

GROW SANTA FE COMMUNITY COLLEGE FOUNDATION GIFT POLICY

Efforts within the college to raise funds and in-kind gifts from governmental and private sources (corporations, foundation, trusts, individuals) for annual, capital, research and planned-giving programs, whether permanently restricted; temporarily restricted; or unrestricted will be coordinated by the GROW Santa Fe Community College Foundation.

It is the goal of the Foundation office to coordinate fund-raising activities for college projects so as to avoid the simultaneous approach to donors for funding by board of directors of GROW Santa Fe Community College Foundation, by Foundation assigned personnel from the college and by other college employees. Successful coordination of fund raising eliminates confusion, duplication of effort and embarrassment to both the college and the potential donor.

Donors expect the college to determine its priorities and execute a coordinated approach to raising funds or seeking other resources. Within the framework of college-wide priorities, the Executive Director of GROW Santa Fe Community College Foundation will consult with the chief executive officer of Santa Fe Community College to determine the appropriate fund raising procedures and timing. Institutional priorities and the history of the particular donor's interest will be given highest priority.

All gifts from private sources, i.e., individuals, corporations and foundations, will be received by the Foundation in order to maximize the donor's and college's benefits from these gifts. Restricted accounts will be established as necessary; accounting procedures and processes approved by the GROW Santa Fe Community College Foundation Finance/Investment Committee will be followed.

Gifts will be sought for purposes and programs that the college has determined to be high priority. All fund-raising activities to be conducted by Santa Fe Community College (SFCC) employees, unless otherwise noted, require the prior approval of the chief executive officer of the college. A completed "Prior Approval for Fund Raising Efforts" (blue form) must be submitted to the President and/or President's Cabinet for approval through the Executive Director of the GROW Santa Fe Community College Foundation, before the fund raising activity is begun.

Gifts may be sought from individuals, corporations, foundations, federal/state/local government, and/or foreign governments. Whenever it appears that a gift, because of its source, its conditions or its purpose, could expose SFCC to adverse publicity, extend SFCC resources beyond their capacity, jeopardizes the GROW Santa Fe Community College Foundation's tax-exempt status, or involves SFCC in new and unexpected responsibilities, the matter will be referred to the chief executive officer of the college. The chief executive officer of the college will consult with the Executive Director of the GROW Santa Fe Community College Foundation and, if necessary, with the Santa Fe Community College board of trustees. It is especially important that gifts-in-kind have approval before they are accepted and that their use by SFCC faculty, staff or students is approved.

The chief executive officer of the college has delegated the authority to solicit and accept gifts for the benefit of Santa Fe Community College, to the GROW Santa Fe Community College Foundation and to its Executive Director; however, in some cases, generally as a matter of expedience, the chief executive officer will accept a gift on behalf of the college.

While donors often wish to specify the general purpose for which a gift is given, the GROW Santa Fe Community College Foundation may choose not to accept gifts which are restrictive in purpose or which do not support the college's stated purpose.

GROW Santa Fe Community College Foundation cannot accept a gift which includes any invidious discrimination based upon age, race, sexual orientation, religion or gender. Additionally, the Foundation cannot accept a gift which may jeopardize its tax-exempt status.

The most useful kind of support for SFCC is gifts given without restriction. Unrestricted funds enable the college to ensure that the most pressing needs of the college's entire educational program are addressed. Non-endowed unrestricted funds for immediate needs and unrestricted endowments are likewise very desirable. However, funds designated for the support of a particular college department, program or activity are greatly appreciated and are sought without regard to the size of the contribution.

I. RECOGNITION AND GIVING CLUBS

The GROW Santa Fe Community College Foundation recognizes donors in its annual report, on permanently displayed recognition plaques, in local publications and on an individual basis throughout the year. The GROW Santa Fe Community College Foundation offers membership in the following recognition and giving clubs:

- A. **Emeritus Club** members have supported Santa Fe Community College with gifts of \$100,000 or more.
- B. **Heritage Club** members invest in the mission of the college by providing total gifts of \$25,000 or more.
- C. **Lifetime Donors** provide funds for special projects, scholarships and program expansion with total gifts of \$10,000 to \$24,999.
- D. **President's Circle** members make annual gifts of \$1,000 to \$9,999 to one or several of the many funds and programs at SFCC.
- E. **Friends of Santa Fe Community College** provide gifts ranging from \$1 to \$999, to be used for a variety of needs.
- F. **Legacy Donors** have named GROW Santa Fe Community College Foundation as the beneficiary of planned and deferred gifts.

