

Houston Community  
College Foundation  
Gift Acceptance  
Policy and Procedures

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**HOUSTON COMMUNITY COLLEGE FOUNDATION  
GIFT ACCEPTANCE POLICY AND PROCEDURES**

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The Houston Community College Gift Acceptance Policy and Procedures will be available for dissemination and review by current and prospective Houston Community College Foundation donors. The Houston Community College Foundation gift acceptance policy refers to and is subject to *Houston Community College Policy CAM (LOCAL) and CLA (LOCAL)*.

# HOUSTON COMMUNITY COLLEGE FOUNDATION GIFT ACCEPTANCE POLICY AND PROCEDURES

## I. Overview and General Information

### Executive Summary – Gift Acceptance Policy and Procedures

The Houston Community College Foundation Gift Policy and Procedures provides guidance for the accepting gifts to Houston Community College Foundation. It outlines HCC Foundation's authority to accept gifts and the Houston Community College Board of Trustees authority to accept gifts. It outlines sponsorship, program and building naming levels, donor rights, and approval required by HCC Foundation Board and Houston Community College Board of Trustees.

### Houston Community College Foundation Gift Acceptance Principles

The Houston Community College Foundation is a not-for-profit 501(c)(3) established in 1976, guided by the following:

**Mission:** HCC Foundation empowers HCC student success through philanthropic support, aligned with key HCC institutional initiatives.

**Vision:** The HCC Foundation will serve as a philanthropic force supporting high quality educational experiences for HCC students of all backgrounds to help them improve the trajectory of their lives.

Thanks to supporters and friends, the Foundation has invested millions of dollars in student scholarships, expansion and enrichment of programs, and other education essentials.

This document outlines objective policies and procedures for analyzing and accepting charitable gifts to the HCC Foundation for the College's benefit. The following guidelines and policies govern acceptance of gifts made to the Foundation, or for the benefit of any of its programs.

## HOUSTON COMMUNITY COLLEGE FOUNDATION GIFT ACCEPTANCE POLICY AND PROCEDURES

While these policies and procedures are detailed and often specific to the type of gift contemplated, they shall be interpreted in-light-of three overriding principles:

**Principle One** – A gift shall not be accepted by the Foundation if such acceptance would not be in the interest of the donor. A determination of the donor’s “interest” shall include, but not be limited to, the donor’s financial situation and philanthropic interests, as well as any tax or other legal matters revealed while cultivating, soliciting or planning of or for a gift. The Foundation shall not encourage any gifts that are inappropriate in the context of the donor’s personal or financial situation.

**Principle Two** – A gift shall not be accepted by the HCC Foundation unless there is a reasonable expectation that acceptance of the gift will benefit the Houston Community College (HCC) and its students.

**Principle Three** – A gift shall not be accepted by the HCC Foundation that is in violation of HCC Board of Trustees policies, in particular BOT policies CAM(LOCAL) and CLA. (See Appendix.)

**Principle Four** – Gifts that expose the Foundation or HCC to adverse publicity or involve out-of-the-ordinary requests shall be referred to the HCC Foundation Executive Committee for resolution. The Foundation cannot accept gifts that involve unlawful discrimination on any basis as prohibited by federal, state and local laws or regulations.<sup>1</sup> In addition, the HCC Foundation cannot accept gifts which obligate it or the College to violate any applicable law or regulation or that violates the Foundation’s articles of incorporation or by-laws.

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<sup>1</sup> The answer on the parameters of considering race and gender as requisites or factors to award scholarships and whether or not such considerations may be considered illegal discrimination is a bigger question with many opinions on either side. Ultimately, such requirements are acceptable as long as there is a historical basis that such populations in general have a record of having experienced discrimination. Of course, over time as that discrimination becomes historically less prevalent and the proverbial pendulum swings, the protection afforded such classes to receive favoritism gets eroded and becomes less and less legally acceptable. As of now, in our 5<sup>th</sup> Circuit jurisprudence, such considerations are generally allowable in the classes you name. Legal opinion from Miles Bradshaw, HCCF Legal Counsel as of February 10, 2020.

