

1030 GIFTS MADE TO THE College

1. General

Private support is extremely important to the teaching, research and public service mission of the College. Through private support, the College can enhance current programs and develop resources to support future programs. To ensure effective development and management of private support and compliance with Internal Revenue Service (IRS) regulations, the College coordinates all efforts to obtain and increase private support through the Northern New Mexico College Foundation, a non--profit corporation. The Foundation was chartered by the Northern New Mexico College Board of Regents to solicit, accept, and manage private contributions for the purpose of promoting the educational, research, and service commitments of the College. The College's Advancement Office staffs the Foundation under the oversight of the Foundation Board of Directors and the Vice President for Institutional Advancement. All gifts received by the College, including gifts to colleges, schools, departments, and/or programs, must be reported to the Advancement Office. This policy applies to the receipt and investment of all gifts from private sources made to benefit the College's education, research, or public service mission irrespective of who actually receives the contribution. Gifts may come in many forms including:

- cash, checks, and credit card payments;
- securities;
- real estate;
- bequests, wills, trusts, and other forms of planned gifts;
- art and collectibles;
- equipment, supplies, and other types of tangible personal property;
- intangible gifts such as copyrights, royalties and easements; and
- private grants.

This policy does not apply to grants from governmental agencies or to contracts from governmental agencies, corporations, or other entities for research or service projects where the funding agency initiates the project, specifies processes, methods, and benchmarks, and/or derives direct substantial economic benefits from the results. Such contracts are handled by the grants office.

2. Foundation Office

The Foundation Office in conjunction with the Foundation Board and the Vice President for Advancement directs and manages the fund--raising activities of the College. With a comprehensive overview of the College's fund--raising activity, the Foundation Office serves as a clearing house for funding requests to ensure prospective donors receive the proper acknowledgment and are not approached by several colleges or schools at the same time. If faculty or staff members are contacted by a donor directly, they must contact the Foundation Office to ensure the donor's interests and wishes are respected and the donation complies with College policies and IRS regulations. The Foundation Office organizes funding requests, establishes relationships with donors, and matches funding requests with prospective donors. The Foundation Office has expertise in various fund--raising methods including capital campaigns, planned giving, endowments, and memorial gifts.

4. Gifts

The College reserves the right to refuse any gift that violates College values and/or policies. All gifts given to the College are the property of the College and are irrevocable. All gifts discussed in Section 1. above must be reported to the Foundation Office immediately upon receipt.

When either designated funds or endowed fund accounts are to be established by a donor, the department must consult with the Foundation Office to develop either a gift agreement or endowment agreement to be signed by both parties outlining the use of funds. In the absence of a gift agreement or endowment agreement, the Foundation is chartered under its Articles of Incorporation to make decisions for the donor. The stated purpose of the Foundation is to carry out the donor's wishes and assure that the funds and property received are applied to the uses specified by the donor.

Departments must consult with the Foundation Office about any terms or conditions imposed on a gift by the donor prior to accepting the gift. The IRS may, in certain circumstances, disqualify a charitable deduction for a gift where such conditions imply a partial interest. A donor may not control a gift in terms of selecting beneficiaries for scholarships, endowed chairs, etc.; however, a donor may be consulted and advised concerning the recipients. Neither the College nor the Foundation provide legal, tax, or accounting counsel to donors. Donors are advised to retain professional counsel for purposes of interpreting the financial and tax consequences of their gift(s).

4.1 Recognition of Donors

It is important to thank a donor promptly for a gift in a manner appropriate to the size of the gift and consistent with the donor's personal wishes. It is equally important that gifts to the College are acknowledged in a consistent manner. For these reasons the execution of acknowledgment forms must be processed by the Foundation Office; however, the department receiving the gift may and should express appreciation and gratitude for the gift. Departments that regularly receive property (clothes, objects used as props, etc.) with an anticipated value less than \$250 may give the donor a written acknowledgment that includes date, Northern organization, and a reasonably detailed description of the property; however, the acknowledgment may not include a dollar value. Although generally the donation of services does not result in a tax deduction for the donor, it is important for the department to acknowledge the donation and thank the donor. Departments receiving donated services with a value of \$1,000 or more must report the donation to the Foundation Office. Any associated benefits a college or school may wish to grant the donor, such as use of College facilities, premiums, and fee waivers must be coordinated through the Foundation Office to ensure donors are treated consistently. The College will always honor a donor's wish for anonymity to the extent permitted by law. For information concerning naming recognition refer to "Naming Facilities, Spaces, Endowments, and Programs" Policy 1020, UBP.

4.2. Non-cash Gifts

A donor must complete IRS Form 8283 when claiming a deduction of \$500 or more for non-cash gifts. At the donor's request a representative from the Northern Foundation will sign part IV of IRS Form 8283, confirming receipt of the non-cash gift. If the donor is claiming a deduction of \$5,000 or more, the donor must get a qualified appraisal by a qualified appraiser no earlier than sixty (60) days prior to the date of the donation. Neither the College nor the Foundation will be

responsible for obtaining an appraisal. The donor should refer to IRS Publications 526 and 561 for specific information on valuing non-cash gifts and determining the applicable deduction.