Donors of endowed scholarships and/or planned and deferred gifts will be recognized in the appropriate giving club listed above as well as in groups established for the type of gift that they have given.

II. GIFT OPPORTUNITIES

Board of directors of the GROW Santa Fe Community College Foundation should be familiar with the following giving opportunities. While not exhaustive, this list covers a wide range of gift options.

Donors are recognized for their gifts, unless they request anonymity. All gift amounts and donor records are confidential and will be treated as such.

A. Unrestricted funds

SFCC actively seeks and has great need for unrestricted funds. Such funds enable the college to develop new programs, carry out quality education and public service programs, respond immediately to the needs of our community, and achieve the objective and purposes characteristic of an excellent community college.

B. Endowment funds

The GROW Santa Fe Community College Foundation administers two types of endowment funds: general (unrestricted) endowment funds; and specific (restricted) endowment funds.

1. Unrestricted endowment funds

Income from the investment of unrestricted endowment funds is available for general use. Unrestricted endowment funds are pooled for investment by the GROW Santa Fe Community College Foundation, and income is distributed in accordance with the GROW Santa Fe Community College Foundation's Investment and Spending Policies.

2. Restricted endowment funds ¹

Earnings from a restricted endowment fund supports a specific purpose, program, department and/or activity, according to the wishes of the donor. Types of restricted endowment funds are explained below. Purposes and giving levels of specific endowment funds are available in a variety of options designed to appeal to a broad range of donors. Additional endowment funds may be established in consultation with the Executive Director of the GROW Santa Fe Community College Foundation and approval of the board of directors.

¹ If, in the opinion of GROW Santa Fe Community College Foundation board of directors, all or part of the earnings of such funds cannot be usefully applied to the purpose designated or in the manner requested, the directors may apply the funds for such other useful purpose or purposes within its corporate powers as will, in the director's opinion, most nearly accomplish the donor's purposes, wishes and intent, after consultation with the donor, if possible.

a. Named scholarships: Scholarships are awarded to qualified students, according to the guidelines established by the SFCC Financial Aid Office and the GROW Santa Fe Community College Foundation board of directors.

- i. A scholarship named according to the wishes of the donor may be established with a gift of \$10,000 or more. Initial funding of \$5,000 will be considered sufficient to begin building an endowed scholarship fund. The donor must pledge to reach a minimum of \$10,000 through additional gifts within five years. Scholarships will be awarded when the pledge is complete and earnings are sufficient to fund a scholarship. If minimum principal is not achieved during the specified time period, the principal will be added to the Friends of the Foundation endowed scholarship fund.
- ii. A Presidential Endowed Scholarship may be established with a gift of \$15,000 or more. Interest earned from this endowment provides financial assistance for any costs of attendance for the student (e.g., books, supplies and course-required fees and/or tuition for credit courses for qualified students).

b. Endowment funds in support of educational/public service programs include: Gifts to these funds are accepted at any time. Gifts of any amount (above \$100) to begin other program endowments are especially welcome.

C. Memorial/Honor Scholarship funds

Gifts in memory of or in honor of designated individuals may be made in any amount and at any time. The names of the persons honored and the names of donors are recorded in the GROW Santa Fe Community College Foundation office and are included in the GROW Santa Fe Community College Foundation's annual report to donors.

Acknowledgment is sent to each donor, and the names of donors are sent to an appropriate member of the family of the honoree, unless otherwise requested by the donor. Specific memorial/honor funds that are named to honor one or more individuals and designed for a specific purpose may be established with any gift. Scholarships will be awarded when earnings are sufficient to fund an award.

D. Construction and major renovation projects

The GROW Santa Fe Community College Foundation directors may solicit and accept funds for new and ongoing building programs, including construction and major renovation projects. All construction and major renovation projects and fund raising in their support must be approved by the chief executive officer of the college and Santa Fe Community College board of trustees.