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## Gift Acceptance

The Houston Community College Foundation will accept both unrestricted (without donor restrictions) gifts and gifts for specific programs and purposes (with donor restrictions) which support the Houston Community College mission and strategies, provided that such gifts are consistent with the Foundation's stated mission, purpose, and priorities.

These policies and guidelines govern the acceptance of gifts by the Foundation and provide guidance to prospective donors and their advisors when making gifts to the Foundation. The provisions of these policies shall apply to all gifts received by the Foundation for any of its programs or services.

The Houston Community College Foundation will not accept gifts that are too restrictive in purpose. Gifts that are too restrictive are those that are too difficult to administer, or gifts that are for purposes outside the mission of the Houston Community College and/or the Houston Community College Foundation.

The Houston Community College Foundation will accept gifts of cash and cash equivalents of any size which are unrestricted (without donor restrictions). The Houston Community College will accept gifts which are restrictive in purpose of cash and cash equivalents of **\$10,000** or greater. There is one primary exception to this threshold: the Houston Community College Foundation in collaboration with the Houston Community College has established **Funds of Excellence** which are restrictive in purpose - such as support for the mission of a college, center of excellence, college department or program - and any size gift of cash and cash equivalents will be accepted for deposit to the specified Fund of Excellence.

The Houston Community College Foundation shall seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Such gifts include, but not limited to, the following:

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- Closely held stock transfers that are subject to restrictions or buy-sell agreements;
- Documents naming the Houston Community College Foundation as Trustee;
- Gifts involving contracts, such as bargain sales or other documents requiring the Houston Community College Foundation to assume an obligation;
- Transactions with potential conflict of interest that may invoke Internal Revenue Service sanctions;
- Gifts of real estate including developed property, undeveloped property, or gifts submitted to a prior life interest; and
- Other instances in which the use of counsel is deemed appropriate by staff, the Finance Committee or the Foundation Board of Directors.

### **Protection of Interests**

No agreement shall be made between the Houston Community College Foundation and any agency, person, company or organization on any matter, whether it be investment, management, sale or other interest, which would knowingly jeopardize or compromise the interests of either of the parties.

The role of the Houston Community College Foundation shall be to inform, serve, guide or otherwise assist the donor in achieving fulfillment of the donor's philanthropic purposes, and never, under any circumstances, to exercise undue pressure or methods of persuasion.

The tax deductibility of gifts is the responsibility of the donor. All donors should seek the assistance of personal legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences.

## **HOUSTON COMMUNITY COLLEGE FOUNDATION GIFT ACCEPTANCE POLICY AND PROCEDURES**

The Houston Community College Foundation does not provide legal or financial advice. The Houston Community College Foundation will comply with the Model Standards of Practice for the Charitable Gift Planner promulgated by the Council for Advancement and Support of Education (CASE) reporting standards and management guidelines.

All information obtained from or about donors or prospects will be held in strictest confidence by the HCC Foundation to the extent of the law.

The HCC Foundation will respect donor wishes in regard to publication of information or other forms of recognition.



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## Donor Bill of Rights

The Houston Community College Foundation adheres to the Donor Bill of Rights as *created by the American Association of Fund-Raising Counsel (AAFRC), Association for Healthcare Philanthropy (AHP), the Association of Fundraising Professionals (AFP), and the Council for Advancement and support of Education (CASE).*

Philanthropy is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To ensure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the nonprofit organizations and causes they are asked to support, the Foundation declares that all donors have these rights:

1. To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.
2. To be informed of the identity of those serving on the organization's governing board, and to expect the Board to exercise prudent judgment in its stewardship responsibilities.
3. To have access to the organization's most recent financial statements.
4. To be assured their gifts will be used for the purposes for which they were given.
5. To receive appropriate acknowledgement and recognition.
6. To be assured that information about their donation is handled with respect and with confidentiality to the extent provided by law.

