Table of Contents

I. General Foundation Information
   Mission and Vision Statement.................................................................2
   By-Laws.................................................................................................3
   501 (c) (3) Letter.................................................................................20
   Memorandum of Understanding between College and Foundation........22

II. Foundation Board of Directors Information
   Conflict of Interest Policy.......................................................................27
   Conflict of Interest Acknowledgement...............................................29
   Confidentiality Agreement.....................................................................30
   Board of Directors Biographical Information......................................31
   Board of Directors Information Form..................................................32
   Expectations of Individual Board Members..........................................33

III. Financial Information
   Accounting and Financial Reporting.....................................................35
   Policy on Revenue Sources..................................................................36
   Investment Policy..................................................................................37
   Endowment Policy..................................................................................41

IV. Gift Procedures
   Gift Acceptance Policy..........................................................................44
   Scholarship Policy and Procedure.........................................................53
   Discretionary Funds Policy and Procedure............................................58
   Planned Giving Program Policies.........................................................60
   In-Kind Gifts Policy...............................................................................75

V. General Development
   Donor Bill of Rights...............................................................................76
   Ethics....................................................................................................77
   Document Retention Policy....................................................................77
   General Development............................................................................80
   • Acknowledgement Procedures..........................................................80
   • Compensation....................................................................................80
   • Corporations......................................................................................81
   • Corporate Matching Gifts.................................................................81
   • Donor Communications and Relationships.......................................81
   • Donor Recognition.............................................................................82
   • Events and Auctions Guidelines.........................................................82
   • Foundations.......................................................................................83
   • Financial Statement Disclosure........................................................84
   • Non Coercive Solicitation Policy.......................................................85
   • Prospect Cultivation and Solicitation...............................................85
   • Payment of Sales Tax: Special Event Fund Raisers, Etc.....................85
I. General Foundation Information

VISION:

To support and promote the goals of Arapahoe Community College and its students by raising funds and awareness.

Mission Statement:

To create public awareness and funding resources that provide financial assistance and broad-based community support for Arapahoe Community College’s students, staff and programs.
BY-LAWS of ARAPAHOE COMMUNITY COLLEGE FOUNDATION, INC. A Colorado Non-Profit Corporation


ARTICLE I

NAME AND PURPOSE

1.1 Name

The name of this organization shall be the Arapahoe Community College Foundation, Inc., and shall herein be designated and referred to as the Foundation.

1.2 Nature

The Foundation shall be non-profit corporation organized under the laws of the State of Colorado.

1.3 Mission Statement

The Arapahoe Community College Foundation is a charitable, non-profit corporation dedicated to raising friends and funds for Arapahoe Community College (the College). The Foundation works with donors to support and strengthen the College’s role in serving the educational needs of the community.

1.4 Purpose

The primary purpose of the Arapahoe Community College Foundation is to raise and manage private support for Arapahoe Community College.

1.5 Objectives

The objectives of the Foundation are to receive and maintain funds and real and personal property and, subject to the restrictions and limitations hereinafter set forth, to use and apply the whole or any part of the income and principal to promote charitable, educational and scientific purposes by:

Advocating for and promoting the College to various external constituencies to increase its visibility, enhance public understanding of the mission and develop ongoing relationships for the College that result in increased private support.
Serving as the 501(c)(3) nonprofit organization that receives, manages, administers, and disburses private funds to the College.

Assisting in the identification, solicitation and stewardship of private funds raised for College initiatives that cannot be funded by public money including outright and deferred gifts.

Providing a means of perpetual trusteeship of funds that are donated by individuals or organizations for programs or activities that benefit the College.

1.6 Statement of Non-Discrimination

The Arapahoe Community College Foundation shall not discriminate on the basis of race, color, religion (creed), gender, age, national origin (ancestry), disability, marital status, sexual orientation, or military status in any of its activities or operations. These activities include, but are not limited to, hiring and firing of staff, selection of volunteers, selection of vendors, and provision of services. The Foundation shall comply with all applicable Federal, State, and local laws and regulation pertaining to discrimination.

1.7 Seal

The corporate seal of the Foundation shall have the name of the Foundation inscribed therein.

ARTICLE II

FOUNDATION ORGANIZATION,
OFFICE AND BOARD OF DIRECTORS

2.1 Principal Office
The principal office of the Corporation shall be established and maintained at Arapahoe Community College.

2.2 Number of Directors
There shall be a total of not more than twenty-seven Directors, selected in the manner provided by these Bylaws. All members of the Board shall be elected to staggered three-year terms and are permitted to serve for a maximum of three consecutive terms. The Board of Directors shall not have less than seven members.

The Board of Directors is authorized to fill vacancies or to add members up to the maximum of twenty-seven at any regular or special meeting of the Board.

2.3 Foundation Organization
The affairs of the Foundation shall be organized in accordance with policies and direction established by the Board of Directors. The Chair of the Board of Directors shall
preside at all meetings. In the absence or ability of the Chair to serve, the Vice-Chair of the Board shall act as Chair. In the absence or inability to serve of both the Chair and the Vice-Chair, the Board may appoint any member to act as interim Chair until such time as elected officers resume duty or a new Chair is duly elected.

2.4 Foundation Management
The operational management of the Foundation shall be the responsibility of the Executive Director working within the policies and parameters established by the Board of Directors. An Executive Director may be hired by the President of the College with the advice and consent of the Board of Directors. Representatives of the Board of Directors shall be members of the selection committee. All related Foundation staff members may be employees of the College and are to be hired on behalf of the Foundation by the Executive Director.

2.5 Classes of Directors
The affairs of the Foundation shall be managed and governed by the Board of Directors, which shall be composed of the following classes of members.

(a) Regular Members:
Directors shall constitute the governing body of the Foundation and shall exist as a self-appointing Board. To preserve the independence of the Foundation from Arapahoe Community College, no officer or full-time employee of the College shall serve as a voting member of the Foundation’s Board of Directors.

(b) Ex Officio Members
The President of Arapahoe Community College shall be an ex-officio, non-voting member of the Board of Directors and shall serve for long as he or she holds the position of President of ACC.

One member of the College’s Advisory Council shall be an ex-officio, non-voting member of the Foundation Board of Directors and shall serve a one-year term. The Council member serving as the ex-officio member will be selected by the Advisory Council annually and may serve successive terms. The chair of the Advisory Council may serve in this capacity.

(c) Emeritus Members
Emeritus members shall be designated by the Board of Directors and shall have formerly served as a member of the Foundation Board of Directors. Ex officio members of the Board of Directors shall be eligible to be emeritus members. Upon acceptance of emeritus status, emeritus members shall no longer be eligible to serve as a regular member of the Board, but may attend meetings of the Board and serve on committees. Emeritus members may not vote and shall not be considered in determining a quorum.
(d) **Honorary Members**

Honorary members shall be designated by the Board of Directors for their substantial contributions to the objectives and mission of the Foundation or the College. Honorary members may attend meetings of the Board and serve on committees, but may not vote and shall not be considered in determining a quorum.

2.6 **Nomination to Directorship**

Nominations for membership on the Foundation Board of Directors may be made to the Membership Committee by any member or officer of the Board or by the Nominating Committee itself. Nominees shall be elected to membership by majority vote of the Board at any meeting of the Board.

2.7 **Powers and Duties of Directors**

The Board of Directors shall exercise authority in respect to establishing the policies and managing the affairs of the Foundation. Between meetings of the full Board, the authority of the Board of Directors shall reside in and be exercised by the Executive Committee as provided in paragraph 5.2 of these Bylaws.

2.8 **Removal and Resignation of Elected Directors**

The Board of Directors may by a majority vote, on the recommendation of the Executive Committee, remove an elected director whose record of attendance (three absences in one year unexcused by the Chair) or other conduct, which is, in the opinion of the Board, evidence of disqualification. Written notice of such contemplated action shall be given by the Chair or Secretary no less than twenty days before such meeting at which removal is to be considered. Any Director may resign at any time by giving written notice to the Chair or Secretary of the Foundation. Such resignation shall take effect at the time specified therein.

2.9 **Vacancies**

In the event of the death, disability, resignation or removal of a Director, the Membership Committee shall nominate candidates to the Board of Directors. The majority vote of the Board shall fill the vacancy, and each Director so elected shall hold office for the remainder of the term of the person he or she is replacing.

2.10 **Compensation**

Directors as such shall not receive any stated salaries for their services, but by resolution of the Board of Directors a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board; but nothing herein contained shall be construed to preclude any Director from serving the Corporation in some other capacity and receiving compensation therefore. No loans may be made by the Corporation to any Director.
2.11 Members
This corporation shall have no statutory or voting members. The Foundation may establish contractual memberships with such rights and privileges as may be determined by the Board of Directors.

2.12 Special Advisors
Special advisors to the Board of Directors may be appointed by the Chair of the Board for a term of one year. Special advisors shall give advice and counsel to the Board of Directors and shall support the activities of the Foundation as appropriate, but may not vote and shall not be considered in determining a quorum.

ARTICLE III
MEETINGS

3.1 Annual Meeting
The annual meeting of the Board of Directors shall be held at Arapahoe Community College, Littleton, Colorado between May 1 and June 30 of each year; the day, hour, and place to be determined by the Chair of the Board of Directors. At said annual meeting, Directors shall be elected and such other business as may be brought before the meeting may be transacted. The new officers shall take office and begin their function on July 1 through June 30.

3.2 Special Meetings
Special meetings of the Board of Directors may be called at any time by the Executive Committee, or by a written request submitted by the general Board to the Executive Committee by at 40% of the members of the Board of Directors. The Executive Committee shall have seven days from receipt of the general Board’s request within which to call a special meeting. Notwithstanding the notice in the provisions of paragraph 3.4 below, emergency notice may be given by telephone call or electronic transmission to the members at least one day in advance of such special meeting.

3.3 Regular Meetings
Regular meetings of the Board shall be held in the months of July, September, November, January, March and May.

3.4 Notice of Meetings
Notice of each meeting, annual or special, shall be communicated by the Executive Director to each of the Directors not less than seven days preceding any such meeting. In the event the notice is of a special meeting, such notice shall indicate briefly the objects thereof.

3.5 Waiver of Notice
Any Director may waive written notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of written notice of such meeting, except where a
Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

3.6 Quorum
A simple majority of Directors who are eligible to vote shall constitute a quorum for the transaction of business.

3.7 Voting
Any action approved by a simple majority of the voting Directors present at an official meeting at which a quorum is present shall be deemed an official act of the Directors except as required by statute.

3.8 Informal Action by Directors
Any action required or permitted to be taken at the meeting of the general Board of Directors or any committee thereof may be taken without a meeting if written consent specifying the action taken shall be signed by all persons entitled to vote with respect to subject matter thereof. Such consent resolution shall have the same force and effect as a unanimous vote.