As new buildings are approved for construction, specific-naming opportunities may become available. Examples of such opportunities include buildings; portions of buildings such as classrooms, lecture halls; seminar and conference rooms, and faculty offices; and outdoor areas. To be considered for naming, at least 51 percent of the cost of the area must be covered by the gift. In addition, appropriate maintenance costs must be provided for as indicated above. The GROW Santa Fe Community College Foundation encourages interested donors to make gifts in honor of or in memory of relatives and friends. Naming opportunities require the approval of the chief executive officer of the college, the GROW Santa Fe Community College Foundation board of directors and the Santa Fe Community College board of trustees.

E. Special project and program funds

The GROW Santa Fe Community College Foundation solicits and accepts gifts of any amount for special projects and programs. The gifts may be restricted or unrestricted. Gifts to endow these programs are especially appreciated. SFCC chief executive officer has determined that gifts to support the following programs will be needed over the next several years:

- Allied Health Programs
- Bridge Scholarship Program
- Employee Emergency Fund
- Faculty/Staff Excellence Awards
- Faculty/Staff Development
- GED Testing
- Planetarium
- Service Learning
- Special Services for Students with Disabilities
- Student Emergency Loan Fund
- Student Writing Competition Awards
- Women in Transition

III. METHODS OF GIVING

A variety of ways to give to GROW Santa Fe Community College Foundation allows donors to choose the method that benefits them most.

A. Gifts of cash or securities

The Foundation welcomes gifts in the form of cash (checks) or marketable securities. Gifts of securities may be made by contacting the Executive Director (505) 428-1139. Checks should be made payable to: GROW Santa Fe Community College Foundation.

B. Outright gifts of assessable securities, closely held securities or other illiquid financial assets

Gifts of unlisted assessable securities, closely held securities or other illiquid financial assets shall be accepted only with the specific prior approval of the GROW Santa Fe Community College Foundation board of directors.

Such gifts shall normally not be accepted if ownership is likely to expose the Foundation to litigation or if there is any indebtedness associated with the property, or if the property would cause the GROW Santa Fe Community College Foundation to incur any expense in connection with ownership unless a source of funds to cover such expenses has been identified.

C. Outright gifts of real property

The GROW Santa Fe Community College Foundation welcomes opportunities to explore gifts of real estate with donors. In this highly specialized field, all potential gifts will be reviewed in accordance with the policies established by the Santa Fe Community College governing board and the Foundation board of directors.

Real estate, under certain conditions, may be used to fund a life-income trust whereby the donor retains a life-income interest in the earnings of the trust. Gifts of real estate can often bring the opportunity to make a significant gift within the reach of many donors. Real estate gifts, which require the college's commitment to expend funds for land and site development and general ongoing usage must have the approval of the chief executive officer of SFCC as well as the SFCC governing board.

Gifts of real property shall be accepted only with the specific prior approval of GROW Santa Fe Community College Foundation's legal counsel (as assigned by the college) and the board of directors of GROW Santa Fe Community College Foundation.

Prior to acceptance of real property, (1) a preliminary title report (showing clear title to the property) and (2) an independent appraisal by a qualified appraiser shall be obtained. A physical inspection of the property shall be made if possible. Real property shall not be accepted if -- ownership of the property is likely to expose the foundation to litigation.

Ordinarily, the GROW Santa Fe Community College Foundation will not accept property subject to a mortgage or other indebtedness as it would cause income from the property to be subject to unrelated business income taxation. Real property shall be accepted only if a source of funds for payment of mortgages, taxes, insurance, utilities and other costs associated with the maintenance of the property has been identified. Real property shall not be accepted until archaeological and environmental evaluations have been done by GROW Santa Fe Community College Foundation and/or its designee. Exception may be made if, prior to acceptance of the gift, the Foundation's directors, expressly decides that acceptance of the property is in the GROW Santa Fe Community College Foundation's best interest.

D. Gifts of real property with retained life estate

Some donors may wish to give real property to the GROW Santa Fe Community College Foundation and retain a life interest for themselves and/or their spouses. Such gifts may benefit both the donor and, ultimately, the college.

Gifts of real estate with retained life estate shall be accepted only with the prior approval of the board of directors of GROW Santa Fe Community College Foundation. Acceptance of such gifts must also be in accordance with the guidelines for acceptance of outright gifts of real property as set forth above.

During the period of the life estate, the donor and/or life tenant ordinarily shall remain responsible for payment of mortgages, taxes, insurance, utilities and other costs associated with the property.