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7. To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.
8. To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.
9. To have the opportunity for their names to be deleted from mailing lists that the organization may intend to share.
10. To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.

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### **II. Types of Gifts**

#### **Corporate Gifts and Sponsorships**

The Houston Community College Foundation will accept monetary and in-kind gifts from corporations and businesses provided that the gift comes without conditions or requirements that would negatively affect the integrity or reputation of the activities, policies, mission, goals, and/or programs of the Houston Community College.

The Houston Community College Foundation will accept sponsorships that acknowledge the donor but do not promote the donor's business or products (e.g., in ways that would expose the sponsorship payments to taxation).

#### **Employer-Sponsored Matching Gifts**

Individuals making gifts and pledges that are eligible for matching gifts from their employer or their spouse's employer are encouraged to utilize these programs to

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maximize the value of their gift or pledge to the Houston Community College Foundation.

A matching gift cannot be used to fulfill a pledge commitment as the donor cannot legally obligate the company or entity to honor that pledge, nor has control over whether that match will be made.

A donor whose gift is matched by their company will be recognized for the total amount of their individual gift plus the matching portion on their gift record (as a soft credit). They will receive the name recognition associated with the appropriate gift club for that total amount. However, a matching gift cannot result in a donor receiving any tangible benefits. Donors will receive benefits accruing only to the value of their personal gift.

Matching gifts will be recorded as gift income when the matching gift check is received. Matching gifts will be recorded as a pledge when a notice of intent is received from the company prior to receiving a matching gift check.

Matching gifts will be recorded as gift income to the same fund as of the donor's designation unless a different fund is explicitly indicated in an appeal to which the original donor has responded.

### Cash and Cash Equivalents

**Cash Gifts** - Cash gifts are accepted in any form, such as currency, check, money order, or a credit card contribution. Cash gifts may be delivered in person, by mail, online or by Electronic Funds Transfer (EFT). There is no minimum donation amount for unrestricted gifts.

**Checks and Money Orders** - Checks and money orders should be made payable to the **Houston Community College Foundation** and will in no circumstance be made payable to an employee, agent, or volunteer for the credit of the organization.

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**Electronic Funds Transfers** - Funds may be transferred electronically to the Houston Community College Foundation. Donors should consult a representative of their financial institution to make contributions via electronic transfer. Donors should also notify the Foundation when such transfers are initiated in order to ensure that proper electronic transfer information and appropriate and timely gift acknowledgment is given. Instructions for electronic funds transfers are available upon request.

**Credit Card Contributions** - Secure credit card contributions may be made by using the online donation form on the Houston Community College website [www.hccsfoundation.org/donate](http://www.hccsfoundation.org/donate) or [www.hccs.edu/donate](http://www.hccs.edu/donate) or by calling the Foundation office at 713-718-8595.

### Pledges

Pledges are commitments to give a specific dollar amount, or in-kind donations, according to a fixed time schedule. In most cases, pledges will be accepted for period of five (5) years or less and must be approved by the HCC Foundation President. Requests for pledges to extend beyond a five-year period must be approved by the HCC Foundation Board.

A signed official Houston Community College Foundation Letter of Intent or equivalent written documentation is required for all pledges. This letter must include the amount of the pledge, a clearly defined payment schedule, and authorized signature of the donor(s) and the Houston Community College Foundation President.

If changes to pledge agreements or pledge payments are requested, the President will review and approve as authorized by the Houston Community College Foundation Board.

Any facility donor recognition signage will be installed after the full payment of pledge commitments within the agreed-upon pledge period.

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### **Gifts-In-Kind, Personal Property, and Donated Items (as accepted by HCC)**

Gifts of jewelry, artwork, antiques, collections and other personal property are accepted with proof of ownership documentation (e.g., bill of sale, insurance, appraisal, etc.). The donor is responsible for obtaining and paying for an independent, qualified appraisal of the property's fair market value.

