

III. GIFT ACCEPTANCE POLICY

A. Introduction

In furtherance of the charitable mission and purposes for which the James A. Rhodes State College Foundation (the "Foundation") is organized and operated, the Board of Directors of the Foundation (the "Board") hereby adopts this Gift Acceptance Policy to give guidance and counsel to individuals who solicit and accept gifts on behalf of the Foundation. All gifts shall be accepted or declined in accordance with the policies set forth herein. The scope of this Policy is limited to accepting or declining proposed gifts. It is not intended to cover disposition of property owned by the Foundation.

The Board recognizes its responsibility to ensure that gifts:

1. Are consistent with the mission of the Foundation;
2. Do not carry restrictions or conditions that may compromise the Foundation at any time, now or in the future;
3. Are in accordance with all applicable State and Federal laws;
4. Are from donors whose intents are charitable; and
5. Are administered to protect donors' rights and wishes.

B. Purpose of the Policy

The Foundation shall follow the guidelines set forth in this Policy when negotiating the terms of and accepting gifts from donors. Once the Foundation has accepted a gift on terms acceptable to both the Foundation and the donor, it becomes Foundation property and the donor should have no further control or authority over the gifted property. Donors may place restrictions on the use of the gifted property if agreed to by the Foundation. All gift restrictions must be approved by the Board. Donors may also reserve the right to make non-binding recommendations regarding use of the gift, if such right is reserved in writing in an agreement between the donor and the Foundation.

Gifts deemed unacceptable through preliminary discussions with the donor will be communicated to the donor at that time. Suggestions of alternate types of contributions will be shared with the donor.

C. Gift Acceptance Conditions

Gifts that are consistent with the mission, philanthropic vision, programs, tax-exempt purposes and fundraising principles of the Foundation may be accepted. The Foundation will not accept any gift that:

1. Violates any federal, state or local law or ordinance;
2. Contains a condition that requires any action on the part of the Foundation that is unacceptable to Foundation administration;
3. Commits the Foundation to provide a naming opportunity, unless approved by the Board;
4. Requires the Foundation and its administration to employ a named individual now or at a future date;
5. Requires acceptance of liens or other encumbrances, unless approved by the Board;
6. Exposes the Foundation to litigation or other liabilities;

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7. Generates unrelated business income to the Foundation, unless approved by the Board;
8. Otherwise appears to be financially unsound.

Consideration for naming or renaming facilities, properties, and academic entities may be given in recognition of a significant gift to the College. In such situations, the Board will work in collaboration with the Rhodes State College Board of Trustees regarding naming opportunities for College facilities, properties, and academic entities (e.g., buildings or portions of buildings, centers, rooms, interior and exterior spaces.)

For purposes of clarity, the Foundation does not have the power to accept any gift that imposes any of the obligations above or any other obligations on the James A. Rhodes State College ("College"), unless the Board of Trustees of the College has duly approved acceptance subject to those obligations. The College is not required to accept any gift from the Foundation or from any third party.

D. Legal Counsel

The Foundation should seek the advice of tax and/or legal counsel where appropriate. It is recommended that the Foundation consult with legal counsel for gifts of real estate, closely held stock or partnership or limited liability company interests, intellectual property interests and tangible personal property. Legal counsel also should be consulted before the Foundation agrees to serve as trustee of a trust and before entering into any transaction with the Foundation's officers or directors.

The Foundation shall encourage donors to consult independent tax and/or legal counsel prior to making all contributions to the Foundation. It is the donor's responsibility to employ directly and to compensate independent legal and tax counsel in these transactions.

E. Confidential Information

All gift instruments will be deemed confidential to the extent permitted by law. A donor may authorize public announcement of any feature of an agreement. All requests for information will be honored only if the donor approves the release of information or if current law requires release of the information.

F. Gift Acknowledgement

The receipt of all gifts will be acknowledged in writing and in a manner that satisfies the applicable IRS substantiation requirements for the deduction of charitable gifts.

The Foundation will follow established guidelines with respect to public acknowledgment and recognition of donors in connection with various fundraising campaigns and events. Such guidelines will be established in advance of the initiation of a fundraising campaign or event and will typically provide for levels of recognition based upon the amount of a donor's contribution. Notwithstanding the foregoing, a donor will always have the option to remain anonymous or to forego elements of public recognition and acknowledgement to which the donor may be entitled in connection with a contribution.

1. Donations of \$250 or More

Generally, the Foundation shall acknowledge all contributions. With respect to any donation of \$250 or more, the Foundation shall provide contemporaneous written acknowledgment to the donor, which acknowledgment shall contain:

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- a. The name of the Foundation;
 - b. The amount of the contribution;
 - c. A description (but not the value) of non-cash contributions;
 - d. A statement that no goods or services were provided by the Foundation in return for the contribution, if that was the case; and
 - e. A description and good faith estimate of the value of goods or services, if any, that the Foundation provided in return for the contribution.
2. Quid Pro Quo Contributions

Where the Foundation provides goods or services to a donor in return for a contribution, such contribution is known as a "quid pro quo contribution." Generally, donors may only take a contribution deduction to the extent the contribution exceeds the fair market value of goods or services the donor receives in return for the contribution. If the Foundation receives a quid pro quo contribution in excess of \$75, the Foundation shall provide a written statement to the donor that:

- a. Informs the donor that the amount of the contribution that is deductible for Federal income tax purposes is limited to the excess of the amount of the contribution over the value of the goods or services provided by the Foundation; and
- b. Provides the donor with a good faith estimate of the value of such goods or services.