Such gifts shall be not accepted if ownership of the property is likely to expose the GROW Santa Fe Community College Foundation to litigation or if the property would cause the GROW Santa Fe Community College Foundation to incur any expense in connection with ownership unless a source of funds to cover such expenses has been identified.

E. Outright gifts of personal property

Gifts of personal property shall be accepted only with the specific approval of the Executive Director of GROW Santa Fe Community College Foundation or his/her designee.

Personal property shall not be accepted if its ownership is likely to expose the GROW Santa Fe Community College Foundation to litigation. Personal property shall be accepted only if a source of funds for maintenance of the property (if any) has been identified and if the property is free of any indebtedness.

Exceptions may be made if, prior to acceptance of the gift, the GROW Santa Fe Community College Foundation's board of directors expressly decides that acceptance of the property is in the college's best interests.

F. Gifts of art and other tangible personal property²

In general, the GROW Santa Fe Community College Foundation will gratefully receive gifts of art and other tangible personal property, such as antique furniture, rare books and special collections. All gifts of personal property shall be carefully reviewed for undisclosed contingent liabilities. The Routing Form for Acceptance of Gifts must be completed and processed through the GROW Santa Fe Community

² All gifts-in-kind donated to the GROW Santa Fe Community College Foundation must be approved by the appropriate college official. This policy does not include gifts of books to the college library.

College Foundation office. (Please also refer to -- "Guidelines for the Exhibition and Acquisition of Art at SFCC", or specific procedures relating to gifts of art.

Donors will be made aware of the fact that, if they give tangible personal property, their charitable deduction will be based upon its consistency with the educational programs and activities of the college. For this reason, and to ensure the donor's satisfaction with the college's use or disposition of the gift, prior consultation with the college's chief executive officer may be necessary. Donors should review the most recent United States Internal Revenue Service regulations concerning such gifts.

The gift terms of any item or collection of items should expressly authorize the sale or exchange of those items which duplicate items owned by the college or which are subsequently deemed inappropriate or not useful to the college. The proceeds from any such sale would be applied according to the original objectives of the donor.

G. Gifts of life insurance

Gifts of life insurance may be accepted without special approval if the insurance policy is fully paid or if it is partially paid and the donor makes a written pledge to continue paying the premiums. In these cases the policies shall be held to maturity.

Gifts of life insurance policies that are not paid up and which do not have any source of funds for payment of the premiums identified at the time of the gift will be cashed.

H. Planned and deferred gifts

Planned and/or deferred giving allows a donor to make a gift commitment to the college through the GROW Santa Fe Community College Foundation but to delay delivery of the final benefit of the gift until a later time. Donors who make planned gifts to the college may receive tax and/or other income benefits. Some types of planned gifts result in lifetime incomes for the donor and/or other beneficiaries. Some may enable reduction of income taxes, capital gains taxes and estate taxes.

Donors may make planned and deferred gifts to the GROW Santa Fe Community College Foundation in the following ways: through bequest; through charitable remainder trusts, gift annuities and deferred-payment gift annuities; by making the GROW Santa Fe Community College Foundation the beneficiary and owner of an insurance policy; through gifts of remainder interests in a personal residence, farm or other real property; and through charitable-income trusts.

The laws governing such gifts are subject to revision; therefore, it is extremely important to have up-to-date information on the tax consequences of such benefactions. Donors should consult their tax accountant and/or personal attorney for advice and submit appropriate paperwork to the GROW Santa Fe Community College Foundation office.

Professionals in the fields of law, investment, accounting, insurance and real estate are associated with the GROW Santa Fe Community College Foundation. They will consult with interested donors and advise about the many ways planned charitable giving benefits both benefactor and beneficiaries.

The following guidelines govern the solicitation and acceptance of planned gifts by GROW Santa Fe Community College Foundation.

I. Responsibility to donors

In all matters involving donors or prospective donors GROW Santa Fe Community College Foundation and its college assigned staff and representatives will give priority to the individual's financial needs and concerns.

All representatives of the GROW Santa Fe Community College Foundation shall use their best judgment to help donors to make appropriate gifts, and GROW Santa Fe Community College Foundation will not knowingly accept a gift that is contrary to the donor's best interests. The GROW Santa Fe Community College Foundation will not accept irrevocable gifts of all the donor's liquid assets, and may decline gifts if the Foundation is not satisfied that the donor has received proper independent legal and/or financial counseling.

