



## Gift Acceptance Policies

The American Indian College Fund, a not for profit organization incorporated in the District of Columbia, encourages the solicitation and acceptance of gifts to the American Indian College Fund (hereinafter referred to as the "College Fund") for purposes that will help the College Fund to further and fulfill its mission. The following policies govern acceptance of gifts made to the College Fund or for the benefit of any of its programs.

The mission of the College Fund is:

The American Indian College Fund transforms Indian higher education by funding and creating awareness of the unique, community-based accredited tribal colleges and universities, offering students access to knowledge, skills, and cultural values which enhance their communities and the country as a whole.

### I. Purpose of Policies

The Board of Trustees of the College Fund and its staff solicit current and deferred gifts from individuals, corporations and foundations to secure the future growth and missions of the College Fund. These policies govern the acceptance of gifts by the College Fund and provide guidance to prospective donors and their advisors when making gifts to the College Fund. The provisions of these policies shall apply to all gifts received by the College Fund for any of its programs or services.

### II. Use of Legal Counsel

The College Fund shall seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review by counsel is recommended for:

1. Closely held stock transfers that are subject to restrictions or buy-sell agreements.
2. Documents naming the College Fund as Trustee.
3. Gifts involving contracts requiring the College Fund to assume an obligation.
4. Transactions with potential conflict of interest that may invoke IRS sanctions.
5. Other instances in which use of counsel is deemed appropriate by the College Fund.

### III. Obtaining Legal Advice

The College Fund will urge all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences.

### IV. Restrictions on Gifts

The College Fund will accept unrestricted gifts, and gifts for specific programs and purposes, provided such gifts are not inconsistent with its stated mission, purposes and priorities. The College Fund will not accept gifts that are too restrictive in purpose. Gifts that are too restrictive are those that violate the terms of the corporate charter, gifts that are too difficult to administer, or gifts that are for purposes outside the mission of the College Fund. All final decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the College Fund.

## **Scholarship Gift Policies**

**Tribal College Scholarship Program:** Scholarship recipient selections are made by the tribal colleges and universities (TCUs) based on scholarship criteria communicated by the College Fund to the TCUs. These scholarships do not provide mainstream scholarships or programmatic components and typically do not support a student for consecutive years.

Minimum funding requirement for a Tribal College Scholarship Program is \$5,000. A minimum 5% administrative fee must be included on all tribal college scholarship programs. The minimum scholarship award is \$500 per student per semester. Exceptions may be made at the discretion of the College Fund.

**Full Circle Scholarship Program:** Scholarship recipient selections are made through the American Indian College Fund. Programs may include programmatic components, typically are multi-semester and may have a mainstream (non-TCU) scholarship component.

Minimum funding requirement for a Full Circle Scholarship Program is \$10,000. Fifty-one percent or more of the total amount awarded to students within each program must go to students attending a member TCU. An administrative fee of at least 10% must be included with each program donation. Higher fees may be required for those programs with more complex requirements and for those with programmatic requirements. The minimum scholarship award is \$1,000 per student per semester. Exceptions may be made at the discretion of the College Fund.

## **Minimum Levels of Funding**

**Named Restricted Endowment Scholarship:** \$25,000 – a named, restricted endowed scholarship may be created by an individual, corporate or foundation donor, requiring that the scholarship be “named” and have specific criteria for student eligibility and award. An endowed scholarship requires a minimum balance for the corpus, which will be maintained for the period of time designated in the scholarship agreement, with annual distribution structure also outlined in the agreement.

**Named Unrestricted Endowment Scholarship:** \$25,000 - a named, unrestricted endowed scholarship may be created by an individual, corporate or foundation donor, requiring that the scholarship be “named” but allowing the College Fund to award the scholarship(s) in the manner it sees fit. An endowed scholarship requires a minimum balance for the corpus, which will be maintained for the period of time designated in the scholarship agreement, with annual distribution structure also outlined in the agreement.