ARTICLE IV

OFFICERS

4.1 Officers of the Board
The officers of the Board of Directors shall consist of a Chair, immediate Past-Chair, Vice-Chair, Secretary, Treasurer and Assistant Treasurer elected by and from the membership of the Board of Directors at the annual meeting. Each newly elected officer shall ordinarily assume office at the annual meeting.

4.2 Election and Term of Office
The officers of the Corporation shall be elected for one year terms by the Board of Directors at the regular Annual Meeting of the Board. An officer may be appointed or elected for consecutive terms. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as is convenient. New offices may be created and filled at any meeting of the Board of Directors. Each officer shall hold office until his or her successor shall have been duly elected and shall have qualified.

4.3 Vacancies
In the event of the death, disability, resignation or removal of an officer, the Membership Committee will ordinarily nominate candidates to the Board of Directors, and the majority vote of the Board shall fill the vacancy. Each officer so elected will hold office for the remainder of the term of the person he or she is replacing.
4.4 Removal

Any officer may be removed by a majority vote of the Board of Directors, providing that he or she shall have been notified in writing of the charges proffered against him or her, no less than twenty days before such meeting.

4.5 Powers and Duties of Officers

The officers of the Foundation shall hold and perform such powers and duties as usually devolve upon such officers, including those set forth as follows:

(a) Chair

The Chair’s powers and duties shall include, but not be limited, to the following:

(1) Preside at all meetings of the Board and all meetings of the Executive Committee, and be a voting member of the Executive Committee.
(2) Supervise to ensure that the business of the Foundation is successfully carried out.
(3) Sign all corporate documents pertinent to the affairs of the Foundation which are not otherwise delegated to other officers for signature, except as the general Board may delegate such authority to the Executive Director through formal action.
(4) Appoint such committees and committee chairpersons as the Chair deems necessary or desirable, and unless specified otherwise herein, those committee chairs shall serve at the Chair’s discretion during such committee chairs’ one-year term.
(5) Serve as an ex-officio member of all standing and ad hoc committees now established or to be established by the Board of Directors.
(6) Assist the other Board officers in the performance of their duties.
(7) Represent the Foundation at major College and community events and programs, as well as at Foundation-sponsored activities. The Chair may select a designee when he or she is unavailable.
(8) Sign contracts, deeds, mortgages, bonds or other instruments, except when execution thereof has been expressly delegated by the Board of Directors, Executive Committee or these Bylaws to some other officer or agent of the Foundation or is required by law to be otherwise executed by some other officer or in some other manner. In general, the Chair shall perform all duties prescribed by the Board and Executive Committee.
(9) At the conclusion of the Chair’s term, he or she shall remain on the Executive Committee as Past-Chair to assist the Board of Directors and the Executive Committee in the capacity of strategic advisor.

(b) Vice Chair

The Vice Chair’s powers and duties shall include without limitation the following:
(1) Attend all meetings of the Board of Directors and all meetings of the Executive Committee, and be a voting member of the Executive Committee.
(2) Represent the Foundation at major College and community events and programs, as well as at Foundation-sponsored activities when the Chair is unavailable to attend.
(3) Perform such other duties as may be assigned by the Chair or Executive Committee.

(c) Secretary
The Secretary’s powers and duties shall include without limitation the following:

(1) Attend all meetings of the Board of Directors and the Executive Committee and see that minutes are kept of all such meetings, and be a voting member of the Executive Committee.
(2) See that all notices are given as required by statute, bylaw or resolution.
(3) Supervise the general correspondence of this Foundation, and as may be assigned by the Chair of the Board, and see that reports required by the Colorado Nonprofit Corporation Code are prepared and filed.
(4) Keep custody of the seal of the Foundation and affix the same to all instruments proper to the conduct of business or legal transactions of the Foundation.
(5) In general perform all duties incident to the office of Secretary, and such other duties as may be assigned by the Chair or Executive Committee.

(d) Treasurer
The Treasurer’s powers and duties shall include without limitation the following:

(1) Attend all meetings of the Board of Directors and the Executive Committee, and be a voting member of the Executive Committee.
(2) See that accounts are kept of all monies received and disbursed by the Foundation, and that all monies and valuables in the name and to the credit of the Foundation are deposited in such banks and depositories as the Board of Directors shall designate.
(3) Supervise custody of all books, records and papers of the Foundation, except as shall be in charge of some other person authorized to have custody and possession thereof by resolution of the Board.
(4) Serve as chair of the Finance Committee and of any other committee as appointed by the Chair or designated by these Bylaws where specifically charged with matters directly related to the financial affairs of the Foundation.
(5) Advise the Board of Directors and the Executive Committee regarding the overall financial affairs of the Foundation, and see that the Foundation annual report is prepared.
(6) Ensure that an audit of the books of the Foundation is made as soon as practicable after the close of the fiscal year of the Foundation and have it reported to the Chair and the Board of Directors.

(7) In general perform all duties incident to the office of Treasurer, and such other duties as may be assigned by the Chair or Executive Committee.

(e) Assistant Treasurer

The Assistant Treasurer’s powers and duties shall include without limitation the following:

(1) Attend all meetings of the Board of Directors and the Executive Committee as assigned, and be a voting member of the Executive Committee.

(2) Learn the duties and responsibilities of the Treasurer and perform them or cause them to be performed in the Treasurer’s absence, to include:
   a. Accounting for all monies received and disbursed by the Foundation, and the deposit of all monies and valuables in the name and to the credit of the Foundation in such banks and depositories as the Board of Directors shall designate.
   b. Supervise custody of all books, records and papers of the Foundation, except as shall be in charge of some other person authorized to have custody and possession thereof by resolution of the Board.
   c. Advise the Board of Directors and the Executive Committee regarding the overall financial affairs of the Foundation.
   d. Help ensure that an audit of the books of the Foundation is made as soon as practicable after the close of the fiscal year of the Foundation and have it reported to the Chair and the Board of Directors, and assist the Treasurer to prepare the Foundation’s annual report.

(3) Perform such other duties as may be assigned by the Chair or Executive Committee.

(f) Executive Director

The Executive Director of the Foundation may be an employee of the College and shall serve as a non-voting member of the Board of Directors and Executive Committee. The Executive Director shall direct administrative, financial and operational activities of the Foundation, including scheduling and notice of meetings, ensuring the appropriate level of confidentiality for contributors, safeguarding, receiving, dispensing and accounting for the Foundation’s funds. The Executive Director shall conduct the affairs of the Foundation as directed by the Board of Directors including fundraising and community outreach.

4.6 Other Officers
The Board of Directors may also elect one or more junior vice presidents, assistant secretaries and other officers as it deems necessary. These officers, who need not be directors, shall serve at the pleasure of the Board of Directors.

ARTICLE V

COMMITTEES OF THE BOARD

5.1 General
(a) The Foundation shall have standing committees and those special committees the Board of Directors deems necessary or desirable. All committees shall report to the general Board.

(b) The standing committees of the Foundation shall be the Executive Committee, Membership Committee, Development Committee, and the Finance Committee.

(c) Every committee shall have at least three members, and the chair of each committee shall be a member of the Board of Directors. All committee members shall be appointed annually by the Chair of the Board of Directors or as recommended by the Membership Committee Chair and shall serve at the pleasure of the Board of Directors. These committees shall have and exercise the authority to the extent provided in an appropriate resolution; but the designation of such committees and the delegation of authority thereto shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed by law upon it or him or her.

(d) Each committee shall prepare consent resolutions or record minutes of its deliberations, recommendations and conclusions and shall promptly deliver a copy of such minutes or consent resolutions to the Secretary. Reasonable notice of the meetings of any committee shall be given to the members thereof and to the Chair of the Board of Directors and the President of the College, each of whom, as ex-officio members of all Board committees shall have the right to attend and participate in the deliberations of the committees.

(e) Informal Action
Any action required or permitted by law to be taken at a meeting of any committee may be taken without a meeting of such committee if a written consent resolution specifying the action so taken shall be signed by all of all the members of such committee entitled to vote with respect to the subject matter.

5.2 Executive Committee
(a) Composition
The Executive Committee of the Board of Directors shall consist of the following Directors:

The Chair of the Foundation, who shall also be Chair of the Executive Committee;

The President of Arapahoe Community College, or a College Vice-President, Dean or other College administrator designated by the President from time to time;

The Vice Chair of the Foundation, who shall also be Vice Chair of the Executive Committee;

The Treasurer of the Foundation;

The Secretary of the Foundation;

The Chairs of the Development and Membership Committees;

The Executive Director of the Foundation;

At least one but nor more than four other Directors, who may be appointed by the general Board (notwithstanding the provisions of paragraph 4.5(a)(4) above) and who shall be appointed at the annual meeting. One of these Directors shall also act as Foundation liaison to the Advisory Board.

The College President and the Executive Director shall be non-voting members of the Executive Committee.

(b) Meetings
The Executive Committee shall meet at least six times annually outside of regular meetings of the Board of Directors, or at the call of the Chair of the Board of Directors, and the Secretary shall cause minutes to be kept. All action taken shall be reported to the next meeting of the general Board of Directors for ratification.

(c) Duties and Powers
The Executive Committee shall have and may exercise all powers and authority of the Board of Directors when the general Board is not in session, subject to the restrictions set forth herein and those restrictions and limitations the general Board of Directors may from time to time specify. The Executive Committee shall have all the authority of the general Board of Directors EXCEPT in matters pertaining to the following:

a. Amending, altering or repealing these Bylaws;
b. Electing, appointing or removing any member of any committee or any officer or Director of the corporation;
c. Amending the Articles of Incorporation;
d. Restating the Articles of Incorporation;
e. Adopting a plan of merger or adopting a plan of consolidation with another corporation or entity;
f. Authorizing the sale, lease, exchange or mortgage of all or substantially all of the property and assets of the Foundation;
g. Authorizing the voluntary dissolution of the corporation;
h. Amending, altering or repealing any resolution of the general Board of Directors which by its terms provides that it shall not be amended, altered or repealed by such Committee.

(d) Quorum

The presence of a majority shall constitute quorum of this Committee and the affirmative vote of a majority shall be necessary for the adoption of any resolution. The act of the majority of the voting members present at a meeting at which a quorum is present shall be the act the Executive Committee.

(e) Limitations of Authority

This designation and appointment of the Executive Committee, and the subsequent delegation of authority shall not operate to relieve the Board of Directors or any individual director of any responsibility imposed by law on him or her. Barring these restrictions, the Executive Committee shall be empowered to conduct the business of the Foundation within the framework of general Board policy. No revision or alteration by the general Board of Directors of action taken by the Executive Committee shall affect the rights of third-parties.

