



Gift Acceptance Policy

The Northwest College Foundation was formed to raise, recognize and invest private gifts on behalf of Northwest College, and extend financial support to NWC. As a private, nonprofit Wyoming corporation which is tax-exempt under Section 501(c)(3) of the Internal Revenue Code, the Foundation serves as the official fundraising organization for Northwest College.

Northwest College Foundation actively solicits gifts from individuals, businesses, foundations, and other entities to help the College fulfill its dedication to educational excellence. Whenever it appears that a gift – because of its source, its conditions, or its intended purpose – could expose NWC or the Foundation to adverse publicity, could extend the College’s or the Foundation’s resources beyond reasonable limits, or could involve Northwest College in new and unplanned activities, the matter must be referred to the Foundation’s Executive Director who will confer with appropriate College and Foundation officials prior to final acceptance of the gift.

While NWC Foundation appreciates the financial support and good will of donors, special care is required to ensure that the acceptance of a gift will not involve a continuing financial commitment or other obligation on the part of Northwest College that is disproportionate to the usefulness of the gift. NWC Foundation will not accept gifts which are too restrictive in nature, or which do not support Northwest’s overall mission. Neither will it accept a gift that is prohibited by prevailing law.

The purpose of these policies and guidelines is to provide general guidance to individuals and their advisors as well as to NWC Foundation officials in determining what kinds of gifts are acceptable.

Definition of a Gift

A gift is defined as a voluntary transfer of assets from a person or an organization to the Foundation where no goods or services are expected, implied or forthcoming for the donor. Gifts usually take the form of cash, securities, real property or personal property.

Acceptance and Acknowledgment of Gifts

The Foundation serves as the central receiving, acknowledging, recording and reporting unit for all gifts to the Foundation. Donors should make checks payable to Northwest College Foundation. The Executive Director of the Foundation ensures that all designated gifts are credited to the proper account and disbursed for the purposes designated by the donor. Donors will receive official receipts for tax purposes and proper acknowledgment. Complete records of all gifts are maintained by the Foundation. If a donor wishes to remain anonymous throughout the giving process, the donor should discuss appropriate arrangements with the Foundation.

Conflict of Interest

Prospective donors – particularly those making large gifts or planned gifts – are strongly urged to seek the assistance of personal legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences. NWC Foundation will, in turn, seek the advice of legal counsel in matters relating to the acceptance of gifts involving formal gift agreements and in other cases in which such involvement is warranted.

Types of Gifts

Gifts to the Foundation may be in the form of outright gifts, pledges or deferred commitments. The following assets may be accepted as funding for an outright or planned gift, subject to the terms and conditions outlined below.

- **Cash** -- Checks and cash will be receipted to the proper fund and deposited in a timely fashion. Receipts will be mailed to the donor within one week of receiving the gift. Matching gifts from employers are soft credited to the donor but receipts are sent to the company.
- **Securities** – Northwest College Foundation accepts both publicly traded and closely held securities. However, NWC Foundation does not accept stock options as gifts. Contact the NWC Foundation for further guidance concerning procedures for accepting gifts of securities.
 - a. Publicly-Traded Securities – Marketable securities may be transferred to a brokerage account maintained by the NWC Foundation or may be delivered physically with the transferor’s signature or stock power attached. Gifts will be credited at the average of the high and low of their market value on the date of delivery. Gifted securities will be sold upon receipt to protect the assets from loss while the Finance Committee determines allocation to a selected investment manager.
 - b. Closely-Held Securities – Closely held (non-public) securities: Closely held securities, which include not only debt and equity positions in non-publicly traded companies but also interests in limited partnerships and limited liability companies, or other ownership forms, can be accepted.

However, gifts must be reviewed prior to acceptance to determine:

- No restrictions exist on the security that would prevent the Foundation from ultimately converting those assets to cash;
- Security is marketable; and
- Security will not generate any undesirable tax consequences for the Foundation.

If potential problems arise in an initial review of the security, further review and recommendation by an outside professional may be sought before making a final decision on acceptance of the gift. Every effort will be made to sell non-marketable securities as quickly as possible.

- **Tangible Personal Property** – Gifts of personal property (i.e. antiques, works of art, collections, etc.) are accepted by the Foundation with approval of the Executive Director. The donor is responsible for securing appraisals on such property according to Internal Revenue Service guidelines.
- **Real Estate** -- The Foundation welcomes gifts of real estate. It is the donor's responsibility for obtaining appraisals, EPA studies, etc., for gifts of property except in such cases where the Foundation will assume that responsibility. Gifts of real estate must be reviewed by the Gift Acceptance Committee.

Prior to acceptance of real estate, the Foundation shall require an initial environmental review of the property to ensure that the property has no environmental damage. If the initial inspection reveals a potential problem, the Foundation shall retain a qualified inspection firm to conduct an environmental audit. The cost of the environmental audit shall generally be an expense of the donor.