If a department decides to sell a gift valued over \$5,000 they must consult with the Foundation Office to determine if the donor has attached specific conditions on disposition of the gift. The Foundation Office may need to submit a form 8282 with the IRS stating the date of disposition and value received.

4.3. Reporting

All gift reporting must comply with standards established by the Foundation Office. The Development Office provides the following reports and documents.

4.3.1. Donor Receipt

An official College/ Northern Foundation receipt is issued to the donor at the time of the gift or as soon as possible after receipt of the gift. The recipient department also receives a copy of the donor receipt. For donations greater than \$75 for which the donor receives a benefit, the Foundation will note the value of any benefit received on the receipt.

4.3.2. Current or Non Endowed Accounts

The recipient department receives a monthly statement that shows the fund title, number, monthly balance, and any new gifts for the month.

4.3.3. Endowment Accounts

Donors receive an annual report which shows endowment performance. Each college, school, or department that receives an endowment is sent an annual statement showing fund title, value at the beginning and end of the fiscal year, additions to the principal, total investment returns for the year, and the total spending distribution transferred for use by the recipient department based on predetermined percentages set forth by the Foundation Board's Investment Policy.

5. Donor Information

Employees and volunteers who have access to information concerning donors or prospective donors must take every precaution to ensure that such information is used only for authorized purposes and properly discarded when no longer in use. Violation of this policy may result in disciplinary action, up to and including dismissal.

6. Conflict of Interest

All College students, staff, faculty, and volunteers must avoid any action with a donor that is or appears to be a conflict of interest. Examples of problematic transactions with a donor include, but are not limited to, purchase, sale, exchange, or lease of property from a donor; gratuities, commissions, fees, salary or other benefits from a donor; and loans from a donor.

7. Responsibility to Donor

To ensure that donors and prospective donors have confidence in the College, they are entitled to:

- be informed of the College's mission and the intended use of the donated resources;
- receive appropriate acknowledgment and recognition;

- access to pertinent information about the College; and
- receive stewardship on the uses and beneficiaries of their gift(s).

8. Fundraising Programs

All solicitations of gifts from individuals, corporations, and foundations must be coordinated by the Foundation Office. Any literature, including brochures, booklets, and newsletters used to attract private funds must be approved by the Foundation Office in order to present a unified voice and image and to ensure that the most accurate, up-to-date information appropriate to a particular fund-raising effort is reflected. All gifts received by the College or faculty, staff, volunteers, or student organizations for support of any College program or activity, irrespective of source or gift

type, shall be deposited in and expended through College accounting systems in accordance with College's Business Policies and Procedures. The use of outside bank accounts is prohibited. The Foundation Office will ensure that all College fund-raising events comply with local, state, and federal laws.

8.1. Fundraising Campaigns

A fund-raising campaign is markedly different than ordinary fund-raising efforts in that it has a specific goal of money to be raised within a fixed period of time, generally one (1) to three (3) years. Normally, campaigns are restricted to raising the substantial amounts of money needed for construction of new buildings, endowments, major renovations, and other large projects. As campaigns depend upon reaching out to the larger community beyond the circle of existing donors, their success or failure directly affects the College's reputation as a whole and its ability to raise money for other needed programs. As a consequence, any college, department, center, or division wishing to conduct a fund-raising campaign must develop a formal plan in conjunction with the Foundation Office. This plan is presented to the Vice President for Advancement and the Executive Vice President for Academic Affairs and Provost. The plan must be approved by the vice president in consultation with the Foundation Office. Gaining approval of campaign status for fund-raising efforts allows for counting multi-years gifts and pledges in a single fiscal year. Campaigns that include naming opportunities to recognize donors must comply with "Naming Facilities, Spaces, Endowments, and Programs" Policy 1020 UBP.

8.2. Pledges

A pledge is a signed and dated commitment to make a gift during a specified period of time according to specified terms. Pledges are serious commitments and must be submitted to the Foundation Office on a Statement of Intent (Pledge) of Gift Support form.

8.3. Solicitations of Employees

All fundraising programs for the benefit the College that include solicitation of students, staff, or faculty must be approved by the Vice President for Advancement in advance in writing. A fundraising plan must be submitted through the dean or director to the Executive Vice President for Academic Affairs and Provost who will submit the request to Vice President for Advancement for approval. It is critical that donations be completely voluntary, confidential, and not an inferred condition of employment or academic success.

9. Volunteers

A volunteer is any person who works without compensation on behalf of Northern on a temporary or continuing basis. All volunteers are subject to the requirements of this policy. Whenever volunteers are involved in fund--raising efforts, it is important they are trained in the College policies and procedures. The Foundation Office can assist schools and colleges in the selection, recruitment, and training of volunteers.

10. Exceptions

In certain exceptional circumstances, the College or the Foundation may choose to return a gift to a donor if, in its sole determination, the programs or activities for which a gift was given cannot be reasonably accomplished. Such a return may have adverse tax consequences to the donor. This and all other exceptions to this policy must be reviewed and approved on a case---by---case basis in accordance with applicable laws and regulations by the Foundation Director in consultation with the vice president responsible for the college or department impacted by the gift, the Vice President of Advancement, Legal Counsel, and the Foundation Board.