5.3 Membership Committee

(a) Chairs

The chair of the Membership Committee shall be elected by the Board of Directors or appointed by the Chair of the Foundation.

(b) Composition

The Membership Committee shall be comprised of at least three Directors appointed by the Chair of the Board of Directors from among the membership of the general Board. Any vacancy occurring on the Membership Committee shall be temporarily filled by the Executive Committee until such vacancy can be duly filled by the majority vote of the Board. The President of the College or the President’s designee shall be a non-voting member of the Membership Committee.

(c) Duties and Powers

The Membership Committee shall be generally responsible for identifying, informing, attracting and training outstanding alumni and friends as Directors for the Foundation. Specific Membership Committee responsibilities without limitation shall include:
(1) Recommend a slate of officers for the Board in accordance with procedures established by the Board of Directors.

(2) Nominate a replacement to fill a vacancy for an unexpired term of any Board officer in accordance with procedures established by the Board of Directors. Submit names of candidates to fill vacancies and for additions to the Board of Directors.

(3) Bring to the Board of Directors for approval the criteria for membership on the Board of Directors.

(4) Monitor the performance of Directors in fulfilling their responsibilities to the Foundation according to the established criteria for Board membership.

(5) Train all new and continuing Directors and officers in the successful exercise of their duties.

(d) Meetings
Meetings of the Membership Committee shall be called as determined by the chair of the committee. The slate of nominees for officers and new directors shall be presented at the May meeting of the Board of Directors.

(e) Quorum
A simple majority of the members of the Membership Committee shall constitute a quorum for the transaction of business at all meetings convened according to these Bylaws. The act of the majority of the voting members present at a meeting at which a quorum is present shall be the act of the Membership Committee.

5.4 Finance Committee

The Finance Committee shall be chaired by the Treasurer.

(a) Composition
Membership shall be comprised of at least two other Directors appointed by the Chair of the Board of Directors.

(b) Duties and Powers
The Finance Committee shall be responsible for recommendations regarding investing all the assets of the Foundation, including but not limited to cash, securities and real estate, in accordance with policies and procedures set by the Board of Directors. The Finance Committee shall have general responsibility for implementing its policies, previously approved in general concept by the Executive Committee or the Board of Directors, and recommending to the Board of Directors the acceptance, utilization, sales or trade of cash, securities and real estate in the name of the Foundation. The Finance Committee shall be responsible for recommending money managers and auditors for the funds of the Foundation. In addition, the Finance Committee will:
(1) Review and understand Foundation financial statements.
(2) Assure the general Board of Directors that financial statements reflect the Foundation’s financial condition.
(3) Determine the adequacy of internal controls surrounding financial information systems.
(4) Ensure adherence to the Foundation’s conflict of interest policy.
(5) Meet with the Foundation’s independent auditors at least annually.
(6) Review the Foundation’s insurance policies annually.
(7) Monitor Foundation investments to ensure conformity with investment policy guidelines.

Meet as necessary, but no less than once a year, while keeping the general Board informed on a quarterly basis.

(c) Quorum
The presence of a majority of the Finance Committee shall constitute a quorum at any meeting, and all questions shall be determined by a majority vote of those voting members present.

5.6 Development Committee

(a) Composition
The Development Committee shall be comprised of a committee chair and five other Directors appointed by the Chair of the Board of Directors, and the Executive Director, who shall be a non-voting member of the Development Committee. The President of the College or the President’s designee shall be a non-voting member of the Development Committee.

(b) Duties and Powers
The Development Committee shall assist the Board of Directors in exercising oversight over the Foundation’s fundraising function, and shall advise the Board regarding competitive philanthropic marketing conditions and the support necessary to reach fundraising goals. The committee shall also give guidance to the Board and Foundation staff in matters including, but not limited to, the Foundation’s fundraising structure and staffing, priorities, solicitation and giving methods, and ethical standards. The Development Committee may create sub-committees as deemed necessary to accomplish the goals of the Foundation.

(c) Quorum
The presence of three members of the Development Committee shall constitute a quorum at any meeting, and all questions shall be determined by a majority vote of those voting members present.

5.7 Other Committees
The Board of Directors of the Foundation may create other standing, special and ad hoc committees as deemed necessary to accomplish the goals of the Foundation; the appointment of any member to a standing, special or ad hoc committee shall be made by the Chair of the Board of Directors.

**ARTICLE VI**

**FINANCES AND CONTRACTS**

6.1 **General Policy**
The Board of Directors shall have authority and liability over the management of all funds, securities, properties and assets of the Foundation.

6.2 **Surety Bonds**
All officers and employees or designates of the Foundation who handle Foundation funds shall furnish adequate surety bonds to be approved by the Board of Directors of the Foundation. The surety bonds of the Treasurer and Assistant Treasurer in favor of the Foundation shall be renewed from year to year on July 1 and filed with the Secretary of the Foundation. The cost of all surety bonds shall be paid by the Foundation.

6.3 **Operating Expenses**
The Executive Director shall have the authority to write checks on the Operating Account of the Foundation in an amount not to exceed $1,000. The Board of Directors may give authorization for a larger amount or restricted funds to the Executive Director. The Executive Director and the Treasurer or the President must sign checks over $1,000 for either Operating or Net Assets Accounts.

6.4 **Contracts**
The Board of Directors or the Executive Committee, as appropriate, may authorize any officer or officers, or agent or agents, to enter into any contract or execute and deliver any instrument in the name of, and on behalf of, the Foundation. Such authority may be general or confined to specific instances.

6.5 **Loans**
No loans shall be contracted on behalf of the Foundation and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors or Executive Committee. Such authority may be general or confined to specific instances.

6.6 **Checks, Drafts, Etc.**
All checks, drafts, or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Foundation shall be signed by such officer or officers, or agent or agents of the Foundation and in such manner as is set forth
6.3 paragraph 6.3 of these Bylaws or from time to time determined by resolution of the Board of Directors or recommendations from the Executive Committee, as appropriate.

6.7 Deposits

All funds of the Foundation not otherwise employed shall be deposited from time to time to the credit of the Foundation in such banks, trust companies or other depositary institutions as the Treasurer and Assistant Treasurer (acting together) may select, subject to overriding action by the Executive Committee.

ARTICLE VII

INDEMNIFICATION OF DIRECTORS AND OFFICERS

7.1 The Foundation shall indemnify every Director and officer from any liability or expense of a proceeding while acting in his or her official capacity to the fullest extent permitted by law, including the provisions and limitations of Title 7, Article 129, C.R.S. No Director shall have any personal liability to the Foundation for monetary damages for breach of fiduciary duties as director, except as otherwise required under the provisions of C.R.S. Section 7-129-102 or other applicable laws.

7.2 Directors and officers of the Foundation shall have no personal liability for obligations of the Foundation.

7.3 The Board of Directors may purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the Foundation against any liability asserted against him or her and incurred by him or her in any such capacity or arising out of his or her status as such.

7.4 The Foundation Bylaws may provide additional rights and limitations with respect to the subject matter of this Article VII.

ARTICLE VIII

DISTRIBUTIONS OF INCOME AND ASSETS

The Foundation is irrevocably dedicated to and operated exclusively for nonprofit, tax exempt purposes; and no part of the income or assets of the Foundation shall be distributed to, nor inure to the benefit of, any individual.

The corporation may be dissolved by consent of the Board of Directors as provided in Title 7, Article 134 of the Colorado Revised Statutes. After the satisfaction of all outstanding claims and liabilities, the remaining corporate assets shall be transferred to Arapahoe Community College.
ARTICLE IX

AMENDMENTS

These Bylaws, except as to those paragraphs hereof which explicitly provide against amendment by less than the full board, may be amended at any regular or special meeting of the Board of Directors by the affirmative vote of a majority of the members of the Board, provided the proposed amendment shall have been presented at a previous meeting of the general Board, or a copy thereof furnished to each member of the Board at least fifteen days prior to the meeting at which a vote thereon is taken.
Internal Revenue Service

Date: September 26, 2003

Arapahoe Community College Foundation, Inc.
P. O. Box 9002
5900 S Santa Fe Dr.
Littleton, CO 80120-1301

Dear Sir or Madam:

This is in response to your request of September 26, 2003, regarding your organization's tax-exempt status.

In February 1971 we issued a determination letter that recognized your organization as exempt from federal income tax. Our records indicate that your organization is currently exempt under section 501(c)(3) of the Internal Revenue Code.

Based on information subsequently submitted, we classified your organization as one that is not a private foundation within the meaning of section 509(a) of the Code because it is an organization described in sections 509(a)(1) and 170(b)(1)(A)(vi).

This classification was based on the assumption that your organization's operations would continue as stated in the application. If your organization's sources of support, or its character, method of operations, or purposes have changed, please let us know so we can consider the effect of the change on the exempt status and foundation status of your organization.

Your organization is required to file Form 990, Return of Organization Exempt from Income Tax, only if its gross receipts each year are normally more than $25,000. If a return is required, it must be filed by the 15th day of the fifth month after the end of the organization's annual accounting period. The law imposes a penalty of $20 a day, up to a maximum of $10,000, when a return is filed late, unless there is reasonable cause for the delay.

All exempt organizations (unless specifically excluded) are liable for taxes under the Federal Insurance Contributions Act (Social Security taxes) on remuneration of $100 or more paid to each employee during a calendar year. Your organization is not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Organizations that are not private foundations are not subject to the excise taxes under Chapter 42 of the Code. However, these organizations are not automatically exempt from other federal excise taxes.

Donors may deduct contributions to your organization as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to your organization for its use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.
Your organization is not required to file federal income tax returns unless it is subject to the tax on unrelated business income under section 511 of the Code. If your organization is subject to this tax, it must file an income tax return on the Form 990-T, Exempt Organization Business Income Tax Return. In this letter, we are not determining whether any of your organization's present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

Section 6104 of the Internal Revenue Code requires you to make your organization's annual return available for public inspection without charge for three years after the due date of the return. The law also requires organizations that received recognition of exemption on July 15, 1987, or later, to make available for public inspection a copy of the exemption application, any supporting documents and the exemption letter to any individual who requests such documents in person or in writing. Organizations that received recognition of exemption before July 15, 1987, and had a copy of their exemption application on July 15, 1987, are also required to make available for public inspection a copy of the exemption application, any supporting documents and the exemption letter to any individual who requests such documents in person or in writing. For additional information on disclosure requirements, please refer to Internal Revenue Bulletin 1999-17.

Because this letter could help resolve any questions about your organization's exempt status and foundation status, you should keep it with the organization's permanent records.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

This letter affirms your organization's exempt status.

Sincerely,

[Signature]

John E. Ricketts, Director, TE/GE
Customer Account Services
Memorandum of Understanding
Between Arapahoe Community College
And the Arapahoe Community College Foundation

This agreement, entered into as of this day, April 28, 2008, is by and between Arapahoe Community College and the Arapahoe Community College Foundation, hereafter referred to in this document as “the College” and “the Foundation.”

