

Goddard College

PLAINFIELD, VERMONT | PORT TOWNSEND & SEATTLE, WA

Goddard College Gift Acceptance Policy

Approved by the Full Board of Trustees

October 18th, 2013

Plainfield, VT

To supersede previous policy, which was adopted by the Board on September 29, 2007

INTRODUCTION

The Board of Trustees of Goddard College recognizes the importance of charitable giving to the well-being and future of the College, and encourages its community, alumni, staff, neighbors and other friends to contribute generously to its annual fund, capital campaigns, endowment campaigns, and scholarship funds, and other purposes such as strategic initiatives and experiments approved by the Board of Trustees within the Goddard planning process.

This policy describes the guidelines for acceptance of these gifts. In the case of any questions not answered by the following policies, Goddard will abide by generally accepted charitable giving accounting standards and those proscribed by The Council for Advancement and Support of Education, the Association of Fundraising Professionals, and/or the National Planned Giving Council.

The primary intents of this policy is to protect the interests of both Goddard College (hereafter referred to as “Goddard”) and the persons and organizations who support its programs and services; and to assure that all gifts to, or for the use of, are structured to provide maximum benefits to both parties: Goddard and the donor(s). Therefore, any decisions required about the acceptance of any gift to Goddard will consider fully the best interests of both Goddard and the donor. The policy is also intended to promote financial support for Goddard without encumbering it with gifts which may prove to generate more cost than benefit, or which are restricted in a manner not in keeping with the strategic goals and interests of Goddard.

This statement focuses on both current (outright) and deferred (planned) gifts, with special attention given to deferred gifts and gifts of non-cash property.

In order to optimize philanthropic support for Goddard College, there are times when Goddard must respond quickly to gift proposals from prospective donors. These policies are intended as guidelines, with an understanding that flexibility must be maintained, and there are times when Goddard President or the Chief Advancement Officer in concert with the CFAO will have to make the final decision regarding acceptance of a gift.

I. Policy

1. Committee: The Executive Committee of the Board, in concert with the Chief Financial and Administrative Officer, and the Chief Advancement Officer, shall comprise the Gift Acceptance Committee.
2. Types of Gifts: Goddard welcomes gifts of cash, publicly traded securities, insurance policies, written and signed pledges, as well as deferred gifts such as trusts, annuities, and bequests. All gifts are accepted according to the guidelines set forth below.
3. Gifts cannot be applied to individual expenses such as residence fees, tuition, room, board or related expenses for personal benefit of a specific individual.
4. Gifts may not be restricted for any purposes contrary to the values or mission of the organization, or for any purposes that would discriminate against any person or groups by reason of race, gender, ethnicity, age, sexual orientation, disability or other basis prohibited by law. If there are concerns that the College's association with a donor or sponsor is at odds with the mission, the gift offer will be reviewed by the Gift Acceptance Policy.
5. Most gifts offer some tax advantages to donors, and Goddard urges each donor to seek the most appropriate ways to maximize these advantages. While Goddard is anxious to discuss gift planning with each donor in so far as it applies to their gift, the College will not and does not offer financial or estate planning advice on these giving methods, on gift or financial management, or on other aspects of the donor's charitable gift planning. Each donor is urged to seek financial counsel. As necessary in negotiating the terms of a gift, Goddard College will also retain counsel for gift management advice.
6. Date of Gifts: The timing of gifts is as follows. In general, for donors' records, gifts are dated at the time they leave the donor's possession. For Goddard's records, all gifts are dated when received as follows:
 - Cash: When the asset leaves the donor's control
 - Checks: the postmark date is the date of the gift. If there is no postmark, the date the check is received by Goddard constitutes the gift date.
 - Pledges: only payments made during the tax year are deductible. Pledge payment dates follow the same rules as gift dates.
 - Securities: Timing of gifts:
 - Electronic transfers, the day the securities enter the organization's account is the date of the gift.
 - Hand Delivery: The day the securities are received by the charity or its broker is the date of the gift.

- Mail: The mailing date is the gift date. It is important to send, by registered or certified mail, the unsigned certificates in a separate envelope from the signed stock power and letter of intent.

II. Outright Gifts During Life

- A. Cash:** Gifts of cash, checks, and other cash equivalent gifts shall be accepted regardless of the amount, unless, as is the case with all gifts, there is a question as to whether the donor has sufficient title to the assets or is mentally competent to transfer the funds to Goddard.
- B. Checks:** All checks must be made payable to Goddard College and shall in no event be made payable to an employee, agent, or volunteer for the credit of Goddard.
- C. Publicly traded Securities:** Securities that are traded regularly on the New York or American Stock Exchanges, or other readily marketable securities, including shares of publicly traded funds, shall be accepted by Goddard. In accordance with IRS regulations, securities are valued at the mean of the highest and lowest quoted selling prices on the date the securities are officially transferred.

