Gift Acceptance Policy

Mission

The Colorado Mountain College (CMC) Foundation (Foundation) builds sustainable community support for the needs and strategic priorities of Colorado Mountain and its students.

Purpose of this Policy

This Gift Acceptance Policy governs the acceptance of all gifts to the Foundation on behalf of Colorado Mountain College (College). It also provides guidance to donors and supporters of the Foundation when making gifts to the organization.

Policy

The Foundation will accept unrestricted gifts and gifts to support specific campaigns and projects, provided that such gifts are consistent with the College's purpose, mission, priorities and values.

The Chief Executive Officer (CEO) of the Foundation is responsible for determining if gifts or proposed gifts to the Foundation meet the above criteria. If any gift or prospective gift is inconsistent with the above definition, or unusual in nature, the CEO will bring this to the attention of the Executive Committee to determine acceptability, in accordance with this Gift Acceptance Policy, as well as consult with CMC Leadership. The Foundation Board of Directors has delegated such responsibility to the Executive Committee. The Foundation strives to partner with each of its donors to accept gifts that advance the College's educational mission. The Foundation complies with all IRS regulations under Code Sections 170(a) and (c) which allow a tax deduction for charitable contributions made "to or for the use of" qualified Code Section 501 (c) (3) organizations.

1. The Foundation will seek the advice of appropriate counsel in matters relating to the acceptance of gifts when appropriate. Review by counsel is required for:
    a. closely held stock transfers that are subject to restrictions or buy-sell agreements;
    b. gifts involving contracts, such as bargain sales or other documents requiring the Foundation to assume an obligation;
    c. transactions with potential conflicts of interest; and,
    d. other instances in which use of counsel is deemed appropriate by the Executive Committee.
2. The Foundation will encourage all prospective donors to seek the assistance of personal legal and/or financial advisors in matters relating to their gifts for tax and estate planning consequences. This Gift Acceptance Policy is intended to provide guidance to the Foundation Board regarding acceptance of prospective gifts and

donors are responsible for ensuring that a proposed gift furthers their own best interests.

3. The following gifts are acceptable:
    a. Cash
    b. Publicly traded securities
    c. Closely held securities
    d. Tangible personal property
    e. Real property
    f. Bargain sale
    g. Oil, gas and mineral interests
    h. Retained life estate
    i. Life insurance
    j. Charitable remainder unitrust
    k. Charitable remainder annuity trust
    l. Charitable lead trust
    m. Charitable bequest
    n. Retirement plans
    o. Support organization

4. The following guidelines govern the acceptance of each type of gift:

    a. Cash

    Gifts of cash in any amount can be accepted by the Foundation without the approval of the Executive Committee. These gifts can take the form of currency, check or credit card contributions. Checks shall be made payable to the Colorado Mountain College Foundation.

    b. Publicly traded securities

    Appreciated publicly traded securities that are readily marketable, including stocks, bonds and mutual funds, will be encouraged and can be accepted by the Foundation without the approval of the Executive Committee. Such gifts may be transferred three ways: 1) Depository Trust Company (DTC) transfer; 2) establishing an account at the donor's brokerage firm in the name of Colorado Mountain College Foundation, Inc. and transferring by the donor's broker; or 3) mailing or giving actual physical certificates accompanied by stock power.

    All marketable securities shall be sold as soon as possible unless otherwise directed by the Executive Committee. If restrictions are placed on the sale of a security, the Committee will determine whether such restrictions are acceptable.

    All gifts of appreciated stock will be processed quickly and efficiently as soon as administratively possible (typically one to two business days) to ensure a minimum effect from market volatility and to maintain positive donor relations.

The value of such gifts will be determined by the average of the high and low of the security on the date of the gift. If the gift is made on a weekend or holiday, the gift will be valued according to the average of the mean values on the preceding and succeeding business days. The date of the gift is determined by the date of the postmark if the stocks are mailed or the date the securities are actually delivered to an account in the name of the Foundation.

c. Closely held securities

The value and marketability of closely held securities are more challenging to determine than publicly traded securities; therefore, closely held, restricted or infrequently traded securities may be accepted only upon approval of the Executive Committee on a case by case basis and shall be valued according to Internal Revenue Service (IRS) regulations. Gifts will be reviewed to determine that:

- there are no restrictions on the security that would prevent the Foundation from ultimately converting those gifts to cash assets;
- the security is marketable; and,
- the security will not generate any undesirable tax consequences for the Foundation.

Without the proper approvals of the Executive Committee and the Foundation Board of Directors, gifts will not be accepted that require the Foundation to become a principal in a joint venture or business activity in which it participates fully in the risks of operation and has more than limited liability for the conduct of the business (e.g., as a general partner or principal in a joint venture).