The Foundation was organized and incorporated in 1973 for the purpose of stimulating voluntary private support from individuals, corporations, foundations, and others for the benefit of the College.

The Foundation exists to raise and manage private resources that support the mission and priorities of the College, provide educational opportunities for students, and enhance institutional excellence in ways that would not be possible with state funds.

The Foundation is dedicated to assisting the College in the building of the endowment and in addressing through financial support, the long-term academic and other priorities of the College.

In consideration of the mutual commitments herein contained, and other good and valuable consideration, receipt of which is hereby acknowledged, the parties agree as follows:

I. Foundation Name, Seal and Logotype
   A. Consistent with its mission to advance the plans and objectives of the College, the Foundation is granted the use of the name Arapahoe Community College Foundation and the use of the College’s logo and other identifying marks in the promotion of its business and activities. The Foundation Board may also select and approve a logo as its own identifying mark.

II. College Governance
   A. The State Board for Community Colleges and Occupational Education (SBCCOE) is responsible for overseeing the mission, leadership and operations of the College. The SBCCOE is responsible for setting the priorities and the long-term plans for the College. It is legally responsible for the performance and oversight of all aspects of College operations including the employment, compensation, and evaluation of all employees including the president.

III. The Foundation’s Relationship to the College
   A. The Foundation is a separately incorporated 501(c)(3) organization created to raise, manage, distribute, and steward private resources to support the various missions of the College.
B. The Foundation Board of Directors is responsible for the control and management of all assets of the Foundation including the prudent management of all gifts consistent with donor intent.

C. The Foundation is responsible for the performance and oversight of all aspects of its operations based upon a comprehensive set of bylaws that clearly address the Board’s fiduciary responsibilities, including expectations of individual Board members based upon ethical guidelines and policies.

IV. The College’s Relationship to the Foundation

A. The president of the College is responsible for communicating the College’s priorities and long-term plans, as approved by the SBCCOE, to the Foundation Board of Directors.

B. The College recognizes that the Foundation is a private corporation with the responsibility to protect the confidentiality of its donors to the fullest extent of the law.

C. The president of the College and the Executive Vice President shall serve as ex-officio members of the Foundation board and shall assume a prominent role in fund-raising activities.

D. The College shall provide in-kind support for the general operation of the Foundation including the services of a development officer, administrative support, office and meeting space, office furniture, technology equipment and support, utilities and telephone service, and other support and services as the College may deem appropriate. Such support is provided by the College in consideration of the significant fiscal support provided by the Foundation to the College and its students. This support will be recognized as an in-kind contribution in the Foundation’s annual audit.

E. The College will provide development staff to assist the Foundation in the coordination and implementation of its fundraising plan, as well as operations and marketing support.

F. The College shall establish and enforce policies and procedures that support the Foundation’s ability to protect the confidentiality of donor records. All information about donors, prospective donors, gift data, campaign assignments and notes, donor correspondence, and related information is the confidential property of the Foundation, whether maintained in paper or electronic form, or maintained on servers and equipment owned by the College, in accordance with the laws of the State of Colorado.
V. Foundation Responsibilities

A. The Foundation shall create an environment conducive to increasing levels of private support for the mission and priorities of the College.

B. The Foundation, in consultation with the president of the College, is responsible for planning and executing a comprehensive fund-raising and donor-acquisition program in support of the College mission.

C. The Foundation will establish, adhere to, and periodically assess its gift-management and acceptance policies. It will promptly acknowledge and issue receipts for all gifts on behalf of the Foundation and the College and provide appropriate recognition and stewardship of such gifts.

E. The Foundation bears major responsibility for fund-raising. College representatives will coordinate fund-raising initiatives including major gifts solicitations with the Foundation.

F. The President will work in conjunction with the leadership of the Foundation Board and the Executive Director to identify, cultivate, and solicit prospects for private gifts.

G. The College, not the Foundation, shall accept grants from state or federal agencies unless there are special circumstances which are approved by the College, the Foundation Board, and the governmental agency.

VI. Asset Management

A. The Foundation will establish asset allocation, disbursement, and spending policies that adhere to applicable federal and state laws including the Uniform Prudent Investor Act (UPIA) and the Uniform Management of Institutional Funds Act (UMIFA).

B. The Foundation will receive, hold, manage, invest, and disburse contributions, including immediately vesting gifts and deferred gifts that are contributed in the form of planned and deferred gift instruments.

C. The Foundation shall not accept any gift, donation, or grant which creates a future liability for the College without the advance and written approval of the president of the College.

D. The Foundation will engage an independent accounting firm to annually conduct an audit of the Foundation’s financial statements, including management letters.
The final report shall be delivered each year by the date as specified by the College in order to meet its audit requirements.

E. The Foundation will engage the services of a certified public accountant to monitor and assist with bookkeeping and accounting functions and provide regular reports to the board as necessary.

F. The Foundation will engage the services of legal counsel for the review of contracts and other legal issues as necessary.

G. The Foundation will maintain general liability insurance, directors’ and officers’ insurance and such other insurance coverage as may be necessary or appropriate for liabilities which may arise in connection with its operations.

H. When distributing funds to the College, the Foundation will disclose any terms, conditions, or limitations imposed by the donor or legal determination of the gift. The College will abide by such restrictions and provide appropriate documentation when required.

I. The Foundation is the primary depository of private gifts and will transfer funds to the designated entity within the institution in compliance with donor intent, college policy, and applicable laws.

J. The Foundation’s disbursements on behalf of the College must be reasonable expenses that support the institution and its mission, are consistent with donor intent, and do not conflict with the law.

VII. Foundation Funding and Administration

A. The Foundation is responsible for establishing a financial plan to underwrite a portion of its operational costs, programs, and activities.

B. The Foundation has the right to use a reasonable percentage of annual unrestricted funds, interest on endowments (by donor agreement), and earned interest on unrestricted investments to support its operations.

C. The Foundation will provide access to data and records to the college as needed and in accordance with applicable laws, policies and guidelines.

D. The Foundation will issue to the College, donors, and the community an annual report of its revenue, expenditures, programs, and activities.

VIII. Terms of the Memorandum of Understanding
A. Either party may, upon 90 days prior written notice to the other, terminate this agreement. Notwithstanding the foregoing, either party may terminate this MOU in the event the other party defaults in the performance of its obligations and fails to cure the default within a reasonable time after receiving written show cause notice.

B. In the event that the Foundation ceases to exist, all monies and items of value received by or held by the Foundation for the benefit of the College or any of its constituent parts shall immediately be transferred to the College or a designee consistent with federal and state laws, and such restrictions as may have been imposed by donors.
II. Foundation Board of Directors Information

CONFLICT OF INTEREST POLICY
Effective July 1, 2006

Introduction and Purpose This Conflicts of Interest Policy (this "Policy") is intended to set certain guidelines for the Arapahoe Community College Foundation (the "Foundation") and the Foundation's Board of Directors (the "Board") and each member of the Board (each a "Director" and collectively, the "Directors") when the Directors or the Board are considering entering into any transaction that may involve a benefit to the Foundation, Arapahoe Community College (the "College") and/or any of the Directors.

Persons Covered This Policy shall apply to (i) each Director, (ii) each Officer of the College (for purposes of this Policy an "Officer" is an employee or other management personnel who by the power of his or her position can influence any policies or decisions of the Foundation or has any proprietary or confidential information about the College), (iii) all members of such Director's or Officer's immediate family or their legal representatives; and (iv) any business, trust, organization or entity in which such Director or Officer is a director, officer, shareholder, member, manager, trustee or owner or their legal representative or in which such Covered Person has any financial or pecuniary interest, other than merely as an employee (each a "Covered Person" and collectively, "Covered Persons").

Statement of Policy Neither the Officers or the Board of Directors of the Foundation, nor any Officer or Director on behalf of the Foundation or the College shall enter into any contract, agreement, understanding, action, or transaction with or involving one or more Covered Persons (collectively, a "Covered Transaction") unless:

1. That interest of the Covered Person in the Covered Transaction (the "Covered Interest") is disclosed to or otherwise known to the Board in advance,
2. The Board approves, authorizes or ratifies the Covered Transaction in good faith and in accordance with its duties as the Board and the Covered Transaction shall not be approved unless the Board determines that the Covered Transaction is (i) fair to and in the best interest of the Foundation Board or College and (ii) has sought and considered 2 additional competing bids, or offers, or alternative choices regarding the same Covered Transaction, and (iii) complies with College and Foundation policies and procedures.
3. A majority of disinterested Directors (not counting the Covered Person) approves, authorizes or ratifies the Covered Transaction,
4. The approval of the Covered Transaction occurs at a meeting of the Board where a quorum is present (not counting the Covered Person).

The Covered Person shall not be present for discussion of or any other vote on the Covered Transaction unless specifically requested to answer questions. The minutes of all actions taken on such matters shall clearly reflect that these requirements have been met.

Disclosure Procedures
If a Covered Transaction is to be considered by the Board or Foundation, the interested Covered Person shall disclose the Covered Interest to the Board, or committee if a committee is charged with the decision, and to the chief executive of the Board, or if the chief executive is the interested Covered Person, then to the chairperson or acting chairperson of the Board. At a minimum such disclosure shall include the following:

   a. the basis for the Covered Person's belief that a Covered Interest exists;
   b. the economic terms of the proposed Covered Transaction;
   c. any competing bids or offers or alternative choices for the Board to consider (if known to the Covered Person);
   d. the nature of the Covered Person's relationship to the Covered Transaction; and
   e. any other information the Covered Person believes may be material and/or useful to the Board in the making of its determinations.

The responsibility of the Covered Person is to disclose the nature of the circumstances that he or she believes to constitute a Covered Interest. It is the responsibility of the Board to determine whether or not a Covered Interest or Covered Transaction exists, which determination shall be reflected in the minutes of the applicable meeting.

**Interpretation of This Policy**

The transactions identified as Covered Transactions and the interests identified as Covered Interests herein are not exclusive or exhaustive. All Covered Persons are expected to disclose any information that they believe may constitute Covered Transactions or Covered Interests, whether or not identified as such in this Policy. It shall be the continuing responsibility of the Board and Covered Persons to scrutinize their transactions and outside business interests and relationships for potential conflicts of interest and to disclose them to the Board.

