



## **San Mateo County Community Colleges Foundation Gift Acceptance Policies and Procedures**

### **PURPOSE**

The purpose of this Gift Acceptance Policy is to:

- Ensure that the best interests of donors and the San Mateo County Community Colleges Foundation (hereinafter "SMCCCF" or "Foundation") are served
- Encourage funding of programs the Foundation supports without encumbering SMCCCF with gifts that may prove to generate more cost than benefit or which are restricted in a manner not in keeping with the goals of the Foundation

This policy includes both current and deferred gifts and is intended as a guide to allow flexibility on a case-by-case basis

### **AUTHORITY TO ACCEPT GIFTS**

- The Executive Director, any full-time, permanent Foundation staff member, or any member of the Board of Directors may accept an outright, unrestricted or restricted cash gift of any amount; cash gifts are those defined as made by United States currency, check, money order or electronic transfer
- A non-cash gift (including real property, stock, or a planned gift vehicle) may be accepted by the Executive Director

### **CRITERIA FOR ACCEPTING GIFTS**

SMCCCF will evaluate gifts on several criteria. Gifts that are accepted will:

- Promote and be consistent with the Foundation's mission:  
*We provide the philanthropic support that helps San Mateo County Community College District students take full advantage of the programs and services at the three colleges of the San Mateo County Community College District: Cañada College, College of San Mateo, and Skyline College*
- Conform to the Foundation's code of ethical business practices
- Fulfill the donor's intention for charitable giving
- Support funds/programs approved by the Foundation's Executive Director. Currently, these funds/programs include support for scholarship and college-related programs at Cañada College, College of San Mateo, Skyline College, the San Mateo County Community College District (hereinafter "District"), and the SMCCCF

The Foundation will not accept a gift from any donor who lacks sufficient title to the asset(s) or is not mentally competent legally to transfer funds as a gift to the San Mateo County Community Colleges Foundation.

SMCCCF retains the right to refuse any gift.



## **Ethical Considerations**

SMCCCF follows all applicable federal, state, and local laws and regulations pertaining to charitable giving. Finder's fees are not paid for directing potential gifts to the organization.

SMCCCF will not share its mailing list(s)

## **Payment of Fees**

SMCCCF's preference is to have costs associated with gifts of personal or real property, such as an appraisal, environmental inspection, market evaluation, or preparation of deed to be paid by the donor. Should the donor refuse to pay for an appraisal, the Foundation will have an appraisal done at its expense to protect its interest(s). Fees shall be reasonable and directly related to the completion of a gift. They shall be limited to:

- Appraisal fees by persons who are competent and qualified to appraise the property involved and who have no conflict of interest
- Legal fees for the preparation of documents
- Accounting fees associated with the transaction
- Fees of "fee for service" financial planners

Financial planners must affirm in writing that they are compensated only through fees for services rendered and that they are not compensated for the sale of products to clients. This distinction is vital in avoiding the payment of commissions, which could be construed as triggering securities regulations.

## **Restrictions**

SMCCCF will not honor any restrictions on how gifts may be used without prior approval or if they violate tax-exempt statutes. If the Foundation receives a gift by bequest that contains restrictions it has not previously approved, the Foundation will honor those restrictions, if legally possible, only after review and approval and will inform the donor's estate.

## **Protection of Donor's Rights and Interests**

No program, agreement, trust contract, or commitment shall be urged upon any donor or prospective donor that would benefit SMCCCF at the expense of the donor's interest(s). No agreement shall be made between the Foundation and any agency, person, company, or organization on any matter — whether it be investment, management, sale, or other interest that would knowingly jeopardize or compromise the donor's interest.

It shall be the policy of SMCCCF, its Board of Directors, staff, and volunteers, to inform, serve, guide, or otherwise assist in fulfilling the donor's philanthropic wishes, but never under any circumstances to pressure or unduly persuade.