When appropriate, a title binder shall be obtained by the Foundation prior to the acceptance of the real property gift. Criteria for acceptance of the property shall include:

- Is the property useful for the purposes of the Foundation?
 - Is the property marketable?
 - Are there any restrictions, reservations, easements, or other limitations associated with the property?
 - Are there carrying costs, which may include insurance, property taxes, mortgages, or notes, etc., associated with the property?
 - Does the environmental audit reflect that the property is not damaged?
- **Gifts of Equipment** – Gifts of equipment are allowed by the Foundation. However, when such equipment requires additional and/or ongoing maintenance that is not budgeted, prior approval must be received from Northwest College.
 - **Donation of Services** – Donations of time or services by local corporations, entities, or individuals for which a dollar value cannot be readily established and which are not recognized by the Internal Revenue Service as contributions for income tax purposes are appreciated by the NWC Foundation but are not recorded.

Responsibility for IRS filings

The donor is responsible for securing appraisal of the value of non-cash contributions. The Foundation will cooperate fully with the donor in the gift substantiation process required by the taxing agency. The Foundation will sign IRS Form 8283 documenting gifts of \$5,000 or more with the submission of proper paperwork.

The Foundation is responsible for filing IRS Form 8282 upon the sale or disposition of any asset sold within two years of receipt by the Foundation when the charitable deduction value of the item is more than \$5,000. The Foundation must file this form within 125 days of the date of sale or disposition of the asset.

Acknowledgement of all gifts made to the Foundation and compliance with the current IRS requirements are the responsibility of the Foundation office.

Pledges

Pledges are commitments to give a specific dollar amount according to a fixed time schedule. Annual fund pledges are usually for amounts less than \$5,000 and for periods less than one year. All pledges other than Annual Fund pledges are required to be in writing, and the pledge document must state clearly the terms, including amount of the pledge, timing for payment of installments and us to which the Foundation will designate the gift.

Pledges are generally not legally binding, unless specifically stated because of complications arising when the gift's use creates a significant financial commitment (construction of a building or hiring an employee.).

Deferred or Planned Gifts

Irrevocable planned gifts will be reported at full fair market value. The Foundation will accept gifts/assets from Charitable Remainder Trusts or Charitable Lead Trusts, but at this time, the Foundation does not administer or manage these types of funds.

Acceptable deferred gifts include:

- **Bequests** -- A bequest to the Foundation is made in the donor's will or revocable trust. The donor can designate a specific amount, a percentage, or the remainder of an estate to the Foundation
- **Retirement Plan Beneficiary Designations** – When donors name the NWC Foundation College Foundation as beneficiary of their retirement plans, such designations will not be recorded as gifts to the Foundation until the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value for that gift may be recorded at the time the gift becomes irrevocable.
- **Retained Life Estate** -- The Foundation will accept a gift with a retained life estate in a personal residence, farm, or vacation home subject to the real property guidelines contained in the “Real Estate” section of this policy. The Donor or other occupants may continue to occupy or use the real property for the duration of the stated life. After death of the donor or other designated individuals, the Foundation may use the property or may sell it to obtain the cash proceeds. In cases in which the Foundation receives a gift of a retained life estate, expenses for maintenance, real estate taxes, insurance and any property indebtedness are to be paid by the donor or stated primary beneficiary.
- **Charitable Gift Annuities** – Charitable gift annuities are contracts in which donors exchange a gift of cash or securities for a guaranteed, fixed income for life. The annuity rate is calculated solely on the age of the beneficiary. The Foundation generally uses the interest rate structure recommended by the American Council on Gift Annuities. The minimum amount required to establish a charitable gift annuity is \$10,000 and the minimum beneficiary age shall be 65.
- **Life Insurance Beneficiary Designations** - When donors name the Foundation as beneficiary or contingent beneficiary of their life insurance policies, such designations

shall not be recorded as gifts to the Foundation until such time as the gift is irrevocable. Where the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift.

- **Life Insurance Policies** – Before a life insurance policy can be recorded as a gift, NWC Foundation must be named as both owner and irrevocable beneficiary of the policy. The gift will be valued at its cash surrender value at the time it is received. If the donor contributes future premium payments, those payments will be credited as gifts in the year they are received by NWC Foundation.

If the donor does not elect to continue to make gifts to cover premium payments on the policy, NWC Foundation may choose one of the following options:

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

Return of Gifts to Donor

It is the policy of Northwest College Foundation that charitable gifts to the Foundation not be returned to the donor except in the following limited circumstances:

- A payment was clearly made in error, such as a duplicate payment or the donor intended the gift for another entity. Payment will be returned with the approval of the Foundation Executive Director.
- The Foundation is required under a legally binding contract to return a gift. An example of this could be where a donor makes a gift for construction of a new building that is never constructed and there is a provision in the agreement that the money will be returned. Returns under this provision will be approved by the Foundation Board.
- A court orders the Foundation to return the gift to the donor (or transfer it to another charitable organization). Legal counsel will be sought regarding the circumstance and along with consultation of the appropriate Board committees.
- The Foundation will determine in any tax reporting obligations, if any, are required with respect to any returned gift or payment.

If a donor indicates the NWC Foundation is not using their contribution in keeping with their wishes or the organizational mission, the Foundation Executive Director shall confer with donor to determine an appropriate use of the gifted funds that is acceptable to both parties.