**Acknowledgement**

The Board, from time to time, may require any Covered Person to complete an acknowledgement and disclosure form, on a form approved by the Board with respect to this Policy. Notwithstanding the foregoing, the completion of an acknowledgement and/or disclosure form shall not be deemed to constitute satisfaction of Covered Persons to make the disclosures required in this Policy.
ARAPAHOE COMMUNITY COLLEGE FOUNDATION
CONFLICT OF INTEREST POLICY
COVERED PERSON ACKNOWLEDGEMENT

The undersigned person acknowledges receipt of a copy of the “Conflicts of Interest Policy” dated_____. By my signature affixed below I acknowledge my agreement with the spirit and intent of this Policy and I agree to report to the Chair of the Board of Directors, or other person specified in the Policy, any information known to me that I believe could potentially be considered a Covered Interest or that may result in a conflict of interest that may develop before completion of the next annual statement. I further understand that the Arapahoe Community College Foundation is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

I am not aware of any conflict of interest. ________________________________

I am aware of the following information which I believe should be disclosed pursuant to the Policy:

_____________________________________________________________________
_____________________________________________________________________
_____________________________________________________________________

At this time, I am a board member, a committee member, or an employee of the following organizations:

_____________________________________________________________________
_____________________________________________________________________
_____________________________________________________________________

In the past year, I have received or have become entitled to receive, directly or indirectly, the following personal benefits or money including agreements for the purchase or provision of services, goods or property from Arapahoe Community College or the Arapahoe Community College Foundation:

_____________________________________________________________________
_____________________________________________________________________
_____________________________________________________________________

In the past year, I have purchased or otherwise received the following services or property from Arapahoe Community College or the Arapahoe Community College Foundation:

_____________________________________________________________________
_____________________________________________________________________
_____________________________________________________________________
Except as provided below, neither I nor members of my family nor organizations or entities with which I or my family is affiliated, is indebted to pay money to Arapahoe Community College or the Arapahoe Community College Foundation.

Confidentiality Agreement

I, ____________________________________________, acknowledge that in the course of my work or volunteer activities for the Arapahoe Community College Foundation I may have access to documents, data or other information, some or all of which may be confidential and/or privileged from disclosure, whether or not it is specifically “labeled” or identified as confidential.

Except as required by my activities, I agree to never, either during or after my temporary assignment with the office, to directly or indirectly use, publish, disseminate or otherwise disclose to any third party, or use for personal gain, any information acquired in the course of my activities.

All information is to be maintained in confidence.

____________________________
Printed Name

____________________________
Signature

____________________________
Date
Board of Directors Information Form

BIOGRAPHICAL INFORMATION

Name: ________________________________  Date: __________________
Preferred to be called: ________________________________
Home Address: __________________________________________
(Number and Street)  (City)  (State, and Zip)
Home Phone: ________________________________  Cell Phone: ________________________________  FAX: ________________
Email: _________________________________________

Gender: □ F  □ M  Ethnicity: ______________________  Birth Date:

Name of Spouse: ________________________________  Spouse occupation: ________________________________
Names of Children: ________________________________  Childs Age: ________________
Names of Children: ________________________________  Childs Age: ________________
Names of Children: ________________________________  Childs Age: ________________
Names of Children: ________________________________  Childs Age: ________________

Name of Employer/Business: ________________________________
Title and Occupation: ________________________________
Type of Business: ________________________________
Business Address: __________________________________________
(Number and Street)  (City)  (State, and Zip)
Business Phone: ________________________________  Fax: ________________________________
Assistant Name: _________________________________________
Home Address □
**EDUCATIONAL BACKGROUND:**

<table>
<thead>
<tr>
<th>College University Name</th>
<th>Year and Degree</th>
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<th>Honorary Degree Title</th>
<th>Year of Degree</th>
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**Board of Director Information Form**

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<tr>
<th>Arapahoe Community College Alumnus:</th>
<th>Area of Study:</th>
<th>Year(s) of Study:</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ Yes</td>
<td>☐ No</td>
<td></td>
</tr>
</tbody>
</table>

Please check your area(s) of expertise:

- ☐ Healthcare
- ☐ Support Services
- ☐ Fundraising – Major gifts
- ☐ Fundraising – Corporations/Foundations
- ☐ Government
- ☐ Education
- ☐ Volunteer Experience
- ☐ Finance
- ☐ Marketing/PR/Media
- ☐ Legal
- ☐ Board Leadership
- ☐ Strategic Planning/Training/Development
- ☐ Personnel
- ☐ Other

**Avocations and other interests (Arts, Sports, Etc.):**

**Current civic activities and boards served on:**

**Prior civic activities and boards served on:**
Explain how you are an asset to the ACC Foundation as a Board Member:

What are your reasons for joining the ACC Foundation board?

Where would you like to see the ACC Foundation Board go in 6 months, 1 year, two years, and 5 years?

What Foundation Committees are you interested in serving on?

- Development
- Finance
- Alumni
- Membership

EXPECTATIONS OF INDIVIDUAL BOARD MEMBERS

- Make a generous **personal financial contribution** annually to the College. The amount will vary depending on the financial circumstances of the board member but should be a “stretch” for each individual, i.e. one that makes you stop and think about your gift before you make it.

- Attend and actively participate in presentations by College staff to become knowledgeable and up-to-date about the College’s mission, services, policies and programs to be an effective advocate for the College.

- Attend and actively participate in board training sessions on board governance, fundraising or other relevant topics.

- Become knowledgeable about the fiduciary responsibilities of the board and its members and assist the board in carrying out its responsibilities.

- Be prepared & actively participate in board and committee meetings as well as the annual meeting and be an active participant in discussions for a term of three years.

- Serve on Foundation committees or task forces and take on special assignments as needed.
• Attend a minimum of four College functions annually and bring prospective donors to learn about the College.

• Represent the College at community events throughout the year as deemed appropriate.

• Submit names of prospective donors and assist in their cultivation and solicitation.

• Suggest possible nominees to the board who can make significant contributions to the work of the board and the College.

• Actively support and assure the successful implementation of the Foundation annual action plans to identify, cultivate, solicit and steward donors.

• Submit possible nominees to the board who can make significant contributions to the work of the board and the College upon resignation or term fulfillment.

_Approximate Monthly Time Commitment: 6 hours_
III. Financial Information

Accounting and Financial Reporting
Arapahoe Community College Foundation (ACC Foundation) will follow generally accepted accounting standards and practices relating to the accounting and crediting of all contributions. ACC Foundation will annually provide an annual report with audited accounting statements to donors, and the full annual audit upon request.

Gifts Receipts and Accounting
The Executive Director of the Foundation has final authority to accept all gifts, in consultation with the Chair of the Board and the President of the College.

Any individual or department receiving any gift from a donor should inform the Foundation and send any checks/cash/pledge and gift documentation to the Foundation. The Foundation will record gifts, forward them to the Finance office, thank the donors and inform the appropriate staff.

The Foundation and the Finance Committee will ensure that all legal and fiduciary requirements are met in accepting and administering the gift.

Segregation of Duties
To the extent practical, the duties and responsibilities of the organization’s employees will be structured so as to separate the tasks of receiving or disbursing funds from the task of making entries into the general ledger for these transactions.

Reviewing Audit, 990s, etc.
AUDIT
The audit and management letter is reviewed by the Board Chair, Board Treasurer and Executive Director and discussed with the auditor. The audit is then reviewed by the Executive Committee at a regular meeting with the auditor available for questions. The audit is then accepted by the Board of Directors.

FORM 990
This form is reviewed by the Board Chair, Board Treasurer, Executive Director and the Executive Committee. After the form is accepted, the form is signed by the appropriate persons.

OPEN TO THE PUBLIC
This audit and IRS form 990 filed and is available for public viewing at the Attorney General's office. In addition, ACC Foundation has copies in the administrative office that may be reviewed or copied upon request.
POLICY ON REVENUE SOURCES
EFFECTIVE: APRIL 1, 2005
REVISED: JULY 1, 2006

In order to effectively manage the assets of the Arapahoe Community College Foundation (the Foundation) and engage in a variety of fundraising activities benefiting Arapahoe Community College (the College), the Board of Directors has implemented the following mechanisms to generate revenue for the Foundation. It has been determined that, over time, these sources of revenue will offer the greatest potential to generate increases in the fundraising and operational budget of the Foundation and lessen the dependence on the institutional support provided by the College.

Endowment Management: An investment management fee as determined by the Investment Committee will be assessed on the endowment value of each endowment fund to offset the fees charged by the board-designated investment manager(s). This fee will be taken from income earned on each endowment account.

Income on daily cash balances: This is the interest earned through short-term investment of gift funds pending their expenditure or transfer to the long-term investment pool. These funds should be used for the operational budget of the Foundation.

Management fees assessed on incoming gifts: No fee will be charged on new gifts received through the Foundation with the exception of endowment funds and grants exempted by the grantor. These funds should be used for the fundraising and operational budget of the Foundation.

Unrestricted gifts: Outright, unrestricted cash gifts received by the ACC Foundation may be reinvested, wholly or in part, into the fundraising activities of the Foundation to potentially generate additional gift dollars for the College. These gifts may also be targeted, toward important, highly visible projects that will interest donors and engage them with the College. The allocation of these gifts will be determined by the Board of Directors.

Unrestricted bequests received by the ACC Foundation designated for the ACC Foundation will be distributed at the direction of the Board of Directors subject to established board policies. Unrestricted bequests that are received by the ACC Foundation designated to Arapahoe Community College will be deposited in the general endowment fund for the College.

Exemptions: The above fees may be negotiated on a case by case basis.
INVESTMENT POLICY

Adopted: January 29, 2002
Revised: July 12, 2007
Revised: July 21, 2009

PHILOSOPHY

The Arapahoe Community College Foundation, Inc. (the Foundation) is a 501(c) 3 non-profit corporation. The Foundation has received and expects to continue to receive gifts of cash and other assets to be used for the established purpose and objectives set forth in the bylaws of the Foundation.

PURPOSE

The purpose of this Investment Policy is to set forth the investment objectives, policies and guidelines that the Board of Directors, with advice from the Investment Committee, judges to be prudent, in consideration of the needs and public responsibilities of the Foundation. It also serves as a review document to guide the Foundation’s ongoing oversight of the investment of funds.

INVESTMENT MANAGER SERVICE

When it is deemed warranted by the Board of Directors, the Foundation will use third party advisory services for the management of a portion or all of the invested assets. All third party investment advisors or managers will be approved by the Board. When it is not necessary to use third party advisory services, the Investment Committee shall be responsible for the overseeing the investment of the funds.

INVESTMENT OBJECTIVES

The principal investment objectives of the Foundation are to:

1. Invest assets in a manner that is consistent with the fiduciary standards of a prudent person.
2. Preserve capital and achieve a reasonable total return over the long term, while providing sufficient liquidity to meet projected needs for disbursements, other expenses, and to maintain purchasing power.