1. Use of legal counsel

GROW Santa Fe Community College Foundation shall seek the advice of the college's legal counsel in all matters pertaining to its planned giving program.

The GROW Santa Fe Community College Foundation shall not execute any planned gift agreement without the advice of the college's legal counsel and approval by the chief executive officer of the college or his/her designee to be sure the gift is consistent with the college's mission and to inform them of the intended gift.

All agreements shall follow the format of the specimen agreements approved by the college's legal counsel or other agreements approved as to form by college's legal counsel.

All prospective donors shall be urged to seek their own counsel in matters relating to planned gifts, tax and estate planning. .

2. Authorization for negotiation

The Executive Director of GROW Santa Fe Community College Foundation and the President of GROW Santa Fe Community College Foundation and his/her designee are authorized to negotiate planned gift agreements with the prospective donors, following these guidelines and the format of the specimen

agreements. Documents that vary from the requirements of these guidelines, must be approved by the College's legal counsel prior to execution.

3. Authorization for execution of agreements

The GROW Santa Fe Community College Foundation's Executive Director, President of the board of directors and Secretary/Treasurer shall, together, have authority on behalf of the GROW Santa Fe Community College Foundation to accept and execute deferred and other planned giving agreements which conform to these Guidelines and are approved as to form by college's legal counsel.

4. Authorization to accept certain types of intangible property

The GROW Santa Fe Community College Foundation may accept gifts of cash, any non-assessable securities listed on a national or regional exchange, and securities traded in the over-the-counter market.

5. Charitable Remainder Unitrusts

If the GROW Santa Fe Community College Foundation is to consider serving as trustee or co-trustee of a Charitable Remainder Unitrust, it must be funded with at least \$100,000 and the charitable contribution, computed using government tables, must be at least \$40,000, unless a lesser amount is specifically approved by the board of directors of GROW Santa Fe Community College Foundation.

Income must be paid out at a rate of at least 5% (the minimum required by law), but no more than the rate for 30-year United States Treasury Bonds prevailing at the time the agreement is executed, unless a higher rate is specifically approved by the board of directors of GROW Santa Fe Community College Foundation.

If the GROW Santa Fe Community College Foundation elects to serve as a trustee or co-trustee, the GROW Santa Fe Community College Foundation reserves the right to collect from the unitrust or donor a reasonable and customary fee for services provided.

All beneficiaries shall be at least 45 years of age at the time income payments commence. There is no maximum number of income beneficiaries, but there shall be no more than two generations of income beneficiaries.

In the case of a trust for a term of years, the age, number and generational restrictions shall not apply.

Charitable Remainder Annuity trusts funded with real estate or other non-liquid assets shall be accepted only when the net income from the real estate or other non-liquid assets are expected to exceed the required payout.

6. Revocable Charitable Remainder Trusts

The GROW Santa Fe Community College Foundation will not ordinarily serve as trustee or co-trustee of a Revocable Charitable Remainder Trust unless an outright gift at least equal to the value of the proposed trust has been or will be given outright or in an irrevocable trust. If the GROW Santa Fe Community College Foundation is to serve as trustee or co-trustee, the trust shall be funded with assets having a value of at least \$100,000.

The trust shall not be for more than two generations and the youngest beneficiary shall be at least 45 years of age at the time the income payments commence.

7. Generation skipping transfers

Deferred gifts which would be "generation-skipping" transfers shall not be accepted without specific approval of the college assigned GROW Santa Fe Community College Foundation's counsel and the donor's counsel.

a. Tax benefits to donors of property³

The tax benefits available to a donor for a gift to the GROW Santa Fe Community College Foundation are determined by the appropriate sections of the United States Tax Code and the applicable regulations and rulings.

For nearly every type of gift, a donor is entitled to a charitable deduction for the full fair-market value of the gift. To establish the most valid market value for gifts of real estate and tangible personal property, an appraisal should be rendered by an independent appraiser retained by the donor. The most recent United States Internal Revenue Service regulations concerning such gifts should be consulted.

