



**Policy # 4.1, Gift Acceptance**

**Original Approval Date:** 9-12-23

**Responsible Officials:** Chief Executive, Chief Financial Officer

**1. Gifts in General**

Valencia College Foundation encourages the solicitation of all forms of gifts to support Valencia College and its mission. Private gifts and grants enable Valencia College Foundation to expand our reach and create new programs that address unmet needs.

**2. ~~Types~~Acceptance of Gifts ~~Accepted~~**

The Foundation accepts restricted and unrestricted private gifts and grants, provided these gifts are consistent with fulfilling the ~~foundation's~~Foundation's mission.

The Foundation Board of Directors holds final authority for acceptance of gifts and may take action to waive requirements in this policy due to unusual or unexpected circumstances. -In an academic environment, unforeseen internal or external circumstances may eventually cause the purpose of a gift to be inappropriate, impractical, or unnecessary. -If this occurs and the donors are deceased, disbanded, or otherwise unable to consent to an amendment, the ~~foundation board~~Foundation Board may redesignate the purpose of the gift, in adherence to both ~~foundation~~Foundation policy and applicable state laws. -The ~~board~~Board shall designate a purpose that is as closely aligned as possible ~~to~~with the donor's original intent.

**3. Outright Gifts ~~of Funds~~**

These consist of cash, check, or credit card gifts. -The postmark date is the date for gifts of cash sent to the Valencia Foundation. The date for gifts by check will be the check date. -All major credit cards are accepted, and the gift date shall be the date of credit card processing. For mailed gifts received on a date that Valencia College is closed for business, gifts will be recorded as received on the postmark date or otherwise in accordance with Internal Revenue Service requirements.

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#### 4. Quid Pro Quo Contributions

Individual donors who patronize special events such as galas and auctions make *quid pro quo* contributions. -The IRS defines a *quid pro quo* gift as “a payment made partly as a contribution and partly in consideration for goods and services provided to the payer by the donor organization.” -The goods or services received by the payer are called “premiums.” Since the Foundation does not appraise or assign value to such gifts, donors making *quid pro quo* gifts must obtain a written appraisal by a qualified independent appraiser to satisfy any IRS requirements for tax-deductibility. -For gift reporting purposes, the Foundation may use ~~the~~ the total contribution minus the value of the premium.

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#### 5. Gifts of Stock

Gifts of marketable securities, made directly through a brokerage transfer, through a “house account” established by the donor, or through an executed assignment, shall be directed to the ~~foundation’s~~ Foundation’s brokerage account for disposition. -All securities received are sold as soon as ~~reasonable~~ reasonably possible, unless the ~~foundation board~~ Foundation Board deems otherwise through ~~board~~ Board action.

#### 6. Gifts of Real Estate

Valencia Foundation may accept gifts of real estate, including ~~without limitation~~ houses, condominiums, commercial property, ~~farm land~~ farmland, rental property, and undeveloped land. -Such gifts shall be independently appraised and, if needed, environmentally audited, at the expense of the donor. The decision to recommend acceptance of gifts of real estate resides with the ~~finance committee~~ Finance and Audit Committee of the ~~board~~ Board of ~~directors~~ Directors of Valencia Foundation ~~after, following~~ a complete review and assessment. The ~~foundation board~~ Foundation Board of ~~directors~~ Directors has final authority for acceptance ~~of gifts of real estate.~~

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#### 7. Gifts of Tangible Personal Property/Intellectual Property

Valencia Foundation may accept gifts of tangible personal property, including ~~without limitation~~ works of art, jewelry, antiques, minted coins, stamps, automobiles, and manuscripts or books. -Such gifts are subject to a review and assessment by the ~~finance committee~~ Finance and Audit Committee of the ~~board~~ Board of ~~directors~~ Directors of -Valencia Foundation, as to the feasibility of acceptance. -The Foundation Board of Directors has final authority for acceptance of gifts of Tangible Personal Property/Intellectual Property.

If the donor estimates the value of such gifts at \$5,000 or more, ~~he or she~~ they must obtain a written appraisal by a qualified independent appraiser to satisfy IRS requirements for tax-deductibility. -Valencia Foundation cannot appraise or assign valuation to such gifts on behalf of the donor.