The Foundation will only accept items of personal property if it has reason to believe that it may be readily sold. The Foundation will sell such tangible property for the benefit of Houston Community College unless appropriate College representatives deem the gift to have an educational purpose related to the mission of the institution and as approved by the HCC Chancellor and the HCC Board of Trustees (BOT) per HCC BOT Policy CAM(LOCAL) (e.g., books for the library, musical instruments, equipment, software, etc.).

Other property of any description, whether real or personal, including but not limited to mortgages, notes, easements, or intellectual property rights (including royalties, patents, copyrights, contract rights or other similar interests copyrights) may be accepted only upon approval by the HCC Foundation President as authorized by the HCC Foundation Board, and in some cases upon approval of the HCC Foundation Board or Board Executive Committee.

If accepted, the Foundation may enter into agreements and execute such legal documents as are required with respect to ownership and other related rights to obtain patents, to market said property, and to grant licenses in the name of the Houston Community College Foundation for said property.

The Foundation will accept gifts of items for fundraising purposes, such as gift certificates, gift cards, or any item which is deemed suitable for live auction, silent auction, raffle prizes or other prizes used at fundraising events. Every attempt will be made to utilize the item received for the event intended by the donor, but the donation has become the property of the Foundation and may be used in

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subsequent events or to further the mission of the Foundation in other ways. The determination of the value of the gift is the donor's responsibility.

### **Bargain Sales**

A bargain sale occurs when a donor sells property to charity for less than its fair market value. When such a sale is made to the Foundation, the transaction is viewed as part sale and part charitable donation. The excess of the fair market value over the sales price is the value of the gift to the Foundation.

The Houston Community College Foundation will only enter into a bargain sale arrangement in instances in which the bargain sale furthers the mission and purposes of the Houston Community College. All bargain sales must be reviewed and recommended by the Houston Community College Foundation Board and HCC BOT Policy CAM(LOCAL).

When real estate is the asset of the bargain sale, the gift acceptance policy regarding real estate gifts will be followed. When tangible personal property is the asset of the bargain sale, the gift acceptance policy regarding personal property will be followed.

### **Charitable Deductions for Non-Cash Gifts including Personal Property**

Donors are eligible for a charitable deduction in accordance with current IRS regulations. Gifts will be reported at the fair market value placed on them by either the donor or an independent expert appraiser. If an appraisal is necessary, it is done at the expense of the donor.

The IRS requires an appraisal for any gift valued at \$5,000 or more.

Both Houston Community College and the HCC Foundation require by HCC BOT

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CAM(LOCAL) policy that all gifts, including gifts of property, to be made through the Foundation. However, if for some reason Houston Community College accepts a gift of property, then HCC will sign IRS Form 8283 as prepared and signed by the donor and signed by a qualified appraiser. If the property is sold within two years, HCC must file IRS Form 8282, informing both the donor and the IRS of the amount for which the property sold.

### **Real Estate**

The Foundation will only accept a gift of real estate after prior approval of the Houston Community College Foundation Board of Directors and the Houston Community College Board of Trustees. Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest. The property must be without environmental concerns and generally readily marketable.

Prior to acceptance of real estate, the Houston Community College Foundation shall require an initial environmental impact review of the property to ensure that the property has no environmental damage or encumbrances. In the event that the initial inspection reveals a potential problem, the Foundation will require a qualified inspection firm to conduct an environmental audit. The cost of the environmental audit shall generally be at the expense of the donor.

It is the responsibility of the donor to determine the value for the gift based on IRS guidelines. While it is hoped that the sale will equal or exceed the appraised value, the Foundation cannot guarantee that this will occur. The terms of the sale will consider such factors as the current market conditions, the cost of holding the property by the Foundation, etc. The Foundation reserves the right to sell the property for what it deems to be an appropriate value.

The Foundation will consider accepting gifts with a retained life estate after assessing all ordinary factors that are otherwise relevant to accepting gifts of real estate, the length of the life tenancy and the potential use or likely sale of the property after the asset is transferred. The donor continues to be responsible for

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taxes, insurance and maintenance of the property. The donor must sign a separate agreement covering the annual inspection of the property and agree to serve as the party responsible for general expenses and necessary improvements.

