

Mid-State Technical College Foundation Gift Acceptance Policy

Purpose

The following gift acceptance policy has been developed to provide for and govern the acceptance of appropriate contributions to Mid-State Technical College Foundation (“Foundation”). By defining types of assets and gift forms that are appropriate, this policy also defines, focuses and strengthens the Foundation’s role in gift administration. In addition, this policy aids prospective donors and their advisors in the planning of and making gifts. The provisions of this policy apply to all gifts received by the Foundation.

The Foundation’s mission is to provide financial resources to students and support Mid-State Technical College (“College”) and its teaching and learning communities through the generosity of donors. The Foundation will only accept gifts in furtherance of its mission. The following will also guide the Foundation in evaluating potential gifts:

1. The Foundation will not accept a gift unless there is a reasonable expectation that the gift will benefit the Foundation and/or the College.
2. The Foundation will not accept a gift if such acceptance imposes upon the Foundation and/or College overly burdensome administrative or other efforts or costs.
3. The Foundation will not accept a gift if such gift is not in the best interest of the donor. Each donor should be urged to seek the advice of independent counsel in the gift planning process. The Foundation staff will not provide legal, accounting or tax advice to prospective donors.

To optimize contributions from individuals and other entities, the Foundation must be capable of responding to donors quickly. It is understood that, except where stated otherwise, these policies are intended as guidelines, and that flexibility must be maintained. Therefore, these policies encourage the Foundation’s Director and the Foundation’s Board of Directors to use good judgment and professional experience in accepting normal and ordinary gifts on behalf of the Foundation and the College, as guided by the Donor Bill of Rights and for employed staff, the Association of Fundraising Professionals Code of Ethical Standards.

The Foundation Board delegates donation approval authority to the Foundation Director. The Foundation Director shall have the authority to approve donations in accordance with this Policy. The Foundation Director will work with appropriate individuals within the College and shall inform the Foundation Board of all final determinations accepting or rejecting gifts offered by donors intended to support the College and its programs.

I. Use of Legal Counsel

The College, Foundation, or Foundation Director will seek the advice of legal counsel regarding gift acceptance when appropriate. The following are examples of the types of gifts that may be reviewed by the College’s legal counsel prior to acceptance:

- A. Stock transfers which contain restrictions or buy-sell agreements;
- B. Gifts provided through a trust in which the Foundation has been named as a trustee

- C. Gifts involving contracts which require the Foundation and/or College to assume any legal or other obligation under the contract;
- D. Transactions with a potential conflict of interest for the Foundation or College, including but not limited to those with potential IRS penalties; and
- E. Any other type of gift that the College or Foundation believes a review by legal counsel is necessary.

II. Management

The Foundation's Director, Executive Committee or another entity designated by the Foundation's Board of Directors, shall manage this gift acceptance policy. The Director shall, at the direction of the Board, take any steps necessary to promote donations and contributions to the Foundation, cultivate and educate potential contributors, and secure gifts in accordance with this policy.

III. Conflict of Interest

The Foundation will encourage potential donors to seek assistance from their personal legal and financial advisors regarding tax and estate planning consequences related to their gifts. The Foundation will be guided by the Donor Bill of Rights, and for employed staff, the Association of Fundraising Professionals Code of Ethical Standards.

IV. Restrictions of Gifts

The Foundation will accept restricted gifts for specific programs and purposes consistent with its stated mission, purposes, and priorities. Restricted gifts, including those which would violate the Foundation's articles of incorporation, are too difficult to administer, or are for purposes outside the Foundation's mission will not be accepted. Final acceptance or refusal decisions on restricted gifts will be made by the Foundation Director, and, if necessary, shall report decisions to designated committees.