Unless the ~~foundation-board~~ Foundation Board decides otherwise, it is Valencia Foundation's intent to sell such gifts, rather than use or display them, and therefore the donor ~~must~~ should be informed ~~that IRS rules will likely limit~~ of potential impacts on the amount of the charitable deduction ~~to~~ and/or the donor's cost basis.

## 8. Planned Giving

These gifts involve the transfer of substantial assets that affect the distribution of the donor's estate. ~~They~~ Planned gifts may be through a will, trust, life insurance, or retirement plan. Methods of making such gifts ~~are~~ may include:

### A. Irrevocable Planned Gifts, such as:

- Charitable Gift ~~-~~ Annuities
- Charitable Remainder Trusts
- Lead ~~Trust~~ Trusts

For gift reporting purposes, values will be determined based on the guidelines set forth in the Valuation Standards for Charitable Planned Gifts (Partnership for Philanthropic Planning, 2011) and Guidelines for Reporting and Counting Charitable Gifts (National Association of Charitable Gift Planners, 2021), including any applicable future updates.

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### B. Revocable Planned Gifts, such as:

- Bequest Intention
- Charitable Remainder Trusts with a Revocable Remainder Interest
- Beneficiary of an IRA or retirement plan

For gift reporting purposes, Revocable Planned Gifts are reported both at face value and at present value in accordance with the guidelines above. ~~Each~~ deferred giving instrument has tax consequences for the donor and benefits to Valencia Foundation and should be drawn up by the donor's financial adviser, tax adviser, or estate planning attorney.

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## 9. Gifts-in-Kind

The Foundation may accept and process gift-in-kind donations. All non-cash gifts estimated by the donor to be valued over \$5,000 must be approved for acceptance by the Chief Executive Director. A gift-in-kind form must be completed and signed by all appropriate personnel in

order for the Foundation to accept the gift. The Chief Financial Officer, or designee, will sign the gift-in-kind form. In accordance with IRS guidelines, a qualified independent appraisal must be obtained by the donor for gifts of \$5,000 or over in order to be counted as a non-cash gift. Gift-in-kind contributions are generally not eligible for a state match, except when specifically allowed under state guidelines.

The official tax receipt sent to the donor from the Foundation for a non-cash gift will describe the gift but not assign value to the non-cash gift. If the donor would like to claim a charitable contribution tax deduction for non-cash gifts with a value in excess of \$5,000, the donor should contact their tax advisor for instructions on claiming a charitable contribution and filing an IRS Form 8283 with a qualified independent appraisal.

#### 9-10. **Foundation Funds**

Contributions to the ~~foundation~~Foundation from individuals or outside organizations made for the specific purpose of benefiting specific students designated by the donor are not considered charitable contributions and will not be recorded as gift income. -These contributions should be made directly to Valencia College to be placed into ~~Student's~~Students' Accounts.

#### 10-11. **Tainted Gifts**

No gift shall be accepted if there is any evidence or indication at the time the gift is made that the source of the funds may have been earned or accumulated by the donor through illegal ~~del~~means- means. However, should a gift be accepted in good faith that is later determined to have originated from a tainted source, the Foundation has no legal obligation to return the funds.

#### 11-12. **Donor Intent**

Donor intent will be followed to the extent it does not conflict with College or Foundation policies or applicable law. In the absence of any direction or donor stipulation, gifts to Valencia Foundation shall be considered unrestricted.

#### 12-13. **Donor Acknowledgement**

The Foundation will follow IRS substantiation requirements for gifts of \$250 or more and quid pro quo gifts of \$75 or more. -All gifts to the Foundation ~~shall be~~generally are acknowledged to the donor in writing within 30 days of receipt.

#### 13-14. **Endowment Funds**

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Endowed funds are a vital component of the Foundation's mission to support Valencia College and are intended to exist in perpetuity. Endowed funds may be used to support scholarships, facilities, programs and services, or faculty and instructional support.