## **Authority to Invest**

Investment policies are established by the SMCCCF Board of Directors and reviewed annually. All gifted securities will be sold upon receipt. It is essential that the investment policy be clearly stated and



rigorously followed. All investment decisions shall be directed by the Investment Advisory Committee of the SMCCCF Board of Directors, which, with the approval of the full Board of Directors, shall appoint an investment management company (currently Vanguard). Further, the Investment Advisory Committee will make all investment recommendations to the SMCCCF's Board of Directors. Investment Advisory Committee recommendations will be made consistent with the Foundation's by-laws.

### **Confidentiality**

All information obtained from or about donors or prospects shall be held in the strictest of confidence by the Foundation and its Board of Directors, staff, and volunteers. Donor names will be made public in publications and online unless donors specifically opt out by choosing to make their donation(s) and/or names anonymous. To ensure donations and/or donors remain anonymous, contact the Foundation's office at 650.574.6229 or [foundation@smccd.edu](mailto:foundation@smccd.edu).

### **Annual Review of Gift Acceptance Policies and Procedures**

The Foundation will review this policy on an annual basis to ensure that SMCCCF remains in compliance with all federal laws and regulations and with the ethical guidelines established by the Association of Fundraising Professionals and the National Association for Charitable Gift Planners. The policy will also be reviewed if it becomes inconsistent with Treasury Regulations or other applicable state or federal laws.

### **GIFT ACCEPTANCE AND ACKNOWLEDGMENT PROCEDURES**

Unrestricted gifts not designated to any particular fund will be investigated by first trying to match based on existing database history, then by contacting the donor or estate trustee/executor. Should a fund not be identified to receive the contribution, then the gift will be designated for the SMCCCF general fund for Student Success. Contributions not accepted by SMCCCF will be returned to the donor as soon as is practical.

SMCCCF will provide acknowledgment at the time of acceptance of any contribution of cash or cash equivalents and will provide acknowledgment within a reasonable amount of time for gifts requiring valuation.

Acknowledgment of a contribution to the Foundation will include the amount of the contribution of any mutual funds of publicly traded stock, bonds, and other securities, and the average fair market value on the date when the contribution is made. The Foundation does not value private securities. In cases of gifts of non-cash or cash equivalent gifts, donors should comply with applicable laws and regulations.

Donors may contribute to an existing fund or establish a new fund. A formal fund agreement is required for all new funds. The Foundation has two types of funds: named funds and endowed funds. The minimum contribution to create a permanently endowed fund is \$20,000. A named fund must be created for a minimum of three years with a minimum contribution of \$1,500 per year. Any exceptions must be approved by SMCCCF's executive director.



## TYPES OF GIFTS

### Cash

SMCCCF accepts gifts in the form of cash, check, and money orders. Checks and money orders shall be made payable to "SMCCCF," "SMCCC Foundation," or "San Mateo County Community Colleges Foundation." In no event shall a check be made payable to an employee, agent, or volunteer for credit to SMCCCF. Cash contributions must be denominated in US dollars or any other currency which is easily convertible to US dollars, and delivered by check, wire, credit card, or other form acceptable to SMCCCF. SMCCCF does not accept gifts through third-party payment portals. Checks and money orders may be mailed to:

San Mateo County Community Colleges Foundation  
3401 CSM Dr  
San Mateo, CA 94402

Gifts of currency should always be hand-delivered to the Foundation, rather than sent through the mail.

### Publicly Traded Securities

SMCCCF accepts securities (including mutual funds) traded on a recognized stock exchange and other readily marketable securities. For gift crediting and accounting purposes, the value of the gift of securities is the average of the high and low prices on the date of the gift according to IRS regulation. For gift acknowledgment to the donor, the high, low, and average of the securities on the date the gift was received will be reported to the donor for tax purposes. All gifted securities will be sold upon receipt. In no event shall an employee or volunteer working on behalf of the Foundation commit to a donor that a security will be held by the SMCCCF.

The Foundation works with Graystone Consulting, A Business of Morgan Stanley, to sell stocks. (Donors should contact the Foundation office at 650.574.6229 prior to transfer in case directions have been updated.)

