in no event be made payable to an employee, agent, or volunteer for the credit of the Foundation.

b) Internal Revenue Service requirements will be followed and reported.

III. Charitable Gift Annuities:

Definition/Policy: A Charitable Gift Annuity is a contractual arrangement whereby a donor makes a gift to the Foundation in exchange for annual payments for the life of an individual and may be accepted at any time. Outside financial institutions may be used to administer and distribute such funds.

Procedures:

a) The Foundation may issue a charitable gift annuity for amounts of $10,000 or more with all beneficiaries age 55 years or older, unless otherwise agreed to by the Gifts Committee. A gift annuity agreement shall be for one or two lives and no exception shall be made to this requirement. Additions to the annuity are accepted in amounts of $1,000 or more.

b) The Foundation shall issue gift annuities at rates not exceeding the rates as computed using government tables ("American Council on Gift Annuities"). The charitable gift must exceed 10% of the amount transferred for the annuity.

c) For a deferred payment charitable gift annuity, the period of deferral between the transfer for the deferred payment annuity and the date the annuity payments begin shall be no more than 15 years.

IV. Charitable Lead Trusts:

Definition: The Charitable Lead Trust is an irrevocable trust which pays income to the Foundation for a term of years or the life of an individual based on the value of the property in the trust with the remainder going to a non-charitable beneficiary.

- A Charitable Lead Unitrust provides a variable income based on a fixed percentage of the annual value of the trust.
- A Charitable Lead Annuity Trust pays a fixed income based on the initial value of the trust.

Policy: Charitable lead trusts could be a method of making gifts to the Foundation while preserving assets for the donor. 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.

In general, the Foundation does not serve as trustee of a charitable lead trust unless an irrevocable charitable interest has been assigned to the Foundation. Fees for the management of a charitable lead trust may be paid by the Foundation upon the recommendation of the Gifts Committee.

No representations shall be made by any employee or other persons acting on behalf of the Foundation as to the manner in which charitable lead trust assets will be managed or invested by a corporate fiduciary who may be recommended by the Foundation without the prior approval of such representation by the fiduciary.

V. Charitable Remainder Trusts:

Definition: Charitable Remainder Trusts are irrevocable trusts which pay income to a non-charitable beneficiary for life or a term of years, normally not to exceed 15 years, based on the value of the property in the trust with the remainder going to a charitable beneficiary.

- A Charitable Remainder Unitrust provides a variable income based on a fixed percentage of the annual value of the trust.
- A Charitable Remainder Annuity Trust pays a fixed income based on the initial value of the trust.

Policy: Charitable remainder trusts and all other deferred gifts 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.

In general, the Foundation does not serve as trustee for a charitable remainder trust unless an irrevocable charitable interest has been assigned to the Foundation. Fees for the management of a charitable remainder trust may be paid by the Foundation upon the recommendation of the Gifts Committee.

In the case of a charitable remainder annuity trust, there may not be more than a 5% probability that the non-charitable income beneficiaries will survive the exhaustion of the fund in which the Foundation has a remainder interest. If the chance that the Foundation will receive nothing is not so remote as to be negligible, then the charitable character of the trust may be challenged.

No representations shall be made by any employee or other persons acting on behalf of Foundation as to the manner in which charitable remainder trust assets will be managed or invested by a corporate fiduciary that may be recommended by the Foundation without the prior approval of such representation by the fiduciary.

VI. Endowments:

Definition: An endowment is a gift of money, or a gift which shall be rendered to monetary value, which is invested by the Foundation for a purpose identified by the donor with the agreement of the Foundation.

Policy: Endowments may be created for various purposes including scholarships, academic programs, academic equipment/materials and physical facilities.

If a donor places no restrictions on an endowment gift, the earnings are used at the discretion of the Foundation in the area of greatest need within the College. If the donor chooses to specify how the gift is to be used, the earnings will be devoted solely to that purpose, so long as the purpose exists.