OBJECTIVE STANDARDS

The Investment Committee's primary objective should be to prudently provide for the long-term growth of capital with a minor emphasis on the production of current income. The committee will review the performance of the broad asset classes relative to benchmarks appropriate for their category. For these purposes the general categories and benchmarks are defined as follows: for equity investments to the DJ Wilshire 5000 Index; for fixed income securities the Lehman Intermediate Government Corporate Bond Index; and for money market and equivalents the Lipper Money Market Index.
The Board understands that fluctuating rates of return are characteristic of the securities markets; therefore, the Investment Committee’s greatest concern should be long-term appreciation of the Fund’s (grouping of various investments and contributions) assets.

**Asset Allocation**

The Board expects the Fund’s asset allocation policies to reflect, and be consistent with, the investment objectives and risk tolerances expressed throughout this policy. These policies, developed after examining the historical relationships of risk and return among asset classes, are designed to provide the highest probability of meeting or exceeding the Fund’s return objectives at the lowest possible risk.

- Equities (40-70% of Fund assets)
- Fixed-Income Securities and Money Market and Equivalents (30-60% of Fund assets)

**Security Classes**

1. **Equities (40-70% of Fund assets)**

All equity investments will be made within the prudent-man-rule guidelines of quality, marketability and diversification. In keeping with our general philosophy, the Board expects the Investment Committee to maintain their equity portfolios at a risk level no greater than that of the equity market as a whole as represented by the DJ Wilshire 5000 Index. Nothing in this policy shall prohibit the use of Mutual Funds.

Within the above guidelines, the Investment Manager or the Investment Committee is fully responsible for security selection and diversification. However, they cannot exceed 10% of a portion of their portfolio’s equity market value for an individual security not to include diversified funds or 20% of a particular industry.

2. **Fixed-Income Securities and Money Market and Equivalents (30-60% of Fund assets)**

Investment in fixed-income securities will be managed actively to pursue opportunities presented by changes in interest rates, credit ratings, and maturity premiums. The Investment Manager or the Investment Committee may choose from appropriately liquid preferred stocks, corporate debt securities, and obligations of the US Government and its agencies. These investments are subject to the following limitations:

   a. Investments in securities of a single issuer (with the exception of the US Government and its agencies) must not exceed 5% of the Funds fixed income market value.

   b. Securities at the time of purchase must meet or exceed a credit rating of A with a short (up to 2 year term) yield to maturity or a bond fund abiding by these specifications.

   c. Preferred stocks at the time of purchase must be rated A or better by S& P and/or Moody’s at the time of purchase.
d. Municipal bonds or bond funds with a AAA rating.

e. Certificates of Deposit

The Investment Committee or the Investment Manager is prohibited from investing in private placements or from speculating in uncovered financial futures. Within the above restrictions, the Investment Manager or the Investment Committee has complete discretion over timing and selection of fixed income securities. The Investment Committee or the Investment Manager may invest in commercial paper, repurchase agreements, Treasury Bills, certificates of deposit, and money market funds to provide income, liquidity for expense payments, and preservation of the Fund’s principal value. All such assets must represent maturities of less than one year at the time of purchase. Commercial paper assets must be rated A-1 or P-1 by S& P and Moody’s respectively. The Investment Committee or the Investment Manager also may not invest more than 5% of the Fund’s market value in the obligations of a single issuer, with the exception of the US Government and its fully guaranteed agencies.

3. Real Estate
Real Estate may be acquired by the Foundation in the way of gifts, acquisition for future growth of the college as well as for the purpose of investment diversification.

Commercial Zoned: Title to this type of property may be acquired only after an environmental impact study (Phase 1) has been completed and presented to the Investment Committee for approval. Such approval will be forwarded to the Foundation Board for final approval.

Residential Zoned: Title may be acquired upon approval of the Investment Committee and final approval of the Foundation Board. However, depending on the expected use of the property and term of ownership the committee may request a complete assessment of all mechanical, electrical, plumbing and structural systems by a qualified professional.

It is understood that any property acquired via gifting in return for Tax Deductible Benefits for the donor, if sold must be sold at equal to or greater than the donated/gifted value during the first 731 days of ownership by the Foundation.

4. Other Assets
The Investment Committee or the Investment Manager is instructed to vote proxies in a manner that best serves this Fund’s interest. Investments are prohibited in:

- futures
- limited partnerships
- private placements
- letter stock, restricted stock
- uncovered options and engaging in short sales or margin transactions
- investing in unregulated hedge fund instruments
• any derivative instrument

Assets will not be purchased other than those mentioned above without the written consent of the Board. Without the Boards written consent, investments not specifically addressed by this policy are forbidden.

Conflict of Interest

All Finance committee members will disclose any potential conflict of interest that may exist. This shall be defined as any situation that arises out of the business of the finance committee that would allow a committee member to promote their self interest over that of the interest of the Foundation. Undisclosed conflicts will be considered a breach of the members fiduciary responsibility. If a conflict arises the member will reveal the conflict to the committee chair, or if it is the committee chair, to the board president. All members will be asked to exercise discretion and if necessary remove themselves from any decision making process where a conflict exists. If a disagreement arises over the necessity of a member to remove themselves the board will decide if abstention warranted.

REVIEW OF INVESTMENT DECISIONS/STRATEGY

The fund manager will report to the committee the performance of the fund at a minimum annually to coincide with the appointment of the new treasurer and provide an analysis of the funds anticipated direction and any anticipated changes based on the forecasted market changes. The review will include:

• The performance of the fund against the benchmark with all fund fees included
• An explanation of the chosen instruments
• Fees associated with the holdings.

COMMUNICATIONS

Unless otherwise requested, the Investment Committee must furnish the Board with a semi-annual account review detailing investment performance (time weighted), portfolio holdings, an investment strategy, and the Fund’s value.
ENDOWMENT POLICY
EFFECTIVE: JULY 1, 2006
Revised: July 21, 2009

Definitions, Background and Purpose

This statement provides general guidelines, policies, and principles for the acceptance, establishment, administration and management of endowment funds invested in the investment pool. An endowment fund is defined as a single or combined pool of assets gifted to the Arapahoe Community College Foundation (the Foundation) to provide resources for various activities consistent with the mission of Arapahoe Community College (ACC). This policy statement covers the following types of endowment funds.

1. Pure endowment is a separate fund, the principal of which cannot be spent. The principal is maintained in perpetuity and invested for the purpose of producing present and future income, which may be either expended or added to principal. These funds are donor-specified.

2. Term endowment is a separate fund, earnings of which may be expended or added to principal. Upon the passage of a stated period of time or the happening of a particular event, all or a part of the principal may be expended. Prior to this, the income from investing the fund assets, including any part of principal, can be used for designated activities as per donor’s intent.

3. Quasi endowment is a separate fund, the principal of which may be spent, but is primarily intended to be maintained in perpetuity. Present and future income may be expended or added to principal. This type of fund is usually made up of funds from several donors with a common designation.

The Foundation will serve as trustee for these endowment funds and, therefore, has a fiduciary duty to the donor and the College to administer the assets in a manner consistent with the donor’s wishes and generally accepted financial standards.

Administration, Accounting, and Investment

Administration of the College’s endowment is subject to the general provisions of the Uniform Prudent Management of Institutional Funds Act* (UPMIFA.) Acceptance and receipt of endowment funds is determined by the Foundation’s Gift Acceptance Policy.

The minimum amount to establish an endowment through the Foundation is $10,000. This amount may be contributed in full or pledged over a maximum period of five years. If the endowment funds do not reach the minimum balance by the end of the five-year period, the Foundation, in consultation with the College and/or the Donor(s), has the option to transfer the balance of the fund to an endowment with a corresponding purpose or another Foundation
fund specified by the Donor(s) or appropriate College official(s) as identified in the gift agreement.

The threshold amount should be reviewed annually for consistency with the endowment program and the Foundation’s Investment Policy. A gift agreement must be prepared by the Executive Director of the Foundation and accepted and approved by the appropriate Foundation and College authorities. Sample gift agreements to establish pure, term and quasi endowments are available in the Foundation office.

Donors who contributed endowment funds prior to the date of this policy that do not meet the established threshold may contribute the balance in full or make a five year pledge to contribute additional funds to reach the $10,000 threshold. If the endowment funds do not reach the minimum balance by the end of the five-year period, the Foundation, in consultation with the College and/or the Donor(s), has the option to transfer the balance of the fund to an endowment with a corresponding purpose or another Foundation fund specified by the Donor(s) or appropriate College official(s) as identified in the gift agreement.

A gift agreement must be prepared and submitted documenting the endowment within six months of the date of this policy. If a document is not received within this time frame, the funds will be transferred to an annual fund.

Appropriate records related to the endowment accounts shall be maintained by the Foundation. The Foundation will assess an annual investment management fee of .5% of the market value of the investment pool. This fee is to be paid out of the investment pool and distributed among each endowment and annuity account according to the corresponding percentage of the total of the investment pool.

**Accounting**

For investing purposes, the endowment funds may be commingled consistent with legal and/or regulatory provisions. The endowment accounts will be audited at least annually as part of the audit of the Foundation performed by an external CPA firm. The Foundation Office will report the accounts and activity of each endowment to the donor annually. Recording and reporting of all related transactions shall be consistent with currently established accounting procedures and methodology.

**Investment**

Endowment funds will usually be invested in a manner consistent with the Foundation’s investment policy for restricted funds. However, under Donor’s specific instructions, a particular endowment fund may be invested in a manner prescribed by the donor.
* Uniform Prudent Management of Institutional Funds Act (UMIFA)

A. The Foundation follows endowment management guidelines set forth in the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as adopted by the State of Colorado per the Colorado Revised Statutes, 15-1-1101 et. Seq. The Uniform Prudent Management of Institutional Funds Act (UPMIFA) replaces the Uniform Management of Institutional Funds ACT (UMIFA). UPMIFA provides guidance and authority to charitable organizations concerning the management and investment of funds held by those organizations.

B. According to UPMIFA a charity can spend the amount the charity deems prudent after considering the donor’s intent, the purposes of the fund and the relevant economic factors.

C. UPMIFA emphasizes that the fund shall be managed and invested in good faith and with the care of and ordinary prudent person.

ENDOWMENT SPENDING GUIDELINES
EFFECTIVE: JULY 1, 2009

The Endowment Spending Policy defines how much can be distributed annually to provide funds to the College for expenditure and to pay the investment management fee of the investment pool. This policy is designed to balance the need for expendable funds against the need to preserve the endowment against inflation.

Unless otherwise specified by the donor(s), distributions from the investment pool will be equal to 3.5% of the market value of the endowment annually. This encompasses both the amount distributed to the College and the embedded investment management fee (.5% per year). The portion that is distributed to the College is spent in accordance with donor restrictions (scholarships, programs, etc.). The portion distributed to the Foundation is used to help fund the investment management fees and financial operations. After the 3.5% distributions are taken, the remaining investment return is reinvested into the investment pool as a hedge against inflation. Should the Foundation’s board deem that market value of the funds allow a distribution exceeding the aforementioned 3.5% the revised distribution as well as the portion allocated as investment management fee should be made in consideration with the Uniform Prudent Management of Institutional Funds Act as adopted by the State of Colorado.