When a donor elects to give property or securities, the sale of which would result in a long-term capital gain for the donor, it is usually more beneficial to the donor to give the property to the GROW Santa Fe Community College Foundation than to sell the property and give the proceeds to the GROW Santa Fe Community College Foundation. Conversely, if a donor elects to give property or securities on which the donor has incurred a capital loss, it is usually more beneficial to the donor to sell the property and give the proceeds to the GROW Santa Fe Community College Foundation.

³ GROW Santa Fe Community College Foundation will not render opinions on questions or issues under the United States Internal Revenue Code. GROW Santa Fe Community College Foundation does affirmatively state and hold itself out to be an exempt, charitable and educational institution under the Internal Revenue Code, and GROW Santa Fe Community College Foundation does affirmatively assert that contributions are deductible to the extent any charitable gift given to an educational institution is permitted under the United States Internal Revenue Code. Nevertheless, as to the nature of the individual deductions or other tax planning of the donor or contributor, it is recommended that donors seek the opinion of their own attorneys or accountants.

It is highly recommended that each donor consult with his or her attorney and an accountant as well as the GROW Santa Fe Community College Executive Director, in order to maximize both the value of the gift and the tax benefits arising from such a gift.

J. Pledges

An important part of the GROW Santa Fe Community College Foundation's fund-raising efforts is its pledge documentation. Pledge cards include a space for typing or printing the name and address of the donor; a statement indicating how the donor wishes the donation to be used; a place to record the amount of the pledge, how it will be paid, the payment period, and the frequency of payments to be made during the pledge, including the starting date; and a place for the donor's signature. It shall be the policy of the GROW Santa Fe Community College Foundation to treat all pledges as legally binding obligations. Pledge cards shall be filed and maintained in the GROW Santa Fe Community College Foundation office.

K. Payroll deductions

A college employee may authorize that a donation be automatically deducted from his or her compensation each pay period. Payroll-deduction authorization forms are available from the GROW Santa Fe Community College Foundation office and from the college's Office of Human Resources. GROW Santa Fe Community College Foundation office will be responsible for maintaining records of all donations made through payroll deductions.

IV. GIFT ACCEPTANCE PROCEDURES

GROW Santa Fe Community College Foundation will accept on behalf of the college all donations for educational purposes that meet the acceptance criteria per College Regulation 127. These donations may include: cash, securities, real property, planned and deferred gifts, equipment, materials, books and other investment-quality items, and gifts-in-kind. Restricted gifts are distributed based upon the wishes of the donor, otherwise per the requests of the chief executive officer of the college.

All information concerning donors or prospective donors, the names of their beneficiaries, the size and type of gift, etc., is held in strict confidence by the GROW Santa Fe Community College Foundation and its authorized personnel. Any contributions for expenditures that would endanger the nonprofit status of the Foundation will not be accepted.

A. Account designations

For purposes of receiving and expending, all cash and gifts received will be considered in one of the following categories:

1. Permanently Restricted Gifts

- a. Restricted Endowments** include gifts to endowment funds for any purposes, including student scholarships. Endowments may be established and continue to receive additional gifts over a period of years. The purpose and/or name of the endowment is designated by the founding donor. Only available earnings, as defined by the spending policies of the GROW Santa Fe Community College Foundation board of directors, can be expended.
- b. Unrestricted Endowment** includes funds for which the use is not designated by the donor. Only earnings, as defined by the spending policies of the GROW Santa Fe Community College Foundation board of directors, can be expended, for purposes approved by the GROW Santa Fe Community College Foundation board of directors.

- 2. Unrestricted Gifts** allow both the principal and interest earned to be expended for any purpose approved by the GROW Santa Fe Community College Foundation board of directors, consistent with the needs of the college as communicated by the chief executive officer of the college.

3. Temporarily Restricted Gifts

- a. Nonendowed Scholarships** represent scholarship funds given by civic organizations, foundations, individuals, businesses and corporations. Both the principal and interest can be expended.
- b. Special Projects/Programs** are funded by gifts or grant funds. Both the principal and interest can be expended over a period of time as determined by the funding source.

B. Noncash gifts

Approved noncash gifts to Santa Fe Community College, including equipment and art, will be accepted through the GROW Santa Fe Community College Foundation.