All securities will be sold by Goddard College as soon as possible after receipt.

D. Closely Held (Privately Traded) Securities

1. Non- publicly traded securities may be accepted only after approval by the College' s gift acceptance Committee. Qualified appraisals are required for such gifts with a claimed value of \$5,000 or more.
2. Such securities may be subsequently liquidated only with approval of the Gift Review Committee.
3. No commitments or arrangements shall be made by the College for the repurchase or redemption of such securities by a third party prior to completion of a gift of closely held securities.

E. Real Property (Real Estate)

1. No gift of real estate shall be accepted without prior approval of the Gift Review Committee.
2. No gift of real estate shall be accepted without first being appraised by a qualified appraiser who meets the IRS definition of appraiser. For properties with complexities, it is recommended that two separate qualified appraisals be obtained, one paid for by the donor and the other paid for by the College.
3. In general, resident real estate located in New England, with a net realizable value estimated by a qualified appraisal at \$50,000 or great, will be considered, unless the Gift Acceptance Committee determines that the property is not acceptable as a gift.

4. In general, resident real estate located outside the New England area will not be considered as a gift unless its net realizable value appears to be in excess of \$150,000, and there is reason to believe it is highly marketable. The Gift Acceptance Committee, in consultation with members of the Board of Director, may make exceptions to this policy if conditions warrant it.
5. No commercial real estate will be accepted by the College without the approval of the Gift Acceptance Committee.
6. Real estate shall not be accepted to fund a Charitable Gift Annuity contract without a) seeing a legal opinion as to the permissibility of this type of transaction under the laws of the state or states involved and b) the approval of the Gift Review Committee.
7. Special attention shall be given to the consideration and acceptance of real estate encumbered by a mortgage.
8. In general, gifts of real estate to the College will be liquidated on the public market as soon as possible.
9. Unless specifically exempted by the Gift Acceptance Committee, all proposed gifts of real estate would require completion of an environmental assessment by a qualified assessor.

F. Tangible Personal Property (Collectibles)

1. Jewelry, art works, collections, antiques, and other tangible personal property shall not be accepted unless the employee, agent or volunteer working on behalf of the College has reason to believe the property has a value in excess of \$1,000 and is related to the College's tax exempt status. Such property can be accepted only with the approval of the Gift Acceptance Committee.
2. No tangible personal property shall be accepted by the College unless there is reason to believe that the property can be liquidated, if necessary. No property shall be accepted that obligates the College to ownership of it in perpetuity.
3. Only the Gift Acceptance Committee may represent to the donor that property will or will not be held by the College for a specific period of time.

G. Other Property

1. Other non-cash property of any description, including mortgages, notes, copyrights, easements, etc. shall be accepted only by action of the Gift Acceptance Committee.

III. Deferred/Planned Gifts

A. Bequests

1. Gifts made through wills (bequests) and other charitable transfers made at the time of death (life insurance contracts and retirement plans) shall be actively encouraged by the College.
2. In the event of inquiry by a prospective legator, representations as to the future acceptability of property proposed to be bequeathed to the College in a will or through any other deferred gift plan shall be made in accordance with the terms and provisions of paragraphs II (A-F) of this policy statement.
3. Gifts from the estates of deceased donors consisting of property that is not acceptable shall be disclaimed only by action of the Gift Acceptance Committee. The designated representative of the College shall communicate the decision of the Committee to the legal representative of the estate. If there is any indication that the representatives of the estate of the family members of the deceased may be dissatisfied with the decision, this fact shall be shared with the Committee or College's development staff as quickly as possible.
4. Efforts shall be made by the College's staff or its approved volunteer representatives to avoid situations which might lead to unpleasant donor relations in the future.

B. Charitable Remainder Trusts (Unitrusts or Annuity Trusts)

1. The College will not serve as sole trustee of a charitable remainder trust which names the College as a charitable remainderman. Exceptions to this policy may be made only by written resolution of the Development and Institutional Advancement Committee.
2. Through the Development Office staff, a number of corporate fiduciaries located in the Northeast will be identified for the benefit of prospective donors.
3. Under no circumstances shall the fees for management of a charitable remainder trust be paid by the College, nor will any persons acting on behalf of the College make any representations as to the manner in which charitable remainder trust assets are to be managed or invested by a corporate fiduciary.
4. The minimum amount required to establish a charitable remainder trust for which the College serves as co-trustee is \$50,000.
5. Real property subject to indebtedness cannot be used to fund a charitable remainder trust.

