

## POLICY

**Title:** Gift Acceptance

**Policy Statement:**

The Board of Governors encourages and accepts gifts of value to support and enhance the mission and mandate of the College and the best interests of our students and communities.

**Approved:** \_\_\_\_\_ (Date)  
(Archie Cunningham, Chair of the Board)

**First Approved:** February 19<sup>th</sup>, 2008

**Reviewed/or Revised Date(s):** June 19, 2012; September 19, 2012; June 19, 2013

**Stakeholders Consulted (Date):** Senior Management Team, February 12<sup>th</sup>, 2008.

**Reference to other Documents:**

Gift Acceptance Procedure  
Donor Recognition Policy  
Donor Recognition Procedure  
Honorific Naming of Facilities and Programs Policy  
Honorific Naming of Facilities and Programs Procedure  
Investment of Funds Policy

**Definitions:**

***Gift in-kind*** refers to any donation of value to Northern Lakes College in the form of property, goods, or services other than cash or monetary notes

***Unrestricted gift*** refers to any donation of value to Northern Lakes College that was not intended for a specific project or purpose

***Gift*** refers to any donation of value to Northern Lakes College that is provided voluntarily by the donor without an expectation of reciprocal remuneration or services.

***Area of Greatest Need*** refers to a discretionary fund created from unrestricted gifts of cash. The fund is applied to priority initiatives of the College.

**Endowment** refers to a gift to Northern Lakes College that has been accepted with the understanding that the principal amount of the donation will be invested and preserved with the earnings used for restricted or unrestricted projects as agreed to with the donor.

**Special Purpose Fund** refers has a specific purpose, and upon completion of that purpose, the fund is expected to be zero, balance is to be paid back or money's can be used for some other college purpose. This is different from an Endowment where the principal is expected to be preserved.

**Guidelines:**

1. The authority to accept or decline any gift to Northern Lakes College rests with the Board of Governors as recommended by the President.
2. Northern Lakes College reserves the right to decline a donation if it does not align with the College mandate, or is not in the best interest of our students or communities.
3. An endowment or special purpose fund can be established by a current or deferred gift or by bequest. When the donor executes a will containing language directing that a special purpose fund be established, no other documentation is required. Contributions to existing endowments or special purpose fund require only a transmittal letter or bequest stating the donor's intention.

When an endowment or special purpose fund is created by a current gift, the donor and officers of Northern Lakes College will sign a letter of understanding that sets forth the terms.

All endowment agreements must include a power-to-vary clause.

When:

- a) Establishing new endowments or special purpose funds, or
  - b) Soliciting gifts toward existing endowments or special purpose funds  
College personnel will advise donors to seek independent personal and professional counsel in planning their gift.
4. Ownership of all gifts directed to Northern Lakes College vests with the College as a whole, even if the gifts are intended for a specific purpose.
  5. Gifts and endowments or special purpose funds will have a written agreement (Gift Acceptance Procedure) as to their intended purpose and will outline the structure of annual reporting that will include as appropriate:
    - a) How the gift is being used
    - b) Progress of related fundraising activities
    - c) Net value (in the case of endowments)
    - d) Related roles and responsibilities

6. Endowments will be preserved in value, per the wishes of the donor. Endowments will not be inflation adjusted unless the donor has made specific instructions requiring adjustment based upon available published inflation factors such as Consumer Price Index (CPI). Donors will be engaged in discussion on inflation proofing of endowments at the time of giving. In the absence of inflation proofing provisions in historical agreements, only realized capital gains will be applied to Endowment principle.
7. Generally speaking, it is to the advantage of the College to minimize the amount of restrictions or specified uses for any particular gift. An “unrestricted gift” to the College provides the most flexibility for both current and future needs. Donors should be encouraged to minimize the amount of restrictions on any particular gift.
8. Unrestricted donations will be held in the “Area of Greatest Need” fund, and managed by the President, in accordance with the Delegation of Authority – Financial Resources policy.
9. Public reporting that reflects the total amount of dollars actually received by the College will be distinguished from the amount of dollars pledged to the College.