C. Gifts of stock and securities

Gifts of stock and securities will be accepted on the recommendation of the GROW Santa Fe Community College Foundation's Finance/Investment Committee and board of directors. Stock will be sold and proceeds credited to the account specified by the donor.

D. Bargain Sales

The Executive Director of the GROW Santa Fe Community College Foundation may negotiate the terms of a bargain sale of property with a potential donor, but in no event

shall any agreement be executed on behalf of the GROW Santa Fe Community College Foundation without the prior approval of the Foundation's directors.

A bargain sale must also satisfy all the GROW Santa Fe Community College Foundation policies and procedures for outright gifts of real or personal property.

If donated personal property must be put to a general or specifically related charitable purpose to qualify the deduction for special income tax treatment, the donor and the GROW Santa Fe Community College Foundation shall sign a "letter of understanding" outlining the terms and conditions of the gift.

The GROW Santa Fe Community College Foundation will not delay a subsequent sale of the gift property simply to avoid the IRS reporting requirements for gifts of assets sold within two years of the date of the gift.

E. Planned and deferred gifts

"Planned and deferred gifts" are defined as those donations to the GROW Santa Fe Community College Foundation, which do not pass simply and quickly from the donor to the college. Examples of planned and deferred gifts are insurance and trusts.

The GROW Santa Fe Community College Foundation will seek the advice of the college's legal counsel in all matters pertaining to planned and deferred gifts. No agreement, contract, trust or other document with any donor or his/her representative will be made without the advice and consent of the college's legal counsel.

All prospects for planned or deferred gifts must be advised to seek their own legal counsel. If the donor chooses not to seek his or her own counsel; the college's counsel will be contacted immediately for advice to the GROW Santa Fe Community College Foundation on how to proceed.

F. Evaluating gifts

The following guidelines will be used in evaluating gifts to the college:

1. The purpose for which the gift is given must be consistent with the stated objectives and the current educational philosophy of Santa Fe Community College.
2. All gifts must be within the United States Internal Revenue Service regulations governing charitable contributions and cannot be restricted for the donor's direct benefit. No gift shall be accepted which is so restrictive as to make its use unnecessarily difficult.
3. The nature of the gift, the identity of the donor and the kind of program, which the gift is intended to support, shall be carefully evaluated. A prospective gift, which could subject the college or GROW Santa Fe Community College Foundation to

criticism and controversy, must be weighed in light of its ultimate value to students and contribution to the community.

V. GIFT ACKNOWLEDGMENTS

The following procedures have been established to ensure consistency and efficiency in thanking donors and in recording gifts.

A. Gifts received by other college offices and departments

When an approved solicitation results in a gift being offered to any division of the college or when an unsolicited gift is offered, the recipient of the gift (or offer) will complete a "Routing Form for Acceptance of Gifts" (pink form) and will forward it to the GROW Santa Fe Community College Foundation immediately. All inquiries regarding gifts of any size should be referred to the GROW Santa Fe Community College Foundation office.

Each pink form transmitted should be accompanied by copies of all correspondence pertaining to the gift and a copy of the approval form for solicitation "Prior Approval for Fundraising Efforts" (blue form).

Please see appendices for copies of these forms.

B. Processing and acknowledging gifts

Once a gift is received, GROW Santa Fe Community College Foundation office staff will record the gift in the gift log and the database. Staff is responsible for crediting the appropriate college account(s) based on the gift information provided by the donor and/or the person who received the gift. Gifts are acknowledged by personal letters within 48 hours of receipt. In the case of honor/memorial gifts, a card indicating the name of the donor is sent to the honoree or the family of the deceased, unless otherwise requested by the donor. A letter is also sent to the donor expressing appreciation and informing him/her that a card has been sent to the honoree or the family of the deceased.

VI. FOUNDATION EXPENDITURES

GROW Santa Fe Community College Foundation will transfer funds to the college for the sole benefit and advancement of Santa Fe Community College, its students and its activities. These areas may include, but are not limited to, scholarships, educational support, faculty development, campus expansion, equipment purchases, cultural enrichment activities, learning resources and general college operations.

A. Scholarships

Scholarship expenditures will be made in accordance with the recommendations of the college's Director of Financial Aid. These expenditures will be approved by the Executive Director of the GROW Santa Fe Community College Foundation.

B. Special projects/programs

Expenditures for special projects must be approved by the project director and must be made in accordance with the college's budgeting and accounting procedures.