V. Types of Gifts

The Foundation Director may approve the following gifts for the Foundation subject to the criteria governing acceptance:

- A. **CASH:** Cash is acceptable in any form. Checks should be made payable to Mid-State Technical College Foundation and be mailed or delivered to the office of the Mid-State Technical College Foundation at 500 32nd Street N., Wisconsin Rapids, WI 54494.
- B. **TANGIBLE PERSONAL PROPERTY:** All gifts of tangible personal property, also referred to as in-kind gifts, will be examined with the following considerations:
 - a. Does the property fulfill the mission of the Foundation?
 - b. Is the property marketable?
 - c. Are there any undue restrictions on the use, display, or sale of the property?
 - d. Are there any costs associated with the property?

- e. Jewelry, artwork, collections and other personal property may be accepted by the Foundation with special attention given to the related use of such property to the mission of the Foundation and the College.
- f. No personal property shall be accepted by the Foundation unless there is reason to believe the property can be quickly liquidated or otherwise used by the Foundation or the College in pursuit of their tax-exempt purposes. No personal property shall be accepted that obligates the Foundation to ownership of it in perpetuity except in those cases where the donor agrees to endow funds to ensure the care and maintenance of said property. No perishable property or property which will require special facilities or security will be accepted without the Foundation Director's prior consultation with and in full agreement of appropriate individuals and officials of the College.
- g. Only the Foundation Board, or persons authorized by the Foundation Board, may represent to a donor that property will or will not be held by the Foundation for a requisite period of time or for the purposes related to its tax-exempt status.
- h. Donors should be advised that the Foundation will, as a matter of corporate policy, cooperate fully in all matters related to IRS investigations of no-cash charitable gifts (including compliance with IRS Form 8283)
- i. Tangible property gifts of this type with a \$500 value or more will be processed through an In-Kind Donation Request Form.

C. **OTHER PROPERTY:**

Other property of any description including mortgages, notes, copyrights, royalties, easements, whether real or personal, may be accepted subject to the approval of the Foundation Director after consulting with the Executive Committee.

D. **SECURITIES:** The Foundation may accept both publicly-traded securities and closely-held securities, if the additional criteria meet the standards of the Foundation's gift acceptance policies and guidelines.

- a. **Publicly-Traded Securities:** Marketable securities can be transferred to a Foundation account or personally delivered with the transferor's signature or stock power attached. All marketable securities will be sold upon receipt unless otherwise directed by the Executive Committee. Restrictions and applicable securities laws will be taken into consideration when accepting the securities.
- b. **Closely-Held Securities:** Closely-held securities including debt and equity positions in non-publicly traded companies as well as interests in LLPs and LLCs or other ownership forms, can be accepted. The following will be reviewed prior to acceptance:
 - i. No restrictions on the security that would prevent the Foundation from ultimately converting assets to cash;
 - ii. Security is marketable; and
 - iii. 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 secured before making a final decision on accepting the gift. The final determination will be made by the Foundation Director, who shall report approval decisions to the Executive Committee.

- E. **REAL ESTATE:** The Foundation may accept gifts of real estate. Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest. Prior to acceptance, the Foundation will request an extensive environmental audit at the expense of the donor using a contractor identified by the College.

When appropriate, title insurance will be secured by the Foundation prior to acceptance of the real property gift at the expense of the donor.

The Foundation Director will have the sole discretion to approve gifts of real estate. The Foundation Director shall report acceptance of real estate to the Executive Committee. The Foundation Director shall use the following criteria concerning approval of real-estate donations:

1. Is the property useful for the purposes of the Foundation?
2. Is the property marketable?
3. Are there any restrictions, covenants, reservations, easements, or other limitations associated with the property?
4. Are there carrying costs, which may include insurance, property taxes, mortgages, notes, etc., associated with the property?
5. Does the environmental audit reflect that the property is acceptable?

- F. **REMAINDER INTERESTS IN PROPERTY:** The Foundation may accept a remainder interest in a personal residence, farm, vacation property, or similar types of real estate, subject to the evaluation and approval process listed in Section E above. The donor or other occupants may continue to occupy the real property for the duration of its stated life. At the death of the donor, the Foundation may use the property or sell it for cash. The Foundation Director shall only approve this type of gift if the donor enters into a written agreement that provides expenses, maintenance, real estate taxes, and any property indebtedness are to be paid by the donor.