Procedures:

a) The objective of an endowment is to provide benefits perpetually, or for such time that the intended purpose may be sustained. Contributions to the endowment, its principal, shall be prudently invested, according to the then current Investment Policy, which may result in both gains and losses, but are anticipated to provide benefits while maintaining and growing in value over time. Benefits from the endowment may be paid from growth and income.

b) An endowment account must begin with a minimum contribution of $10,000. The donor may name the endowment.

c) Before accepting the gift, a representative of the Foundation will meet with the donor to discuss the purpose of the gift, explain the Foundation's policies relating to gifts and other programs, such as employer or state matching programs that may apply.

d) Upon the acceptance of the gift, the Foundation will work with the donor to develop a gift agreement that is satisfactory to both parties, reflects the wishes of the donor, and be affirmed by the signature of both the donor and the Executive Director of the Foundation.

e) If the donor elects to also provide start-up funds to allow for immediate scholarships, funds will be deposited as such into the then current endowed account for such spending.

f) Matching funds from the State of Florida in the amount of 50/50 match for scholarship and 60 (private)/40 (State) match for program endowments may be requested on the date provided by the State rule following receipt of the gift.

g) The scholarship donor is to be notified of the name of the student receiving an endowed scholarship, and the recipient is expected to write the donor a letter of appreciation for the scholarship.

h) Any contributions in which control of investments or disbursements remains with the donor or are intended to be used for sole interests of the donor are to be refused.

i) If future circumstances change, the donor fails to maintain a proper balance for awarding expenditures, or the purpose for which the fund is established becomes illegal, impractical, or no longer meets the needs of the College, the Foundation may designate an alternative use in the spirit of the donor's original intent for the gift to further the objectives of the College.

VII. Gift Agreements:

Purpose: To provide a mechanism for ensuring that the donors' preferences will be specified and honored.

Policy: When a donor wishes to attach restrictions or specify other provisions to his or her gift to the Foundation, a gift agreement will be signed by both the donor, or his or her designee, and the Foundation's Executive Director.

Procedures:

a) A draft of the gift agreement will be sent to the donor for review. With his or her approval and/or revisions, a final draft of the gift agreement will be prepared.

b) The donor, or his or her representative, and the Executive Director of the Foundation will execute and date the agreement.

c) The original agreement will remain with the Foundation, with an electronic copy placed in the donor database. A copy of the agreement will be provided to the donor.

d) The Foundation Accountant shall set up the appropriate accounts.

VIII. Gifts-in-Kind:

Definition: Gifts-in-kind are defined as contributions of non-cash assets which may not be readily rendered to cash, other than cash, securities instruments and trusts, or real estate. They fall into several general categories: personal property, ordinary income property, business inventory items, and professional services.

Policy: Donations of gifts-in-kind may be accepted by the Foundation according to College guidelines. A gift-in-kind must assist the Foundation in fulfilling its mission with the College. The offer, acceptance, and transactions involving the gift must not damage the College's reputation or produce a substantial cost or administrative burden on the staff or administrators of the Foundation or the College.

Procedures:

a) Persons contacting the Foundation with the offer to donate physical materials, supplies or equipment are processed as follows:

1) "Donation Form for Non-Cash" gifts will be completed to indicate the nature of the gift and approximate value, need for transportation to College property, and other pertinent information as necessary for internal use. Appropriate College departments are to be consulted regarding potential use of donation.
2) Donor is notified of Foundation's acceptance or rejection of gift.
3) Inventory of tangible assets of the Foundation will be maintained in the Foundation office and/or the appropriate department for which the gift is provided.

   Gifts-in-kind for special events will be recorded accordingly.

b) Given the wide variety of gifts-in-kind, the Foundation will adhere to the specific tax laws, related to the gift in question.

c) The donor will be responsible for securing a qualified appraisal of the property for tax purposes. In instances in which the value is significant or in which there is an obligation imposed on the Foundation by the gift (i.e., through a trust or a bargain sale arrangement), the Foundation may elect to have its own independent appraisal. A third-party appraisal is required for all donations estimated to be a value of over $5,000 and at the Executive Director's discretion for amounts less than $5,000.

d) For a gift valued at more than $5,000, the Foundation will ensure that a Foundation representative will personally inspect the property prior to the acceptance of the gift.

e) The gift credit at the Foundation will be recognized at the appraised value of the gift. If two appraisals are secured, the gift value will be either the lower value or a compromise value agreed upon between the Foundation and the donor.