Further review and recommendation by appropriate counsel may be sought before making a final decision on the acceptance of such gifts. Every effort will be made to sell non-marketable securities as soon as possible.

d. Tangible personal property (Gifts-In-Kind)

A Gift-In-Kind is a voluntary contribution of tangible personal property such as art, collectibles, books, equipment or other personal assets or materials. A Gift-in-Kind contribution of tangible personal property may only be accepted when said gift can be used to advance the educational mission of the College and/or enhance the quality of education offered our students and/or when said gift may be readily sold for cash to benefit the College. Due to the potential liability and inadvertent risks that may be associated with any Gift-In-Kind, the ultimate acceptance of all such gifts rests with the Executive Committee of the Board of Directors of the Foundation based on the written recommendation of the Chief Executive Officer (CEO) of the Foundation.

Since any Gift-In-Kind may also present the College with issues of liability and/or unexpected expenditures, Gift-In-Kind Acceptance Procedures and Gift-In-Kind Forms have been developed (see attached) to meet the needs and interests of both the donor(s) of the gift and the College personnel involved in the gift. All Gift-In-Kind donations shall be approved by the CEO **prior to being accepted** and are not considered assets of the College until said approval is granted in writing.

The CEO of the Foundation shall review all gifts of tangible personal property using at least the following criteria:

- Does the tangible personal property fulfill the purpose of the Foundation and the mission of the College?
- Is the tangible personal property marketable?
- Are there any undue restrictions on the use, display or sale of the tangible personal property?
- Are there any carrying costs involved with the ownership of the tangible personal property once it is transferred as an asset to the College?

Title to the tangible personal property should be clear and unencumbered and properly documented in accordance with the Gift-In-Kind Acceptance Procedures. No gift of tangible personal property subject to the requirement of ownership in perpetuity shall be accepted without the specific approval of the Executive Committee.

The Executive Committee will have the final determination on the acceptance of such gifts. The acceptance of any gift of tangible personal property will be communicated to the Foundation's Board of Directors prior to transference of the asset to the College.

e. Real property

All gifts of real property will be carefully reviewed for any contingent liabilities. Prior to the acceptance of real property, the Executive Committee may require an initial environmental review to ensure that the real property has no associated environmental or other liabilities. A Phase 1 Environmental Site Assessment (ESA) may be required for nonresidential property and appropriate follow-up is required should any problems be revealed. Said reviews and follow-ups must be performed and documented by a properly licensed or appropriately certified professional and, generally, the costs will be borne by the donor.

In addition, if there is any question regarding boundaries, easements or access to the property, the Foundation will require a current independent appraisal, preliminary title report and a survey at the expense of the donor. Terms or restrictions regarding the property's use or subsequent sale by the Foundation must be considered by the appraiser and be approved by the Executive Committee. Each of these pre-acceptance conditions also benefit the donor in that they are critical in ascertaining the true value of the gift in the determination of the donor's tax or estate planning consequences.

The Foundation will not hold real property for more than two years to circumvent the Internal Revenue Service (IRS) tax reporting requirements. All gifts of real property will be considered using the following criteria:

- is the real property beneficial to the educational mission of the College;
- is the real property marketable at a reasonable resale value under current or near-term market conditions;
- are there any restrictions, reservations, easements or other limitations associated with the real property;
- are there carrying costs, which may include insurance, property taxes, mortgages, notes, assessments, etc. associated with ownership of the real property; and,
- do the appropriate environmental assessments indicate that the real property has no associated liabilities?

Because of the unique nature of proposed gifts of real property, the Executive Committee will carefully review all gifts of real property and submit a formal recommendation to the Board of Directors on whether to accept the gift. The College President and College Board of Trustees will approve all gifts of real property that are held on behalf of the College and not re-sold. All requirements provided for within the Foundation's policies must be complied with.

f. Bargain sale

All bargain sales must satisfy the guidelines for outright gifts of tangible personal property and real property. Acceptance of debt-encumbered property is unlikely if the loan exceeds 50%of the real property value. Factors to consider include:

- availability of institutional funds to purchase the real property;
- the Foundation must determine that it will use the real property, or that there is a viable market for sale of the real property that allows for sale within 12 months of receipt; and,
- costs to safeguard, insure and manage expenses associated with the real property (including property tax, if applicable) during the holding period.

The Executive Committee will carefully review all gifts offered under conditions of a bargain sale and communicate their decision to the Foundation's Board of Directors prior to transference of the asset to the College.

g. Oil, gas and mineral interests

The Foundation may accept oil, gas or mineral interests when appropriate. All gifts of oil, gas and mineral interests will be considered using the following criteria:

- gifts of surface rights should have a value of $20,000 or more;
- gifts of oil, gas and mineral interests should generate at least $3,000 per year in royalties or other income, as determined by the average of the three years prior to the gift;

- the real property appurtenant to the oil, gas and mineral interests should not have environmental or other liabilities that make receipt of the gift inappropriate;
- a working interest may only be accepted when there is a plan to minimize potential liability and tax consequences; and,
- the real property appurtenant to the oil, gas and mineral interests should undergo a comprehensive environmental review to ensure that neither the College nor the Foundation has any current or potential exposure to environmental liability.