C. Administrative expenses

All purchases shall be based on the best obtainable price bid for comparable goods and services.

The GROW Santa Fe Community College Foundation board of directors will annually seek funds from the college for postage, printing, promotion, fund raising, banquet/receptions, college or Foundation receptions, vehicle maintenance, travel, entertainment, accounting services and public relations. The Executive Director of the GROW Santa Fe Community College Foundation may approve expenditures within the approved budget. Personal expenditures by staff for operating expenses, which have been approved by the Executive Director and/or the GROW Santa Fe Community College Foundation board of directors, and for which a receipt is provided will be fully reimbursed.

D. Credit card charges

Credit cards will not be issued for use by staff in GROW Santa Fe Community College Foundation, but may be issued to the chief executive officer of the college.

All charges submitted for payment by the GROW Santa Fe Community College Foundation must be accompanied by a receipt and/or by notes stating date, location and purpose of charge. College assigned employees are responsible for keeping a copy of their receipts as backup.

Receipts will be logged and filed by staff in the GROW Santa Fe Community College Foundation Office. In order to maintain a system of checks and balances, the staff member directed to log and file receipts will not be authorized to sign on the account. When monthly statements are received, the receipts must be reconciled with the statement.

Receipts, statements and related documents will be kept for tax preparation and audit purposes for a minimum of five years.

VII. FUND MANAGEMENT

The Executive Director of the GROW Santa Fe Community College Foundation will observe the following policies in managing the funds of the GROW Santa Fe Community College Foundation.

A. Accounting system

A fund accounting system will accurately account for all funds of the GROW Santa Fe Community College Foundation. The system will consist of three types of funds: unrestricted, temporarily restricted and permanently restricted. Accounts will be established so that any restrictions imposed by the donors or any designations required by the GROW Santa Fe Community College Foundation board of directors can be clearly identified.

B. Budget

The GROW Santa Fe Community College Foundation's Secretary/Treasurer, Finance/Investment Committee, and Executive Director will prepare an annual budget for approval by the GROW Santa Fe Community College Foundation board of directors for consideration by the college board of trustees. The GROW Santa Fe Community College Foundation board of directors will receive monthly financial statements clearly displaying revenues and expenditures.

C. Investments

Income earned on GROW Santa Fe Community College Foundation restricted endowment funds will be made available to expenditure accounts according to the purpose designated by the donor of the funds. Allocations of income will be based on each account's proportionate share of the total fund. Income from endowment funds will be placed into their respective accounts and accumulate until the desired level is reached for the purpose established by the donor. Please see the GROW Santa Fe Community College Foundation's Investment and Spending Policies for further information.

D. Receipts

All gifts will be properly recorded in the GROW Santa Fe Community College Foundation's gift log and computerized database. The wishes of the donor will also be recorded. If a donor would like to be reminded of pledges on a periodic basis, GROW Santa Fe Community College Foundation staff will generate and mail letters to the donor identifying the amount pledged, gifts received to date and the remaining pledge amounts.

E. Reports

As often as the GROW Santa Fe Community College Foundation board of directors meet, the directors shall be provided with financial statements that represent the

financial status of the Foundation. These statements will display cash balances, investment balances, revenues collected, disbursements made and comparisons with budgeted amounts.

The Executive Director of the GROW Santa Fe Community College Foundation will be responsible for contracting with an external accountant for the preparation and submittal of all required United States Internal Revenue Service forms and reports.

F. Audit

A clear audit trail of all GROW Santa Fe Community College Foundation transactions will be maintained by the GROW Santa Fe Community College Foundation. This will include letters to and from donors with appropriate tax identification number regarding restrictions and intended use of funds; justification, authorization, and supporting documentation for all disbursements; and clearly identified and authorized documentation for all adjustments to the accounts.

The books of the GROW Santa Fe Community College Foundation will be audited annually by a firm of independent certified public accountants and will be paid for by funds provided in the GROW Santa Fe Community College Foundation's unrestricted account.

IV. INTERNAL REVENUE CODE AND U.S. TREASURY REGULATION COMPLIANCE

In the event of a conflict, this policy shall be interpreted to be consistent with U.S. Treasury regulations and the Internal Revenue Code.

Approved by GROW Board of Directors: 12/28/04