f) The effective date of the gift will be the date on which the donor gives up control of the asset. The donor gives up control on either the date the Foundation takes possession or the date on which the donor irrevocably and in writing relinquishes ownership. Prior to the Foundation's acceptance of the gift, the donor and the Foundation will jointly determine which date is applicable.

g) The Foundation will inform the donor of its regulatory obligation to file form 8282 or appropriate document in the event that the Foundation sells the property within a two-year period from the date of the gift. In cases in which the value exceeds $500, the donor will also be informed of the obligation to file Form 8283 or appropriate document with the appropriate tax return in order to claim the tax deduction for the gift.

h) If the gift is earmarked for a particular division, department, or program at the College, Foundation staff will work with the division director, department chair, or program administrator to determine the use and/or disposition of the gift. Such cooperative efforts will be particularly appropriate with a gift of art, musical instruments, computer equipment, or library books and materials.

i) In cases in which the donor is unable to secure a fair market appraisal or fails to inform the Foundation of such a valuation, the Foundation will note the gift and record it at minimal gift value. In the case of books donated to the library, the Foundation will note the gift value of $I.00 per book in such circumstances.

j) The Foundation or College will retain the right to dispose of a gift. Any obligation to the contrary or expectation by the donor(s) as to the use, care, or display of the gift should be detailed in writing and explicitly agreed to by the Foundation and/or College prior to the acceptance of the gift.

k) All gifts-in-kind shall be accepted without donor restrictions unless a request for exemption is approved by the Foundation Board, the College President and, if required the District Board of Trustees.

l) Acceptance of all gifts-in-kind requires approval by both the Executive Director of the Foundation and the Department Head or Dean of the receiving campus or department.

IX. Life Insurance:

Definition: Life insurance is defined as a contract between the owner of a policy and an insurance company whereby the company agrees, in return for premium payments, to pay a sum to the beneficiary upon the death of the insured.

Policy: The Foundation may suggest to donors life insurance options.

The Foundation does not encourage gift planning wherein the primary gift technique involves the purchase of a new policy of life insurance designating the “Daytona State College Foundation” as a beneficiary.

No insurance products and no insurance companies are endorsed by the Foundation for use in funding gifts to the Foundation.

Foundation’s staff shall not furnish donor’s names to other persons for the purpose of marketing life insurance. Any external request for donor information will be referred to the College’s legal counsel.

X. Pledges:

Policy: Gifts may be pledged to be paid over a period of time, and pledges may be completed using any of the following types of property: cash, securities, real property, or other property.

Pledges may be considered to be both current, to the extent that it represents a gift made during the present year, and deferred, to the extent that it is a promise to make a subsequent gift. Pledges may be fulfilled with a series of current gifts or through other financial instruments.

XI. Pooled Income Fund:

Definition: The pooled income fund receives varying gifts of cash or appreciated securities from multiple donors, commingling the proceeds for investment, and then pays monthly income for life to the beneficiaries based on their pro rata share of the fund's income, with the remaining principal passing to the charitable organization upon the donor's death.

Policy: The Foundation does not currently offer a pooled income fund.

XII. Property Gifts:

a) Real Estate Gifts

Purpose: To specify the terms and conditions under which the Foundation can accept donations of real estate.

Policy: Legal title to all real property donated to the Foundation will be held in the name of the Foundation or transferred to the College upon request of the College President.

Procedures:

a) Persons contacting the Foundation with an offer to donate real property are to be referred to the Foundation's Executive Director.

b) Information pertinent to the nature of the donation as is indicated in a "Real Estate Donation Check List" is collected, and a decision to accept is made by the Foundation Executive Director and Gifts Committee in conjunction with the Foundation Investment Policy.

c) All real estate gifts should be accepted for specific use in an educational program or for management as an investment. An exception would be made if a land or property donation was made and an eventual College expansion was anticipated.

d) Third party appraisals for all real estate donations to the Foundation are required in order to ensure value is reported accurately. No gift of real estate shall be accepted without a current appraisal (within 60 days from the date of gift) by a party chosen by the Foundation who shall have no business or other relationship to the donor.

e) An environmental survey should be completed and/or before accepting a land/property donation. Generally, the donor will pay survey costs, but each case will be decided individually. An environmental survey is to be completed by a party chosen by the Foundation who shall have no business or other relationship to the donor.

f) Land/property donations in a location not readily available for inspection and maintenance (e.g. Alaska) may be declined.

g) If rental property is donated, and accepted, the Foundation could secure the services of a property management company.

b) Life Estates:

Definition: A life estate is defined as a gift to the Foundation of a house, farm or ranch where the donor retains the right to the income, use and enjoyment of the property for life.