### Securities/Stock

**Marketable Securities** - Unrestricted marketable securities may be transferred to an account maintained by the Foundation or delivered physically with the transferor's signature or stock power attached. In transferring ownership of the stock, the donor is making a charitable contribution and as such, has no rights concerning the disposition, sale or retention of any stock gift.

All marketable securities shall normally be sold as soon as practical following receipt, unless otherwise directed by the Foundation Board or Foundation Finance Committee or Foundation Executive Committee. If the marketable securities are sold within two (2) business days of receipt, the Foundation will record the gift at the net proceeds resulting from the sale. If the marketable securities are not sold within two (2) business days, the gift will be recorded at using the average of the high and low price of the day it was received and a gain/loss will be recognized for the difference between the net proceeds and value on the day it was received. In accordance with IRS requirements, the Foundation will provide written acknowledgment to the donor providing a description (but not the value) of the marketable securities received. This description should include the number of shares, name of the marketable securities and date it was received. If the marketable securities are restricted by applicable securities laws, the Foundation Board shall make the final determination on the acceptance of the restricted securities.

**Closely Held Securities** – Closely held securities, including debt and equity positions in non-publicly traded companies, interests in LLPs and LLCs, or other ownership forms, can be accepted subject to the approval of the Foundation Board. The Foundation Board shall review and decide whether to accept closely held securities based on the following factors:



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- Restrictions on the security that would prevent the Foundation from ultimately converting the securities to cash;
- The marketability of the securities; and
- Any undesirable consequences for the Foundation from accepting the securities.

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 final determination on the acceptance of closely held securities shall be made by the Foundation Board with advice of legal counsel when deemed necessary. Non-marketable securities shall be sold as quickly as possible.

Gifts of securities which are not readily marketable will be accepted under the following conditions:

- Gifts of closely held stock will be reported, credited and recognized at either the per-share cash purchase price of the most recent transaction or using the current valuation information from the company if there is a pre-arranged buy-back transaction with other co-owners.
- If no buyback is consummated, a gift of closely held stock may be credited at the value determined by a qualified independent appraiser. Otherwise, the gift receipt will be for the number of shares with no value attached. Shares of closely held stock will be liquidated at the earliest possible opportunity.
- Gifts of bonds which require a "holding" period will be accepted and cashed when the holding period has expired.

Please notify the Houston Community College Foundation when making a gift of stock and if you are need of transfer information.

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## Charitable Gift Annuities (CGA)

The Foundation currently does not have a gift annuity program. However, the Foundation may decide to offer charitable gift annuities on a case-by-case basis. Charitable gift annuities offered by the Foundation will follow the most recently approved annuity rates suggested by the American Council of Gift Annuities. No more than two life income beneficiaries will be permitted for any gift annuity.

Annuity payments may be made on a quarterly, semi-annual or annual schedule. The Finance Committee may approve exceptions to this payment schedule.

Houston Community College Foundation will not accept real estate, tangible personal property or any other illiquid asset in exchange for charitable gift annuities offering immediate payment of annuity benefits. Deferred gift annuities will be handled on a case-by-case basis.

Funds contributed in exchange for a gift annuity shall be set aside and invested during the life of the gift annuity agreement. Once the agreement has matured or the annuity payments have terminated, the funds representing the remaining principal contributed in exchange for the gift annuity shall be transferred to the Houston Community College Foundation's unrestricted fund, or to such specific fund as designated by the donor.

## Charitable Trusts

**Charitable Remainder Trusts** - The Foundation encourages its donors and supporters to name the Houston Community College Foundation as a remainder beneficiary of a charitable remainder trust (both charitable remainder annuity trusts and charitable remainder unitrusts) and will work with donors and their attorneys/financial professionals to structure such agreements. The Foundation reserves the right to accept or decline any trust or planned gift.