For endowment funds received prior to the date of this policy, all income is to be transferred from temporarily restricted funds into the appropriate endowment fund and invested according to the Foundation’s Investment Policy by June 30, 2006. The above spending policy will apply to these funds effective July 1, 2006.

Spending under this policy must not invade the historical dollar value of the endowment unless specifically authorized by agreement with the donor. If the market value of the fund falls below
“historic dollar value,” distributions should be suspended until such time as the market value of the fund exceeds its historic dollar value.

*Note: Established by the Office of the State Budget & Planning (OSBP).

IV. Gift Procedures

Arapahoe Community College Foundation

Gift Acceptance Policies

1. Outright Gifts
   a. Description
   An outright gift refers to a contribution of cash or property in which the donor retains no interest and which can be used currently by the foundation. Securing outright gifts is the foundation’s highest priority, and donors who are able to make an outright gift will be encouraged to do so.

   b. Guidelines
   1) The foundation will accept an outright gift of any amount, though gifts to establish a named endowment must meet the minimum funding requirements set by the Board.

   2) Outright gifts of real estate, closely held stock, tangible personal property, partnership interests, and other property interests, real and personal, not readily negotiable must be reviewed by the Board.

   3) A donor may complete a gift in a single transaction or make a pledge to be paid over whatever period of time is mutually acceptable to the donor and the foundation.

   4) No gift may be received that is subject to any conditions or prearrangements, unless full disclosure has been made to the Board in accordance with policies in the manual.

2. The Charitable Gift Annuity/Immediate and Deferred
   a. Description
The charitable gift annuity is a contract between the foundation and the donor. The foundation agrees to pay the donor (legal and/or other person named by the donor) a lifetime annuity in return for a gift of cash, securities, or other property. The payment may continue for the life of a second individual, such as a spouse. The immediate payment charitable gift annuity’s annual payment is a fixed sum. The amount is based on the size of the gift and the number and ages of the beneficiaries.

The receipt of payments from an annuity may be deferred for a specified term of years. The deferred payment charitable gift annuity entitles the donor to select a year in the future in which to begin receiving the annual income payments. The donor is also entitled to an immediate charitable income tax deduction in the year in which the gift is created. The income tax deduction is influenced by the number of years the income to the donor(s) is deferred. Like immediate payment charitable gift annuity, the deferred charitable gift annuity is a contract between the foundation and the donor. The deferred payment may continue for the life of a second individual, such as a spouse. The deferred payment charitable gift annuity’s annual payment is a fixed sum, the amount of which is based in the size of the gift, the number and ages of the beneficiaries, and the duration of the deferment.

Rates of return under a charitable gift annuity are lower than the rates offered by commercial insurance companies so that a significant residuum will remain for the foundation. Written notice of this fact will be documented for the donor in two documents. First, the donor will be notified in writing during the gift negotiation stage. Second, the gift annuity contract cover letter will also contain this information for the donor.

b. Guidelines

1. The preliminary minimum amount for an annuity agreement is $10,000.00.

2. For new contracts, the foundation will be guided, although not bound, by the suggested payout rates recommended by the American Council on Gift Annuities.

3. Agreements shall be limited to one or two lives, and ordinarily the minimum age for the annuities shall be 65 for immediate payment annuities and 50 for deferred payment annuities. In the case of deferred payment charitable gift annuities, the donor(s) shall be age 65 before the annual income payments may commence. Exceptions may be made subject to the prior approval of the Board.
4. Gift annuities may be managed by the foundation, and the foundation may employ agents and advisors to assist with the administration and investment of gift annuity assets.

5. Gift annuities must meet individual state laws governing gift annuities in each state.

6. The foundation prefers to provide quarterly payments to gift annuity donors.

7. Gift annuities issued in the state of Colorado shall comply with Colorado state law and meet the disclosure requirements under the Philanthropy Protection Act of 1995.

3. Charitable Remainder Trusts

a. Description

The charitable remainder trust is a separately administered trust established by the donor. It provides for payments to the donor and/or other named beneficiary(ies) either for life or a term of years (not exceeding twenty), whereupon the remaining trust assets are distributed to one or more charities.

The charitable remainder annuity trust pays a fixed amount (at least 5 percent) of the original fair market value of the assets initially contributed to the trust. This amount does not change, and no additional gifts may be made to the annuity trust after its creation.

A charitable remainder unitrust pays a fixed percentage (at least 5 percent) of the fair market value of trust assets, as valued annually. Because the value of assets can be expected to change from year to year, the unitrust payment will vary in amount each year. Additional contributions may be made to the trust after it is established.

The present value of the foundation’s remainder interest in charitable remainder unitrust must equal 10% (or more) of initial fair market value of trust. This rule also applies to additions to existing charitable remainder unitrusts.

There are three traditional varieties of a unitrust. A “straight” unitrust pays the stipulated amount, even if it is necessary to invade principal to do so. A “net income” unitrust pays the lesser of the stipulated amount or the actual net income, so principal would not be invaded. A “net income with make-up provision” unitrust is similar to the net income unitrust except that excess earnings can be applied to cover the accrued deficiencies resulting from the net income being less than the stipulated amount. A fourth variety, the “Flip” unitrust, should be considered for
trusts funded with real estate or family corporations. A “Flip” trust has two specific provisions:

1) 90% of the fair market value of the trust assets immediately after a contribution (original or subsequent) must consist of “unmarketable” assets; and the trust document must provide that the income exemption method continues until the earlier of 1) the sale of a specified asset or group of assets contributed when the trust was created or 2) immediately following a sale of assets, any remaining unmarketable assets total 50% or less of the fair market value of the total trust assets; and

2) The trust switches exclusively to the fixed percentage method (standard unitrust) for calculating unitrust payments beginning with the first taxable year after the year earlier of the two events occurs; and any make-up deficiencies are forfeited when the trust switches to the fixed percentage method for calculating the unitrust payment.

b. Guidelines

1) Where the foundation is named as trustee or co-trustee, the minimum amount for funding a charitable remainder trust will ordinarily be $100,000, but a trust may be funded with a smaller amount subject to prior approval by the Board. If the donor selects an external trustee, the minimum will be whatever amount is acceptable to that trustee.

2) Where the foundation is named as trustee or co-trustee, the foundation will provide full disclosure to the donor on the investment portfolio as required by the Philanthropy Protection Act of 1995.

3) Payments made in any one year by a charitable remainder annuity trust to individual beneficiaries may not exceed 50% of initial fair market value of the trust.

4) Payments made in any one year by charitable remainder unitrust to individual beneficiaries may not exceed 50% of fair market value of trust on most recent valuation date.

5) The foundation recommends that beneficiaries be age appropriate unless the trust is for a term of years.

6) The foundation recommends limiting the number of beneficiaries to two where payments are to be made for the life of the beneficiaries.
7) Ordinarily the foundation will not accept responsibility as a trustee of a charitable remainder trust instrument that is or will be funded with the following assets:

- encumbered real estate
- margined securities
- sole proprietorships
- limited partnerships (unless the Board has given specific approval)
- working interests in oil and gas fields
- general partnership interests.

4. The Charitable Lead Trust

   a. Description

   A charitable lead trust is a trust in which the income, or “lead” interest, is paid to the foundation, and the “remainder” interest is given to one or more non-charitable beneficiaries, who could be either the donor or family members. The amount paid to the foundation may be either a fixed sum (an “annuity trust” interest) or a percentage of trust assets as valued each year (a “unitrust” interest).

   b. Guidelines

   1) The foundation will not serve as sole trustee or co-trustee of a charitable lead trust.

   2) The trust term may be at the discretion of the donor.

5. Life Insurance

   a. Description

   A gift of a life insurance policy is a leveraged gift, meaning that for a relatively small sum of money (the premium) a donor can produce a large death benefit for the foundation. Gifts of life insurance policies may allow a donor to make a substantially larger ultimate gift with a much smaller current cash outlay.

   The following terms describe some of the elements associated with gifts of life insurance policies:

   1) The **subscriber or insured** is the person who takes out a life insurance policy.
   2) The **beneficiary** is the one who receives the benefit upon the death of the insured. For charitable gifts of life insurance the foundation would be the beneficiary.
3) The **premium** is the cost of the policy paid to secure coverage.
4) The **owner** of the policy is the one who has the right to select the beneficiary and the right to cash in the policy.
5) The **death benefit or face value** reflects the amount of money that is paid to the beneficiary upon the death of the insured.
6) The **cash surrender value** is the amount the insured will receive from the insurance company if the policy is cashed in. The cash surrender value reflects the value of premiums paid and any investment growth minus administrative expenses.

7) A **revocable** gift of a life insurance policy occurs when the insured retains ownership/control of the policy and is therefore free to change the designated beneficiary.

8) An **irrevocable** gift of a life insurance policy occurs when the foundation is designated as the owner and beneficiary.

There are various methods by which a life insurance policy may be contributed to the foundation. Each method requires a thorough evaluation of policy, insurance company and benefit to the foundation. A donor may:

1) Assign irrevocably a paid-up policy to the foundation;
2) Assign irrevocably a life insurance policy on which premiums remain to be paid as long as the foundation is owner and beneficiary;
3) Name the foundation as a primary or successor beneficiary of the proceeds;
or
4) Establish a new life insurance policy with the foundation as the applicant, owner and beneficiary.

b. **Guidelines**

1) The foundation will accept any gift of a life insurance policy provided that it is under no prearranged obligation to expend its assets to maintain the policy. No portion of the proceeds may be paid to anyone or any organization that is not qualified as a tax-exempt entity under IRS Code Section 501(c)(3). The foundation has the unrestricted right to fully exercise its powers as the owner, including the power to surrender, select payment options, designate beneficiaries and withdraw or borrow cash values.

2) In the event a policy is contributed on which premiums remain to be paid, the donor must pledge to continue paying premiums or give the foundation permission to surrender the policy for cash value.
3) The foundation will not participate in split dollar or reverse split dollar plans, or other partial interest programs. Any charitable insurance program, such as those promoted by the life insurance industry, or individual insurance agent(s), shall be entered into only after a thorough explanation has been provided to the Board and the Board has voted to proceed with the program.

4) Under extraordinary circumstances the foundation may choose to provide for a payment of premium or premiums for the policy.