**Unrestricted Endowment Fund:** \$25,000 – an unrestricted endowment requires a minimum balance for the corpus, which will be maintained for the period of time designated in the scholarship agreement, with annual distribution structure also outlined in the agreement. The distribution funds will be used at the College Fund’s discretion.

**Endowed gifts must be funded at the minimum level of funding within one (1) year of the date of the pledge agreement.**

Charitable Remainder Trust: \$100,000 or greater is required to establish a charitable remainder trust.

Personal Property: This will be determined on a case-by-case basis.

## V. Types of Gifts

The following gifts are acceptable:

- Cash.
- Tangible personal property.
- Securities.
- Real estate.
- Remainder interests in property.
- Oil, gas and mineral interests.
- Life insurance.
- Charitable remainder trusts.
- Charitable lead trusts.
- Retirement plan beneficiary designations.
- Bequests.
- Life insurance beneficiary designations.

The College Fund will not accept bargain sales gifts or charitable gift annuities at this time.

The following criteria govern the acceptance of each gift form:

1. **Cash.** Cash is acceptable in any form.
  - a. **Pledges.** Verbal pledges will not be recognized or recorded until either a signed pledge agreement or a letter of intent is received by the College Fund (either print or email). Pledge terms will be approved on a case by case basis, with approval required by the College Fund.
2. **Tangible Personal Property.** All other gifts of tangible personal property shall be examined in light of the following criteria:
  - a. Does the property fulfill the mission of the College Fund?
  - b. Is the property marketable?
  - c. Are there any undue restrictions on the use, display or sale of the property?
  - d. Are there any carrying costs for the property?

The College Fund shall make the final determination on the acceptance of other tangible property gifts.

3. **Securities.** The College Fund can accept both publicly traded securities and closely held securities.

**Publicly Traded Securities.** Publicly traded securities may be transferred to an account maintained at one or more brokerage firms or delivered physically with the transferor's signature or stock power attached. As a general rule, all publicly traded securities shall be sold upon receipt unless otherwise approved by the College Fund. In some cases publicly traded securities may be restricted by applicable securities laws; in such instance the final determination on the acceptance of the restricted securities shall be made by the College Fund.

**Closely Held Securities.** Closely held securities, which include not only debt and equity positions in non-publicly traded companies but also interests in limited partnerships and limited liability companies, or other ownership forms, can be accepted subject to the approval of the College Fund. However, gifts must be reviewed prior to acceptance to determine:

- There are no restrictions on the security that would prevent the College Fund from ultimately converting those assets to cash;
- The security is capable of being sold; and
- The security will not generate any undesirable tax consequences for the College Fund.

If potential problems arise on initial review of the security, further review and recommendation by an outside professional may be sought before making a final decision on acceptance of the gift. The College Fund shall make the final determination on the acceptance of closely held securities when necessary. Every effort will be made to sell non-publicly traded securities as quickly as possible.

4. **Real Estate.** Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest. Prior to acceptance of real estate, the College Fund shall require an initial environmental review of the property to ensure that the property has no environmental liability. In the event the initial inspection reveals a potential problem, the College Fund shall retain a qualified inspection firm to conduct an environmental audit. The cost of the environmental audit shall generally be an expense of the donor.

When appropriate, a title binder shall be obtained by the College Fund prior to the acceptance of the real property gift. The cost of this title binder shall generally be an expense of the donor.

Prior to acceptance of the real property, the gift shall be approved by the College Fund and, if necessary, by the College Fund's legal counsel. Criteria for acceptance of the property shall include:

- Is the property useful for the purposes of the College Fund?
- Is the property marketable?
- Are there any restrictions, reservations, easements or other limitations associated with the property?
- Are there carrying costs, which may include insurance, property taxes, mortgages, or notes, etc., associated with the property?
- Does the environmental audit reflect that the property is not damaged?