- G. **LIFE INSURANCE:** The Foundation may accept a life insurance policy as a gift. Prior to acceptance of a life insurance policy, the Foundation must be named as both the sole beneficiary and irrevocable owner of the insurance policy. Gifts are valued at their respective interpolated terminal reserve value, or cash surrender value, upon receipt. If the donor contributes future premium payments, the Foundation will include the entire amount of the additional premium payment as a gift in the year it is received. No policy with a loan balance will be accepted.

Should a donor propose such a gift, the Foundation Director, with the assistance of legal counsel when necessary, will review the proposal and report the approval decision to the Executive Committee. The following are options for consideration:

- a. Continue to pay the premiums;
- b. Convert the policy to paid-up insurance; or
- c. Surrender the policy for its current cash value.

- H. **CHARITABLE GIFT ANNUITIES:** Acceptance of Charitable Gift Annuity gifts will be reviewed by the Foundation Director along with the College's legal counsel. The Foundation Director shall inform the Executive Committee of annuity approval decisions.
- I. **CHARITABLE REMAINDER TRUSTS:** The Foundation may accept designation as a remainder beneficiary of a charitable remainder trust. The Foundation will not accept an appointment as trustee of a charitable remainder trust. The Foundation Director shall inform the Executive Committee of approval decisions regarding these donations.
- J. **CHARITABLE LEAD TRUST:** Should a donor propose such a gift, the Foundation Director, with the assistance of appropriate counsel, will review the proposal and make an approval determination. The Foundation Director shall notify the Executive Committee of an approval decision. The Board of Directors of the Foundation will not accept an appointment as trustee of a charitable lead trust.
- K. **RETIREMENT PLAN BENEFICIARY DESIGNATIONS:** Designation of the Foundation as a beneficiary of donor retirement plans will not be recorded as gifts until the gift is irrevocable. When the gift is irrevocable and payment is due in the future, the value of the gift at the time the gift becomes irrevocable is the amount to be recorded.
- L. **BEQUESTS:** This type of gift will not be recorded as a gift to the Foundation until the gift is irrevocable. When the gift is irrevocable and payment due in the future, the value of the gift at the time the gift becomes irrevocable is the amount to be recorded.

VI. MISCELLANEOUS PROVISIONS

- A. **SOLICITATION AND ACCEPTANCE OF GIFTS:** Fundraising is defined as solicitation of any type of donation with value from external sources by any officer, employee, agent, or volunteer acting on behalf of Mid-State Technical College, the Foundation, or any of its units or authorized organizations. All solicitations of gifts will follow the highest standard of ethics as outlined by the professional associations in the field.
- B. **APPRAISALS AND LEGAL FEES FOR GIFTS:** Donors will be responsible to secure an appraisal, and independent legal counsel, when required, for gifts made to the Foundation.
- C. **VALUATION OF GIFTS FOR DEVELOPMENT PURPOSES:** The Foundation will record a gift received by the donor for the appropriate valuation for gift purposes on the date of the gift, except as otherwise stated in this policy.
- D. **ACKNOWLEDGEMENT OF ALL GIFTS:** The Foundation staff will provide written acknowledgement of all gifts made to the Foundation.
- E. **REFUNDS:** Donations made to the Foundation are final and irrevocable upon acceptance by the Foundation.

- F. **FOUNDATION AUTHORITY TO REFUSE ANY GIFT:** The Foundation and College retain the right to refuse any gift for any reason. This Policy is intended only as a guideline for gift acceptance and does not obligate the Foundation or College to accept specific types of gifts.

VII. **CHANGES TO GIFT ACCEPTANCE POLICIES**

These policies have been reviewed and accepted by the Mid-State Technical College Foundation Board of Directors as of April 24, 2019.

The Mid-State Technical College Foundation Board of Directors must approve any changes to or deviations from this policy.

- Updated May 29, 2019 - Change from College policy to a Foundation Policy