The Executive Committee will carefully review all gifts of oil, gas and/or mineral interests and communicate their decision to the Foundation's Board of Directors prior to transference of the asset to the College.

h. Retained life estate

All retained life estates must satisfy the guidelines for outright gifts of real property. All gifts of a retained life estate will be considered using the following criteria:

- the minimum value for such gifts is $100,000;
- consideration will be given to the responsibility for property repairs, taxes, insurance and other expenses; and,
- the Foundation should discourage a current gift from a small estate if the property value represents too large a portion of the total gift. Instead, a testamentary gift by will should be encouraged so that the donor is protected against unforeseen emergencies.

Donors will have all documents reviewed by their own legal counsel. The Executive Committee will carefully review all gifts of retained life estates and communicate their decision to the Foundation's Board of Directors prior to transference of the asset to the College.

i. Life insurance

A gift of life insurance can be made by naming the Foundation as an owner and beneficiary of an existing or new life insurance policy. Donors are encouraged to consult their financial or other advisors to understand the tax ramifications of such a gift. The Foundation will only accept ownership of a life insurance policy where the Foundation is the sole death beneficiary.

As term insurance policies seldom remain in force until the death of the insured, they are not encouraged.

j. Charitable remainder unitrust

To justify the donor's start-up costs for legal and accounting fees, the suggested fair market value for establishing a charitable remainder unitrust is $100,000.

The Foundation will not serve as trustee. Trustee fees will be paid by the trust and not by the Foundation.

It is unlikely that the Foundation will partake in the creation of a unitrust that generates a charitable deduction less than or equal to 15 percent of the gift value.

The final trust document must be prepared or approved by an attorney representing the donor.

k. Charitable remainder annuity trust

To justify the donor's start-up costs for legal and accounting fees, the suggested fair market value for establishing an annuity trust is $100,000.

The Foundation will not serve as trustee. Trustee fees will be paid by the trust and not by the Foundation.

It is unlikely that the Foundation will partake in the creation of an annuity trust that generates a charitable deduction less than or equal to 15 percent of the gift value.

The final trust document must be prepared or approved by an attorney representing the donor.

l. Charitable lead trust

The recommended minimum funding value for a lead trust is $500,000.

The Foundation will not serve as trustee. Trustee fees will be paid by the trust and not by the Foundation.

The final trust document must be prepared or approved by an attorney representing the donor.

m. Charitable bequest

Donors to, and supporters of, the Foundation are encouraged to make bequests to the Foundation through wills and trusts.

Whenever possible, the Foundation will review in advance any restrictions or conditions placed on a bequest to the Foundation.

To avoid any conflicts of interest, no representative of the Foundation should be named in a donor's will or trust or act in an official capacity such as witness, attorney-in-fact, executor or trustee.

n. When the Foundation receives notice of a charitable bequest, the Foundation's staff will monitor the distribution from the estate or trust to ensure proper treatment. Staff will also coordinate an appropriate response in expressing regrets and gratitude to family and friends

o. Retirement plans

Donors will be encouraged to consult their tax advisors to understand the tax ramifications of such a gift. In being mindful of federal tax law, the Foundation will not generally encourage a donor to transfer an Individual Retirement Account (IRA) or other retirement plan account to the Foundation prior to the donor's death as this will be treated as a withdrawal of the account by the donor.

Whenever possible, the Foundation will review in advance a beneficiary designation to make sure the language used will result in proper distribution to the Foundation. The donor should contact their plan administrators to complete the appropriate change of beneficiary forms.

p. Support organization

The recommended minimum to establish a support organization is $1,000,000. To justify participation, a significant portion of the assets and distributions of the Support Organization must be earmarked to benefit the Foundation. If a Support Organization calls for a Foundation representative on its Board of Directors, the request must be submitted to the Executive Committee and be signed by the appropriate Foundation executive officers.

The Support Organization should make distributions for the benefit of the Foundation at least annually, unless funds are accumulated for later distribution for specific projects.