Shares in certificate form:

1. Have all registered owners sign back of the certificate or stock power.
2. Have all registered owners sign the security release form.
3. Deliver or mail shares to Colin Roesler, Institutional Consulting Analyst, Graystone Consulting, 800 Newport Center Dr Ste 500, Newport Beach, CA 92660 ([Colin.Roesler@MSGraystone.com](mailto:Colin.Roesler@MSGraystone.com) | [graystonepa@msgraystone.com](mailto:graystonepa@msgraystone.com) | 949.717.5341

Shares in a brokerage account:

1. Please complete the letter of instruction to the brokerage firm and submit it directly to your firm.



2. Please use our DTC #0015, San Mateo County Community Colleges Foundation, FBO account number 714-137506-206. When shares are received into account, the gifting party will be informed of the value of the securities on the date of transfer (which can be provided by Graystone Consulting, A Business of Morgan Stanley).

## **Real Estate**

SMCCCF only accepts properties that can be used by the District and/or one or more of the colleges (Cañada College, College of San Mateo, or Skyline College) or are highly marketable and do not expose the District to any unreasonable risk or liability. SMCCCF will work with donors and the appropriate professionals, such as real estate brokers, attorneys, and others to prepare documents for gifting property to the Foundation.

Prior to acceptance, a gift of real estate must be appraised by at least one recognized appraisal firm, totally independent of SMCCCF, or by the appraisal department of a major bank to establish fair market value. This appraisal will perform three (3) functions:

- Establish the donor's tax deduction
- Give SMCCCF auditors a reasonable value at which to carry the asset on the Foundation's books
- Establish the asking price for the property

Normally, the donor will be asked to pay for this appraisal because it is tax-deductible. If the donor wishes to provide his/her own appraisal, SMCCCF will carry the gift on its books at \$1.00 and the donor will be so informed. SMCCCF will then list the property at whatever it deems to be fair market value.

Real estate located outside the continental United States will be evaluated by the SMCCCF on a case-by-case basis.

The property will be listed for sale with a broker or brokers in the area in which the property is located at an amount consistent with the fair market value established by the appraisal. The property may be held for a reasonable amount of time.

Due diligence concerning environmental concerns shall be considered before accepting any gift of real estate. This may involve conducting an environmental audit of the property.

SMCCCF will review all proposed gifts of real estate with mortgages on a case-by-case basis.

SMCCCF will evaluate gifts of commercial properties and businesses taking into consideration:

- SMCCCF may have to pay tax on unrelated business income
- SMCCCF as a nonprofit organization receives no benefit from depreciation

The property must be conveyed to SMCCCF prior to any formal offer or contract for resale.

## **Cryptocurrency**

SMCCCF will accept gifts of cryptocurrencies donated through "Crypto for Charity." To donate, visit <https://www.cryptoforcharity.io/crypto-for-charity> and enter "San Mateo County Community Colleges Foundation" in the "Choose a nonprofit" drop-down menu. The affiliated nonprofit, Cocatalyst Impact,



will liquidate the donation and send the cash to SMCCCF. A 3.95% processing fee goes to Cocatalyst Impact.

### **Gifts of Works of Art**

SMCCCF accepts appropriate gifts of works of art both self-created and purchased. However, gifts of art will be placed on the Foundation's books at \$1.00 unless a valid independent appraisal is supplied at the donor's expense, as the cost of the appraisal is deductible to him/her. SMCCCF will make no commitment to keep a work of art in perpetuity.

### **Gifts of Miscellaneous Personal Property**

SMCCCF accepts other items of personal property if they are usable or easily saleable. The donor is responsible for establishing the value of the item(s). SMCCCF will evaluate gifts of personal property taking into consideration costs of: transportation, storage, sales, maintenance, and repair.

SMCCCF will not accept gifts of automobiles and/or other vehicles.

### **Gifts of Mineral Rights**

SMCCCF will not accept gifts of mineral rights.