G. Types of Gifts

1. Cash and Checks. Gifts of cash and checks are accepted regardless of the amount. Funds may be wire transferred to the Foundation. Donors should consult a representative of their financial institution to make contributions via wire transfer. The Foundation may also accept gifts of cash by credit card payments and payroll deductions.
2. Securities. Gifts of publicly traded securities are accepted regardless of amount. Gifts of closely held securities (i.e., those that are not publicly traded and are held by only a few shareholders) are subject to prior approval of the Board. Generally, all securities received as gifts will be sold and the proceeds reinvested in accordance with current investment management strategies. Board approved departures from this policy will be considered in the event that a donor wishes to impose a transfer restriction on a gift.
3. Real Property. No gift of any current or remainder interest in improved or unimproved real estate shall be accepted without prior approval of the Board of Directors. In order to consider acceptance of a gift of real property, the Board may require information including, but not limited to, the following:
 - a. A title insurance commitment showing marketable title in the donor, free and clear of unacceptable encumbrances, issued by a reputable title insurance company;
 - b. An appraisal by a qualified appraiser;
 - c. An environmental audit by a qualified engineer indicating that ownership will not expose the Foundation to environmental liabilities;
 - d. A market feasibility study for the property;
 - e. A copy of any mortgage or other lien encumbering the property;
 - f. A structural engineering report; and
 - g. A review of leases.

The prospective donor must pay for any initial appraisal made of the property. It is the responsibility of the donor to pay all costs incurred in transfer of the property including the cost of compliance with any of the foregoing requirements.

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4. **Tangible Personal Property.** Gifts of tangible personal property, including but not limited to, works of art, jewelry, and collections will be considered only after a review indicates that the property can be used by the Foundation in furtherance of its charitable mission and purposes and, if not, that the property is readily marketable and free and clear of any encumbrances. The donor must pay for any appraisal of the property.
5. **Intangible Personal Property.** Gifts of intangible personal property, including but not limited to patents, copyrights, and trademarks will be considered based on whether the property can be used by the Foundation in furtherance of its charitable mission and purposes and, if not, whether the property is readily marketable.
6. **Bequests.** Bequests of any of these types of assets may be made through a will or living trust in which the Foundation is designed as a beneficiary.

Charitable Remainder Trusts. A charitable remainder trust is a separately administered trust established by the donor. It provides for payments to the donor and/or other named beneficiary(ies) either for life or a term of years. At the end of that period the remaining assets are distributed to one or more charities. The Foundation may accept designation as a remainder beneficiary. The Foundation will generally not accept the appointment as trustee of a charitable remainder trust.

7. **Charitable Lead Trusts.** A charitable lead trust provides for payments to one or more charities over the life of an individual living at the time the trust is created or for a term of years. At the termination of this period, the trust assets are distributed to a non-charitable beneficiary, (typically, the donor's children). The Foundation may accept designation as a beneficiary. The Foundation will generally not accept the appointment as trustee of a charitable lead trust.

Designating the Foundation as Beneficiary. The Foundation will accept proceeds that it receives as a designated beneficiary of a life insurance policy, a deferred annuity contract, an IRA, a defined benefit plan, a 401(k) plan, a defined contribution plan, or other retirement plan.

8. **Life Insurance Policies.** The Foundation accepts gifts of life insurance policies if the policy is paid-up and if the Foundation is designated as the owner and the beneficiary.
9. **Pooled Income Funds.** Generally, a pooled income fund is a trust maintained by the Foundation to which a donor may contribute an irrevocable remainder interest in property and retain an income interest in said property for life. The Foundation may maintain one or more pooled income funds, contributions to which are subject to the provisions of this Policy and prior approval of the Board (*See Code Section 642(c)(5)*).
10. **Charitable Gift Annuities.** Generally, a charitable gift annuity is an agreement whereby the donor transfers cash or other property to the Foundation in exchange for a commitment by the Foundation to pay the donor a specified amount each year during the remainder of the donor's life. The Foundation may offer charitable gift annuities, the terms and provisions of which are subject to prior approval of the Board.

H. Payment of Fees Related To Gifts

The Foundation does not pay fees to any person in consideration for directing a gift to the Foundation. However, the Foundation will pay reasonable fees for professional services rendered to it by persons/firms it has engaged in connection with the completion of a gift to the Foundation. Donors are responsible for hiring independent legal counsel and for paying legal, appraisal, and other fees associated with making a contribution.

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I. Changes to This Policy

Any changes to this Policy, or deviation herefrom, must be approved in advance by the Board.