**Charitable Lead Trusts** - The Foundation may accept a designation as income beneficiary of a charitable lead trust. This trust is designed to make periodic

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income payments to a charitable organization for a specific number of years, after which the trust terminates and the assets pass to the designated individuals, either outright or in a trust.

In general, the Foundation does not serve as trustee of charitable remainder trusts or charitable lead trusts.

### Retirement Plans

The Houston Community College Foundation may also be listed as a beneficiary of retirement plan assets, such as Individual Retirement Accounts (IRA's), 401(k), 403(b) and defined contribution plans.

Please notify the Houston Community College Foundation in writing if the donor has included the Foundation as beneficiary of the donor's retirement plan assets. Notification holds the donor to no legal obligation and gives the Foundation an opportunity to recognize the donor as a member of the **HCC Foundation Legacy Society**, and to keep the donor informed about recent developments at the College.

### Life Insurance

Gifts of life insurance enable a donor to make a future substantial gift to the Foundation at a relatively low cost.

Gifts of life insurance can occur in one of three ways:

- Contributing a paid-up policy and designating the Foundation as the owner and beneficiary of the policy.
- Contributing a partial paid-up policy and designating the Foundation as owner and beneficiary. Donors make tax deductible charitable contributions to the Foundation that may be used to pay the remaining

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premiums.

- Designating the Foundation as a beneficiary on a life insurance policy that is owned and maintained by the donor. Donors and supporters of the Foundation will be encouraged to name the Foundation as beneficiary or contingent beneficiary of their life insurance policies.

Donors are encouraged to consult their own advisors concerning the type of insurance policy to purchase and the tax deductibility of the gift.

### Bequests

Supporters of Houston Community College are encouraged to make bequests to the Houston Community College Foundation in their wills and trusts.

Gifts by bequest are not recorded by the Foundation until proper documentation has been received which includes a signed Letter of Intent.

Sample legal language to help define and execute one's charitable intentions for making gifts by will, trust or beneficiary designation:

*I give, devise and bequeath to the Houston Community College Foundation , a Texas not-for-profit organization having its principal offices located at 3100 Main Street, Houston, Texas, 77002, the sum of \$ \_\_\_\_\_ (may also use \_\_\_\_%; of the rest, residue, and remainder of my estate; identify a specific asset)...to be used for \_\_\_\_\_ (Specify purpose: i.e. its general education programs [unrestricted]; financial assistance to a specific program or XXXXXX; scholarships; general endowment fund for unrestricted use, or a restricted endowment for a specific purpose, etc.).*

*If, in the opinion of the Houston Community College Foundation Board of Directors or their successors, the need for the funds for the purpose described above at some future date no longer exists, the HCC Foundation Board of Directors or their successors are authorized to use the funds in the best interest of*

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*the Houston Community College for a purpose as similar as possible to the donor's stated interest.*

Please notify the Houston Community College Foundation in writing if the donor has included the Foundation in the donor's estate plans. Notification holds the donor to no legal obligation and gives the Foundation an opportunity to recognize the donor as a member of the **HCC Foundation Legacy Society**, and to keep the donor informed about recent developments at the College.

### III. Naming Opportunities

**Event Naming and Sponsorships** - The Foundation and the College hold fundraising, public relations, and honorific events periodically. Naming and sponsorship opportunities are available and will vary based upon the prestige and cost of the event.

**Event Exclusive Naming Rights** - The cost to have exclusive naming rights for an event shall be a minimum of 100% of the total cost of the event. Exclusive naming shall be granted for one year only, unless other terms are negotiated.

**Sponsorships** - Event sponsorships will be available, and levels will be determined on a case-by-case basis depending on the event. Sponsorships will be subject to tax implications as determined by the donors' legal advisors.

### Named Scholarships (With Donor Restrictions)

The Houston Community College Foundation offers the opportunity to create a named scholarship fund, awarded on an annual basis to students at the Houston Community College. This annual gift is used to reward students for academic achievement, professional interest, financial need or any combination of these factors.