5. **Remainder Interests in Property.** The College Fund will accept a remainder interest in a personal residence, farm or vacation property subject to the provisions of paragraph 4 above. The donor or other occupants may continue to occupy the real property for the duration of the stated life. At the death of the donor, the College Fund may use the property or reduce it to cash. Where the College Fund receives a gift of a remainder interest, expenses for maintenance, real estate taxes and any property indebtedness are to be paid by the donor or primary beneficiary. Prior to acceptance of a Remainder Interest in Property gift, the gift shall be approved by the College Fund.

6. **Oil, Gas and Mineral Interests.** The College Fund may accept oil and gas property interests when appropriate. Prior to acceptance of an oil and gas interest the gift shall be approved by the College Fund and, if necessary, by the College Fund's legal counsel. Criteria for acceptance of the property shall include:
  - Gifts of surface rights should have a value of \$20,000 or greater.
  - 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 property should not have extended liabilities or other considerations that make receipt of the gift inappropriate.
  - A working interest is rarely accepted. A working interest may only be accepted when there is a plan to minimize potential liability and tax consequences.
  - The property must undergo an environmental review to ensure that the College Fund has no current or potential exposure to environmental liability.
  
7. **Life Insurance.** The College Fund must be named as both beneficiary and irrevocable owner of an insurance policy before a life insurance policy can be recorded as a gift. The gift is valued at its interpolated terminal reserve value, or cash surrender value, upon receipt. If the donor contributes future premium payments, the College Fund will include the entire amount of the additional premium payment as a gift in the year that it is made. If the donor does not elect to continue to make gifts to cover premium payments on the life insurance policy, the College Fund may:
  - Continue to pay the premiums;
  - Convert the policy to paid up insurance; or
  - Surrender the policy for its current cash value.
  
8. **Charitable Remainder Trusts.** The College Fund may accept designation as remainder beneficiary of a charitable remainder trust. The College Fund will not accept appointment as Trustee of a charitable remainder trust.
  
9. **Charitable Lead Trusts.** The College Fund may accept a designation as income beneficiary of a charitable lead trust. The College Fund will not accept an appointment as Trustee of a charitable lead trust.
  
10. **Retirement Plan Beneficiary Designations.** Donors and supporters of the College Fund will be encouraged to name the College Fund as beneficiary of their retirement plans. Such designations will not be recorded as gifts to the College Fund until such time as the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.
  
11. **Bequests.** Donors and supporters of the College Fund will be encouraged to make bequests to the College Fund under their wills and trusts. Such bequests will not be recorded as gifts to the College Fund until such time as the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

12. **Life Insurance Beneficiary Designations.** Donors and supporters of the College Fund will be encouraged to name the College Fund as beneficiary or contingent beneficiary of their life insurance policies. Such designations shall not be recorded as gifts to the College Fund until such time as the gift is irrevocable. Where the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

## **VI. Miscellaneous Provisions**

**Securing appraisals and legal fees for gifts to the College Fund.** It will be the responsibility of the donor to secure an appraisal (where required) and independent legal counsel for all gifts made to the College Fund. Exceptions may be made at the discretion of the College Fund.

**Valuation of gifts for development purposes.** The College Fund will record a gift received by the College Fund at its valuation for gift purposes on the date of gift.

**Responsibility for IRS Filings upon sale of gift items.** The College Fund is responsible for filing IRS Form 8282 upon the sale or disposition of any asset sold within two years of receipt by the College Fund when the charitable deduction value of the item is more than \$5,000. The College Fund must file this form within 125 days of the date of sale or disposition of the asset.

Acknowledgement of all gifts made to the College Fund and compliance with current IRS requirements in acknowledgement of such gifts shall be the responsibility of the College Fund.

## **VII. Changes to Gift Acceptance Policies**

These policies have been reviewed and accepted by the Board of Trustees of the College Fund. The Board of Trustees of the College Fund must approve any changes to, or deviations from, these policies.

*Approved by the Board of Trustees October 20, 2014*