Policy: Life estate gifts will be evaluated to determine the benefit to both the Foundation and the donor.

Life estate gifts may be accepted where the real property involved is an incidental portion of the donor's current and future estate, and where there has been a full discussion with the donor concerning the particular risk inherent in this type of gift. The donor shall be responsible for taxes, insurance and maintenance. A written agreement shall be entered into with the donor(s) regarding these responsibilities.

c) Other Property:

Property not otherwise described in this section, whether real or personal, of any description (including, but not limited to, mortgages, notes, copyrights, trademarks, royalties, and easements) may be accepted upon recommendation of the Gifts Committee.

XIII. Retirement Plans:

Policy: Many retirement plans, including Individual Retirement Accounts and qualified pension and profit-sharing plans, may be used to fund charitable gifts. The Foundation encourages donors to name the Foundation as a beneficiary of residual amounts that remain in a retirement plan following the death of the retiree and surviving spouse.

Procedure: Donations from these plans may be affected by sending a new beneficiary designation to the plan administrator.

XIV. Securities Transfer:

Policy: Publicly traded securities may be accepted as a gift by the Foundation with the donation value determined according to Foundation guidelines specified herein. Securities are to be sold at market value as soon as received and written confirmation from the designated bank will be sent to the Foundation. The Foundation will in turn send written confirmation to the donor. Prior to completion of the gift, no commitments shall be made by the Foundation for the repurchase of such securities.

Procedures:

a) Marketable securities accepted for donation are to be wired by the donor's broker to the Foundation's current account.

b) The cash proceeds from the transaction are then to be deposited or invested in an investment or temporary account per directions from the donor.

c) The value of the gift for tax purposes and the value that will be entered into the Foundation's gift records will be the value on the official date of the stock's transfer.

XV. Temporary Restricted and Unrestricted Gifts:

Definition/Policy: A temporary restricted and/or unrestricted gift is a gift of money, or a gift which shall be rendered to monetary value, which is expended by the Foundation for a purpose identified by the donor with the agreement of the Foundation. If a donor places no restrictions on the gift, the gifts are used at the discretion of the College in the area of greatest need within the College. If the donor chooses to specify how the gift is to be used, the earnings will be devoted solely to that purpose, so long as the purpose exists.

Procedures:

a) In order to establish a new named account for a designated purpose, a total initial contribution of $2,500 is required before expenditures may be made.

b) There is no minimum for expenditures; however, the fund must maintain a balance equal to or greater than the award amount.

c) Before accepting the gift, a representative of the Foundation will meet with the donor to discuss the purpose of the gift, explain the Foundation's policies relating to gifts and explain the State's matching programs.

d) Upon the acceptance of the gift, the Foundation will work with the donor to draw up a gift agreement that is satisfactory to both parties, reflects the wishes of the donor, and be affirmed by the signature of both the donor and the Executive Director of the Foundation

e) Non-endowed funds may be created for various purposes including, but not limited to, scholarships, academic programs and physical facilities.

f) If future circumstances change, the donor fails to maintain a proper balance for awarding expenditures, or the purpose for which the fund is established becomes illegal, impractical, or no longer meets the needs of the College, the Foundation may designate an alternative use in the spirit of the donor's original intent for the gift to further the objectives of the College.

g) Matching funds from the State of Florida in the amount of 50/50 match for scholarship and 60 (private)/40 (State) match for program endowments may be requested on the date provided by State rule following receipt of the gift.

h) The scholarship recipient is expected to write a letter of appreciation for the scholarship. These letters will be shared with the donor.

XVI. Wire Transfers and Electronic Fund Transfers:

Policy: Transfers are accepted by the Foundation, to the Foundation's current account.

Procedures: All transfers will be made to the Foundation's appropriate account, as provided by staff from the Foundation.