In order to establish a named scholarship, a signed letter of intent of a full-year scholarship of a minimum of **\$2,500** annual commitment for four consecutive

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years is required (cumulative minimum of **\$10,000** over four years). The letter must include the scholarship name and the purpose of the donation.

In the event Houston Community College Foundation determines at some future time that it is no longer possible for the named scholarship fund to be used as specified, then the Foundation may devote the named scholarship fund balance to improve the quality of education and community service at Houston Community College in such manner as the Houston Community College Foundation Board determines. Any such alternate application of fund balances shall be as close as possible to the original purpose for which the Fund was established.

The Houston Community College Foundation and the College retains the right to remove a name from a named scholarship fund if the donor or named beneficiary acts in a way that would bring dishonor to the College or if the donor does not fulfill the amount of the pledge.

### **Named Endowment Fund (Permanently Restricted Fund)**

An "endowment fund" refers to any fund, or any part thereof, not wholly expendable by the Houston Community College Foundation on a current basis under the terms of the applicable gift instrument.

In order to establish a named endowed scholarship, a gift/pledge of at least **\$25,000** must be committed. The minimum of \$25,000 for a named endowment fund is so that annual disbursement is a minimum of \$1,000 per year based on a spending rate of 4% per year minimum of principal (corpus). If a named endowment fund is established with less than \$25,000, funds available for distribution will occur in the fiscal year plus one year after the fund principal balance reaches \$25,000.

*Example:*

*The principal, through donations/gifts, reaches \$25,000 in Fiscal Year 2020; the funds will be available for disbursement as of September 1, 2021 (FY2022); allowing the fund to accumulate earnings/gains in FY2021.*

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Funds will be invested for the purpose of producing present and future income, which may be expended or reinvested with the original gift. The principal (or corpus) of the endowment is to be kept intact.

Annually, funds are available for scholarships and grants according to the current spending policy of the Foundation Board and may be restricted or unrestricted according to the donor's intent.

Endowment funds are invested according to the investment policies established by the Houston Community College Foundation. Endowment gifts may be used to establish a special endowment fund or may be added to an existing endowment fund.

When establishing an endowed fund, a formal letter of agreement should be used to specify the name of the donor(s), the amount of the gift, the name of the fund and donor restrictions (purpose) for the use of the authorized annual funds available for scholarships and grants.

The endowment agreement is dated and executed with the signature of the donor(s), the Houston Community College Foundation President, and the Houston Community College Foundation Chairman of the Board and/or Secretary.

In designating an endowment gift for a specific purpose, the donor is encouraged to describe that purpose as broadly as possible and avoid detailed limitations and restrictions that may too strictly limit the reach of the original purpose.

Gifts to establish a named endowment fund for specific purposes must meet the minimum dollar requirement of \$25,000 as established by the Houston Community College Foundation. The principal of the original gift need not meet the minimum dollar requirement if the donor agrees to fully fund the endowment at the minimum dollar requirement within a specified and reasonable time period.

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In the event Houston Community College Foundation determines at some future time that it is no longer possible for the named endowment fund to be used as specified, then the Foundation may devote the annual funds available from the fund to improve the quality of education and community service at Houston Community College in such manner as determined by the Houston Community College Foundation.

Any such alternate application of annual funds available shall be as close as possible to the original purpose for which the Fund was established.

The minimum dollar requirements established for a named endowment fund shall not apply to any named endowment fund(s) already established at the time these policies are adopted. If endowment pledges do not reach the minimum level within the designated period, the donor or representative of the gift will be consulted to determine the most useful course of action, which may include a pledge extension or the transfer of the fund to the General Endowment Fund or another existing Endowment Fund deemed appropriate.

The Houston Community College Foundation reserves the right to review the minimum amounts required for named endowments periodically and to amend the minimum amount required to ensure that endowment proceeds are sufficient to fund the intended purpose(s) of the endowment. If, and when, the Houston Community College Foundation acts to increase the minimum amount required establishing a particular named endowment fund, such action shall not be retroactive to funds already established and named.