An endowed fund ~~for scholarships or programs~~ may be ~~created~~ established with a minimum contribution threshold of \$25,000 in private ~~contributions~~ funds (and state matching grants ~~prior to, if available~~), ~~not including interest earned. An endowed fund for teaching chairs may be created with a minimum earnings, which are accrued after the threshold of \$50,000 in private contributions and state matching grants prior to interest earned.~~ amount is received. These ~~goals~~ thresholds may be reached through a single ~~gift~~ contribution or through a pledged series of ~~pledged gifts to be completed~~ fulfilled over a period of one to five years.

Valencia Foundation shall ~~make every effort~~ use best efforts to ~~have donors sign~~ secure a formal gift agreement ~~from each donor that clearly stating the outlines the donor's intent, including any lawful restrictions, intended purposes of the donation,~~ and other criteria necessary for the orderly distribution of funds from the endowment. ~~-In the absence of any such direction or donor stipulations the gift, or in the event that fulfilling a donor's intent becomes impossible, the Foundation is granted the authority to make decisions regarding the administration and application of the funds, provided such decisions are made in alignment with the donor's original intent, to the extent known, and to advance the College's educational objectives and institutional goals.~~

Spending from an endowed fund shall be based on the interest accrued annually, which may fluctuate depending on investment performance. Accordingly, disbursement amounts may vary from year to year and shall be ~~considered unrestricted~~ determined by the Foundation in a manner that preserves the principal and adheres to the Foundation's established spending policy, which is intended to promote consistent and sustainable distributions over time based on long-term investment performance. Award disbursements may be made up to the full amount of available earnings, provided such use aligns with the fund's purpose and the Foundation's spending policy. Funds are invested in accordance with the Foundation's established investment policies to support long-term growth and sustainability.

~~Spending cannot~~ No spending may occur from an endowed fund until the entire private gift goal or pledge has been ~~met~~ received, and the funds have been invested by the Foundation for ~~at least~~ a minimum of four quarters. If market conditions result in low or negative performance returns, the Foundation ~~board~~ Board is authorized to restrict or prohibit disbursements accordingly. ~~The~~ Otherwise, the principal of the endowment must be maintained ~~- at all times.~~ Additional restrictions may apply and will be outlined in the formal written agreement signed by the donor and the Foundation Chief Executive ~~-~~

. Any endowed fund ~~withheld by~~ the Foundation that has no gift, matching grant, or expenditure activity for a period of three years and has not reached its minimum threshold may be reclassified as temporarily restricted. ~~Funds~~ In such cases, funds will be available for disbursement in a purpose ~~manner~~ as closely aligned to the donor's original intent as possible ~~-~~.

while also allowing for practical use, such as alignment with institutional priorities or student and faculty needs.

#### **14.15. Non-Endowed Funds**

The minimum ~~value~~contribution to create a named non-endowed fund is \$10,000 ~~annually~~. Isolated gifts below this amount not designated by the donor for the benefit of a specific fund or any series of gifts with like intent from an individual or various donors that cannot reasonably be expected to reach the annual minimum collective value of \$10,000, shall be placed in ~~thFoundation's~~the Foundation's general account.

There is no limit on the amount that may be expended from a non-endowed fund, though funds must be expended for the purposes and within the restrictions determined by the donor.

Any non-endowed fund or other temporarily restricted account with the Foundation that has no ~~gift~~, matching grant or expenditure activity for a period of three years may be closed at the discretion of the ~~foundation~~Foundation. Funds will either be available for disbursement in a purpose as closely aligned to the donor's original intent as possible or placed into an unrestricted account.

As with Endowed Funds, Non-Endowed funds will include a gift agreement with the donor that allows for the designation, use, and administration of funds in accordance with the College and established by the Valencia College Foundation.

#### **15. Gifts in Kind**

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~~The official tax receipt sent to the donor from the Foundation for a non-cash gift will describe the gift, but not assign value to the non-cash gift. If the Donor would like to claim a charitable contribution tax deduction for non-cash gifts with a value in excess of \$5,000 the Donor should contact their tax advisor for instructions on claiming a charitable contribution and filing an IRS Form 8283 with a qualified independent appraisal.~~

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