## **DEFERRED OR PLANNED GIFTS**

### **General Policies**

The Foundation will accept gifts/assets from Charitable Remainder Trusts, Charitable Lead Trusts, and Pooled Income Funds, but at this time, the Foundation does not administer/manage these types of funds and will not act in the capacity of trustee for charitable trusts in which the Foundation is named as a remainder beneficiary.

Each donor should be guided by his/her own financial planner, tax advisor and/or attorney in planned or legacy giving matters. All planned giving instruments must be prepared and approved by an attorney representing the donor. Any information provided by SMCCCF in no way constitutes legal advice.

### **Confidentiality**

All information obtained from or about donors or prospects shall be held in the strictest confidence by the Foundation and its Board of Directors, staff, and volunteers. Neither the name, the amount, nor the conditions of any gift shall be published without approval of the donor and/or the beneficiary.

### **Review of Agreements**

SMCCCF will review each gift arrangement from the perspective of its potential benefit to the Foundation's mission. While the interests of the donor are paramount, SMCCCF will not accept any gift if its benefit to SMCCCF is so remote as to be negligible. SMCCCF retains the right to refuse gifts in any form deemed inappropriate to its purpose.



## **PLANNED GIFTS**

### **Bequests**

Bequests are gifts made to the Foundation as part of a donor's will or revocable or irrevocable trust. Bequests can take various forms:

- Specific bequests — gifts of a specific dollar amount or a specific asset
- Residual bequests — gifts of the donor's property after all debts, taxes, expenses, and other bequests have been paid
- Percentage bequests — gifts expressed as a percentage of the estate or the residuary estate
- Contingent bequests — gifts made to the Foundation if the primary bequest cannot be met
- Restricted bequests — gifts designated for a specific purpose

SMCCCF recognizes bequests only when they become irrevocable and have been determined as to amount.

SMCCCF reserves the right to decline any gift that does not further its mission or goals. SMCCCF may decline any gift that would create an administrative burden or cause SMCCCF to incur excessive expenses. SMCCCF shall expeditiously communicate the decision to decline a gift to the legal representatives of the estate. If there is any indication that the representatives of the estate or any family member of the deceased are dissatisfied with the decision, the fact shall be communicated to SMCCCF's Executive Director as quickly as possible.

SMCCCF shall attempt to discover bequest expectancies wherever possible. Where possible, intended bequests of property other than cash or marketable securities should be brought to the attention of the staff who will inform the Executive Director. Donors can inform the Foundation of their intent by [downloading, filling out, and returning a Legacy Society form](#) to the SMCCCF. Every attempt should be made to encourage the donor to conform his or her plans to SMCCCF policy.

SMCCCF shall not act as an executor (personal representative) for a donor's estate.

### **Retirement Plan Beneficiary Designations**

When donors name San Mateo County Community Colleges Foundation as beneficiary of their retirement plans, such designations will not be recorded as gifts to the Foundation until the gift is realized.

### **Life Insurance Beneficiary Designations and Policies**

A donor can name SMCCCF as the primary or final beneficiary, or she/he can transfer ownership of an existing policy. If SMCCCF is named the beneficiary of the policy, the funds will not be recorded as a gift to the Foundation until the gift is realized. However, if SMCCCF is named as both the owner and the beneficiary of the policy, the cash surrender value will be included as a contribution at the time the policy is transferred.

### **Charitable Gift Annuities**



The Charitable Gift Annuity (CGA) generates cash payments to a donor or other(s) (no more than two beneficiaries) for life in exchange for a transfer of cash, marketable securities, or property. Gift annuities may be immediate or deferred. The difference between an immediate and a deferred gift annuity is that a deferred annuity starts to pay out at a date in the future. The minimum amount to create a GCA is \$10,000 and the minimum age is 60. Please contact the Foundation for any questions about establishing a CGA, including funding scenarios. The Foundation's CGAs are managed by the Community College League of California using American Council on Gift Annuities rates.