5. Additional provisions

   a. *Securing appraisals and legal fees for gifts to the Foundation:* It will be the responsibility of the donor to secure and pay for an appraisal, where required, and independent legal counsel for all gifts made to the Foundation.

   b. *Valuation of gifts for development purposes:* The Foundation will record a gift received by the Foundation at its valuation for gift purposes on the date of the gift and shall value all gifts consistent with IRS regulations. If valuation of the gift on the day that it is officially made becomes impractical (i.e., in the case of gifts of real property), valuation shall be determined by the most recent appraisal used to assess the charitable opportunity to begin with.

   c. *Responsibility for IRS filings upon sale of gift items:* The Executive Committee of the Foundation is responsible for filing IRS Form 8282 upon the sale or disposition of any asset sold within two or three 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 the sale or disposition of the asset.

   d. *Acknowledgement of all gifts.* The Foundation will comply with current IRS requirements in acknowledgement of gifts. Most forms of planned gifts listed above shall qualify the donor(s) for recognition within The Davenport Legacy Society of the Foundation. The annual income generated for the Foundation via other instruments (i.e. a charitable Lead Trust, etc.) shall allow for the donor(s) to be recognized within the 14’er Society of the Foundation.

Definitions

Bargain sale	A sale of real or tangible personal property to a charitable organization for an amount less than its fair market value. The excess of the value over the sales price represents a gift.

Cash	Outright gifts of cash that are made in the form of cash, check or Visa/MasterCard/American Express.
Charitable bequest	Gifts that are made through a will.
Charitable lead trust	A trust from which a charity receives income for the duration of the trust, after which time the principal is either returned to the donor or distributed to other people.
Charitable remainder annuity trust	An irrevocable trust arrangement, established by a donor, to provide payments of a certain sum (established at the inception of the trust and to be at least five percent of its then fair-market value) to one or more noncharitable beneficiaries for life or a term not to exceed 20 years, after which time the remainder is distributed to one or more qualified charities.
Charitable remainder unitrust	Through irrevocable trust arrangement, the trust is established by one or more donors to pay, at least annually, a set percentage (to be at least five percent of the fair market value of the trusts' assets as valued annually) to one or more noncharitable beneficiaries for life or for a term not to exceed 20 years, with the remainder being distributed to one or more qualified charities.
Closely held securities	Securities that are not broadly or publicly traded. Their value and marketability are more challenging to determine than publicly held securities.
Gift	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.

Life insurance	1a) A gift of a paid-up policy irrevocably assigned to a charity. 1b) A gift of a policy, irrevocably assigned to a charity, on which premiums are owed. If the donor continues paying the premiums, either to the insurance company or to the charity, the premiums are a charitable gift. Premiums paid either to the insurance company or to charity are tax-deductible. 1c) A gift of the death proceeds of a policy of which a charity has been named the beneficiary.
Oil, gas and mineral interests	An interest giving its owner the right to "participate" in bonuses received in leasing along with the right to "participate" in any oil or gas found.
Publicly traded securities	Securities that can easily be converted to cash at a reasonable price such as stocks and bonds.
Real property	Land, together with any buildings, fencing or other relatively permanent structures affixed to the land, plus any other rights attendant.
Retained life estate	An arrangement whereby the donor makes a gift of a personal residence or property and retains the right to occupy the property for life.
Retirement plan	The donor makes the charity the first, second or last beneficiary for all or part of the proceeds left in a retirement fund at death.
Support organization	A separate public charity established to support one or more charities.
Tangible personal property	Any property (other than cash, securities and real property) that can be touched, moved and accurately or approximately appraised, such as antiques, art, automobiles, jewelry or furnishings.

Changes to the policy

This policy has been reviewed and approved by the Foundation Board of Directors. The Board must approve any changes to or deviations from this policy.

Approved on the 19 day of November, 2020

DONOR INFORMATION

Name(s): ____

Address: ____

Contact Name ____________________ Phone: ______________

E-mail address ________________________________

DONOR TYPE
Foundation ___
Individual ___
Business ___
Other (Describe)

____

GIFT INFORMATION

Detailed description of the gift:

____

____

____

VALUATION OF GIFT (please attach proof of valuation)

Value of Gift: $__________ Date value was determined: __________

This value stated above is based on: Independent Appraisal ___ Donor Appraisal ___ Other ___

Name and Address of Appraiser: ____

____

TERMS OF GIFT

Location or area within the College you wish the gift to be used: ____________________

List any conditions that may restrict the use or disposition of the gift: ____________________

____

VALUATION, USE AND DISPOSITION OF GIFTS IN KIND:

I (and my advisors, if available) have read and agree to abide by the Gift-In-Kind Acceptance Procedures of the Colorado Mountain College Foundation.

____ ______________

DONOR(S) DATE

No Gift in Kind may be accepted or received by anyone at Colorado Mountain College without the completion of this Gift-In-Kind Form and the signature below of the Representative of the Colorado Mountain College Foundation.

Gift accepted by: ________________________________ __________

Colorado Mountain College Representative

DATE

________________________________ __________

Colorado Mountain College Foundation DATE

☐ **Check Box if assets via the Foundation are to be passed on directly to CMC**

Send or email completed form to: CMC Foundation, 802 Grand Ave, Glenwood Springs, CO 81601 / foundation@coloradomtn.edu

Questions? Call 970-947-8378