Types of endowments include:

**Endowed Student Scholarships** - Houston Community College supporters may endow a scholarship for students. Endowed scholarships provide a continuing source of assistance for students and create a legacy for the donor.

**Endowed Faculty Positions** - All endowed faculty positions must have the approval of the Houston Community College Chancellor or designee prior to



## HOUSTON COMMUNITY COLLEGE FOUNDATION GIFT ACCEPTANCE POLICY AND PROCEDURES

acceptance of the gift. Annual funds available from endowed faculty positions may fully or partially fund the salary and may be used to provide related program funding, professional development, continuing education, release time for research and writing, and other needs.

**Endowed Program Funds** - Endowed program funds may support any programs provided by the Houston Community College, be it academic; co-curricular or extra-curricular programs; classroom or technology enhancements; research; faculty development; or faculty and staff awards. All named endowed program funds must have the approval of the Houston Community College Chancellor and are subject to HCC BOT CAM(LOCAL) policy restrictions prior to acceptance of the gift.

Any endowment gift must be accompanied by a formal letter of agreement outlined earlier in this section.

The Houston Community College Foundation and the College retains the right to remove a name from an Endowed Fund if the donor or named beneficiary acts in a way that would bring dishonor to the College or if the donor does not fulfill the amount of the pledge.

### **Named Facility and Program Opportunities**

Please refer to Houston Community College Foundation Naming Rights Principles, Guidelines, and Procedures for HCC Facilities and for information on naming opportunities.

The Houston Community College Board of Trustees has final approval for all naming opportunities at the Houston Community College facilities as stated in Houston Community College BOT Policy CLA(LOCAL). Gift agreements and naming designations are coordinated by the Houston Community College Foundation President, respective Houston Community College President, and/or Houston Community College Chancellor and are approved by the Houston Community College Board of Trustees.

# HOUSTON COMMUNITY COLLEGE FOUNDATION GIFT ACCEPTANCE POLICY AND PROCEDURES

## Gift Recognition—Annual Giving Circles

The Houston Community College Foundation has special giving circles and recognition societies that help the college to foster its tradition of philanthropy by honoring our most generous donors and loyal supporters. Making an annual gift at one of our Giving Circle levels, or informing us of a planned gift, is a great way to show appreciation for Houston Community College. It also allows the donor to play an important role in the financial health of the college.

**Annual Giving Circles Recognition Levels** - Recognition in each category is based on a donor's fiscal year (September 1 – August 31) giving history cash and/or pledges. If a donor makes a four-year pledge, they will have the choice of being recognized for the total pledged amount in year one in the appropriate Giving Circle or for the value of each pledge payment in each year at the appropriate Giving Circle.

Annual Giving Circles recognition levels include all donations made to the college.

- **Summa Cum Laude Eagles** - \$100,000 or greater
- **Magna Cum Laude Eagles** - \$50,000 - \$99,999.99
- **Dean's List Eagles** - \$25,000 - \$49,999.99
- **Head of the Class Eagles** - \$10,000 - \$24,999.99
- **Soaring Eagles** - \$5,000 - \$9,999.99
- **Honor Roll Eagles** - \$1,000 - \$4,999.99
- **Mentor Eagles** - \$250 - \$999.99

**Recognition Societies** – Membership in the HCC Foundation Legacy Society is recognition of a planned or legacy gift and membership in the Honors Society.

- **Golden Eagle Society membership** –all donors whose cumulative gifts/contributions are \$5,000 and above for the fiscal year (9/1 to 8/31).
- **HCC Foundation Legacy Society** – annual planned and legacy gift recognition.

# **HOUSTON COMMUNITY COLLEGE FOUNDATION GIFT ACCEPTANCE POLICY AND PROCEDURES**

## **Review of Gift Acceptance Policy**

This policy should be reviewed on a regular basis and be changed as needed by approval of the Houston Community College Foundation Board. It is recommended the giving levels be reviewed every six (6) years and adjusted as appropriate and the entire Gift Acceptance Policy be reviewed every three (3) years.