C. Charitable Gift Annuities (Immediate and Deferred)

1. Goddard will not directly manage gift annuities, and therefore any such gifts must be made with the understanding that a third party (such as a community foundation or another organization with annuity management services) will manage the annuity and make income payments directly to the donor.
2. The College will accept gifts made or directed to it as the beneficiary of charitable gift annuities issued, offered, or managed by others, and will work with potential donors to identify such third party providers that are acceptable to the donor and to the College.

D. Charitable Lead (Income) Trusts

1. The College will not serve as sole Trustees of a charitable lead trust which names the College as charitable income beneficiary. Exceptions to this policy may be made only by a written resolution of the Gift Acceptance Committee, in consultant with the Board of Trustees.
2. Through the Development Office Staff, a number of corporate fiduciaries located in the Northeast will be identified for the benefit of prospective donors.
3. Under no circumstances shall the fees for management of a charitable lead trust be paid by the College nor will any person acting on behalf of the College make any representations as to the manner in which charitable lead assets to be managed or invested by a corporate fiduciary.

E. Life Insurance:

1. The College will encourage donors to name the College to receive all or a portion of the benefits of life insurance contracts which have been purchased on their lives.
2. The College will not agree to accept outright gifts from donors for the purpose of purchasing life insurance on the donor's life.
3. The College will not endorse any particular insurance products, nor will the College furnish any lists of donor names for insurance marketing purposes.

F. Model Standards of Practice:

Payment of fees

1. The model standards statement, as adopted by the National Committee on Planned Giving and the American Council on Gift Annuities in 1991, shall govern the College's policies with respect to finder's fees or commissions and professional fees or services rendered.

2. Only professional fees for reasonable services rendered in connection with completion of a gift will be paid, subject to review by both the donor and the Gift Acceptance Committee. The College will disclose to the donor that the professional involved is in the employ of the College and not acting on behalf of the donor.
3. The Model Standards statement is attached as a reference, and the College declares its affirmation of the statement and agrees to comply with it.

IV. RESTRICTED GIFTS

A. Restrictions on the Use and Investment of Gifts

1. There shall be no restrictions on how gifts may be used by the College without prior approval of the Gift Acceptance Committee.
2. Restricted gifts for permanent and named endowed funds may be established with a minimum outright life -time gift of \$100,000, or a \$100,000 pledge, payable over a maximum of five years.

V: SCHOLARSHIP FUNDS

Goddard College embraces academic excellence, diversity, and social justice as essential goals for the advancement of its mission. Goddard seeks to have an academic community consisting of individuals from the widest range of backgrounds and demographic categories. To that end, Goddard will accept:

- A. Named Endowed Scholarships**, with a minimum investment of \$100,000 paid outright or over a pledge period not to exceed five years. If paid via pledge, the named fund will not be formally established until the entire pledge has been paid, and no scholarship funding will be disbursed until the entire pledge has been paid. Endowed funds are invested in perpetuity and only the interest from the fund is used for scholarship funding. The fund may be named and publicly announced only if the donor has signed a binding pledge agreement.
- B. Investment of Endowed Funds:** Spending will average no more than 5% of the **trailing twelve-quarter average** market value of the Endowment (BOT Investment Guidelines for Endowment, 2001).
- C. Current Use Named Scholarship fund:** Current use scholarships may be named for a minimum investment of \$40,000, or \$10,000 per year for four years. Funds will not be officially named unless a binding signed pledge of support is signed by the donor.
- D. Other Scholarship Funding:** Donors may contribute to the general current use scholarship funding by contributing at any level to the Goddard Scholarship Fund.

VI. NAMING OPPORTUNITIES

1. Goddard College has never embarked on a formal capital campaign during its history in Plainfield, nor established naming policies. Should the Board vote on any major building or renovation campaigns the Advancement Department shall draft Named Gift Opportunities and Levels of Support to be recommended by the DIAC and voted on by the Board.
2. Because the Board recognizes the College's lack of endowment and its financial challenges, naming rights to facilities on Goddard campuses are reserved to help build the College's financial capacity. Buildings at Goddard can be named to honor extraordinary supporters of the College or to honor key players in Goddard's history, beginning at a minimum gift level of \$100,000. Rooms and other named gift opportunities will be developed by the Advancement Officer, recommended to the Development and Institutional Advancement Committee, and voted on the Board of Trustees

VI. GENERAL

Confidentiality:

1. All information received from prospects and donors regarding their assets, heirs, gifts, advisors, and other personal information shall remain strictly confidential, with only staff members and volunteers with a "need to know" having access to said information. Goddard College will adhere to all requests for anonymity by donors.

Role of Goddard College Staff:

1. The primary purpose of the College's advancement staff is to inform, serve, and assist prospects and donors in achieving their charitable goals with connection to Goddard's programs, services, facilities, and mission.
2. In adherence with the AFP Code of Ethical Principles and Standards, no employee of Goddard College or consultant paid by the College shall accept payment on a percentage or commission basis.