6. Retained Life Estate

a. Description

A retained life estate contains two components: the life estate interest and the remainder interest. A gift of a retained life estate occurs when a donor transfers title of a personal residence or farm to the foundation and retains the life estate interest while the foundation retains the remainder interest. The life estate interest represents the donor’s right to use the property for a term of years or his/her lifetime and/or another person. The remainder interest is the foundation’s right of ownership to the property after the life estate has expired.

b. Guidelines

1) The donor shall continue to be responsible for real estate taxes, insurance, utilities, and maintenance after transferring title to the property unless the foundation, upon prior approval of the Board, agrees to assume responsibility for any of these items.

2) The donor shall also be responsible for obtaining a qualified appraisal.

3) Each retained life estate gift will be individually negotiated and approved by the Board.

7. Bargain Sale

a. Description

A “bargain sale” is a sale of property to the foundation for an amount less than the property’s current fair market value. The excess of the value over the sales price represents a contribution. The bargain sale price may be paid either in a lump sum or in installments.

A gift of mortgaged property will constitute a bargain sale. Since the amount of indebtedness is treated as a relief of liability, there could be adverse tax
consequences to the donor. The donor should be properly informed of this and told to consult with his or her tax advisor.

b. Guidelines

1) In order to determine the true fair market value of the asset, it must be adequately appraised. In most cases, the donor will be responsible for appraisal costs.

2) The foundation, upon approval of the Board and legal counsel, may purchase real estate, securities, or other property on a bargain sale basis. Ordinarily the price paid for the property should not exceed 60 percent of its appraised value.

3) A gift should not be encouraged from a donor unless it is clear that there is donative intent.

8. Gifts of Real Estate (Real Property)

a. Description

A gift of real estate is a gift of real property (not a gift of tangible personal property such as art, jewelry, collections, automobiles or equipment) which may include residences, vacation homes, businesses or commercial property (developed or undeveloped).

Gifts of real estate may be made in various ways: outright, charitable remainder trust, retained life estate, and a bargain sale. These guidelines pertain to gifts of real estate in general. For further reference, please refer to the foundation’s detailed Gift Acceptance Policy for Gifts of Real Estate.

b. Guidelines

1) The donor shall secure a qualified appraisal of the property.

2) The foundation (or trustee in case of a charitable remainder trust) shall determine if the donor has clear title to the property.

3) The donor shall secure a Phase I environmental audit and the results shall be given to the Board. (Please see the foundation’s detailed Gift Acceptance Policy for Gifts of Real Estate). No property containing toxic wastes shall be accepted prior to their removal or other remedies assuring that the foundation assumes no liability whatsoever in connection with such toxic wastes.
4) Ordinary mortgaged property will not be accepted as an outright gift, however, exceptions may be made when the property has sufficient equity to justify assumption of the liability and provided the property is marketable.

5) Mortgaged property shall not be accepted for a charitable remainder trust unless the trust would be disqualified and the income from the property is sufficient to cover all liabilities.

6) If a donor wants to give real estate and retain income, a “net-income,” “net-income with make-up provision,” or a “Flip” charitable remainder unitrust is the preferred instrument. Usually real estate will not be accepted for a charitable remainder annuity trust or a charitable gift annuity.

7) The foundation will not manage real property and the property must be readily marketable.

9. Gifts of Closely Held Stock and Other Business Interests

a. Description

*Closely held stock* is most often found in family-run businesses or in private businesses with relatively few stockholders. Closely held stock, unlike publicly traded stock, is not freely marketable nor is its value as apparent or as easily determined.

*A partnership* is an entity created to hold title of a variety of assets - real estate, family businesses, family investment portfolios, etc. Gifts of *partnership interests* to charity often involve transfer of the limited partnership interest while the general partnership interest is retained by the donor.

Donors may make gifts of closely held stock and limited partnership interests. These can be accepted by the foundation so long as the foundation assumes no liability in receiving them, and the property can be sold within a reasonable period of time. Additionally, such gifts must not have adverse consequences for the foundation.

b. Guidelines

1) To be considered for acceptance, partnership interests must not subject the foundation to cash calls or other liability.

2) Closely held stock may be accepted if the probability exists of selling it within a reasonable period of time to the corporation, other stockholders, or to others interested in acquiring the corporation. Contributions of “S” Corporation stock will be carefully discussed with the donor and his or her advisors.
3) Royalty interests will be considered but working interests will not be accepted.
4) Outright gifts of real estate, closely held stock, tangible personal property, partnership interests, and other property interests, real and personal, not readily negotiable must be reviewed and approved by the Board.

10. Bequests

a. Description

A bequest is a testamentary gift (a gift received after death) generally received through a donor’s will or other estate planning document.

Bequests have historically been the most important kind of deferred gift, and they have contributed significantly to the fundraising revenue of the foundation. The encouragement of bequests will be one of the highest priorities of the foundation.

b. Guidelines

1) Sample bequest language for restricted and unrestricted gifts, including endowments, will be made available to donors and their attorneys to ensure that the bequest is properly designated. Donors will be urged to obtain the advice of a professional advisor to create a bequest that is in their best interest. Donors will also be invited to provide a confidential copy of that section of their wills naming the foundation.

2) During the probate of estates containing a bequest to the foundation and during the post-death administration of revocable trusts containing dispositive provisions benefiting the foundation, the manager of the bequest program, in consultation with the foundation’s legal counsel and president of the foundation or chairperson of the Board shall represent the foundation in all dealings with the attorney and personal representatives of the estate.

SCHOLARSHIP POLICIES AND PROCEDURES
Established April 14, 2004
Revised August 25, 2005
Revised June 17, 2009

The Arapahoe Community College Foundation is the separate 501(c)(3) organization established to solicit, receive, manage, and administer all private contributions for Arapahoe Community College and to disburse them to the College according to the donors’ intentions. This includes private scholarship funds. The ACC Foundation will accept donations to establish either annual or endowed scholarship funds. These donations can be contributed by individuals, organizations, corporations or foundations.
The Foundation provides donors with the documentation required by the IRS to ensure the tax deductibility of their contributions. According to IRS regulations, scholarship contributions are only tax deductible if the donor receives no goods or services for their contributions. Donors may not select scholarship recipients or be in any way involved with the selection process. All private scholarships will received by the Foundation.

Separate accounts in the Foundation are established for all named scholarships ($1000+) received by the Foundation. Scholarship funds under $999 are co-mingled into one scholarship account. The Foundation, upon receipt of proper documentation from Financial Aid, reimburses the College for scholarships awarded and expended from a College Financial Aid account. The Foundation issues a check (once a transfer form is received from the Office of Financial Aid) to Arapahoe Community College to be deposited into the appropriate college account.

All other scholarship funding, including funding from governmental agencies, contracts (partnerships that require a return of service or goods for the donation) or external entities or individuals (who specify the recipient or require to participate in the selection process), are administered through the Office of Financial Aid. All scholarships described above are deposited into a separate college account and managed by the Office of Financial Aid. The Director of Financial Aid is responsible for ensuring correct deposit and withdrawals from college accounts held by the Office of Financial Aid.

Process for Establishing New Private Scholarship Funds within the ACC Foundation:

1. The Executive Director of the ACC Foundation is responsible for securing private scholarship support for the College.

2. Depending on the amount of the gift, proper documentation (see #4 and #5 below) will be obtained and forwarded with the funds to the ACC Foundation for processing.

3. A thank you letter/gift receipt will be prepared by the ACC Foundation staff, signed by the Executive Director and sent to the donor within 48 hours of receipt of the gift.

4. Scholarships under $999 cannot be named and are to be deposited into an existing general scholarship fund or a general scholarship fund within a particular division. Financial Aid determines the scholarship criteria to be followed.

5. Scholarships over $1000 can be named. A written Gift Agreement must be completed by the Executive Director of the Foundation and the donor and signed by the donor, the President of the ACC Foundation Board, when applicable, the President of the College and the VP/Dean/Chair of the unit benefiting from the gift.

6. A new fund account will be established in the Foundation for each named scholarship. A New Fund Request form will be processed by the ACC Foundation staff, securing appropriate
signatures. Upon completion, the New Fund Request form will be forwarded to the College Accounting Office as notification of a new account in the ACC Foundation. This will occur within 5 business days of the receipt of the gift.

7. Accounting will set up a corresponding account in the College, indicate the proper account number on the New Fund Request form, sign the form and forward to the Foundation office. The Accounting office will notify the Office of Financial Aid of the account number where the money should be disbursed from. This college account number will be used to reimburse funds from the Foundation to the College upon the awarding of scholarships. Both new account numbers will be added to the ACC Foundation Private Scholarship Matrix, maintained by the Foundation staff.

8. At least once a year, on a date determined by the Director of Financial Aid, the ACC Foundation Private Scholarship Matrix, with the appropriate College and Foundation account numbers, will be sent to the Office of Financial Aid and the College Accounting Office. This Matrix will show money available for distribution to the appropriate units for organization of committees and selection of scholarship recipients.

9. The Director of Financial Aid will request the funds to be transferred from the Foundation to the College. To request funds from the Foundation, the Director of Financial Aid completes an ACC Foundation Transfer of Funds form requesting that funds from the Foundation scholarship account be transferred to the corresponding College account. This is to be completed after the money has been disbursed from the college account and the college account requires reimbursement from the Foundation. Account information is tracked on the ACC Foundation Private Scholarship Matrix. Proper documentation of the award must be included on this form: the student’s name, ID number, grade point average, and amount of scholarship. Upon receipt of this form, the ACC Foundation will write a check to the College and, after securing the appropriate signatures, take it to the Accounting Office for deposit into the proper account.

10. A thank you note will be requested from the scholarship recipient, by the Executive Director of the Foundation, and the Director of Financial Aid, to be forwarded to the ACC Foundation to send on to the donor.

**Process for Depositing Funds into Existing Private Scholarship Accounts:**

1. The Executive Director of the ACC Foundation will contact the donor to remind them of their annual contribution. Any checks that come to the College for private scholarships are to be forwarded to the Executive Director of the ACC Foundation for processing.

2. The check will be deposited into the appropriate ACC Foundation account.

3. A thank you letter/gift receipt will be prepared by the ACC Foundation staff, signed by the College President and sent to the donor within 48 hours of receipt.
4. Then follow steps #8 and forward outlined above to award scholarships and transfer funds from the Foundation to the College.

**Policy: Transfer of Funds**

All disbursements of college scholarship funds held by the ACC Foundation will be transferred to the College on as needed basis. A transfer request form must be completed and submitted to the ACC Foundation by the Fund Manager. The monies paid to the College as request by the transfer form will be paid out of the ACC Foundation deposit fund and credited to the correct fund balance.

**Procedure:**

1. When money is due to ACC from a restricted fund held by the Foundation, the fund manager must fill out a transfer request form, securing proper signatures, in order to begin the process of transferring funds from Foundation to ACC.

2. Once the transfer fund form is completed, it is sent over to the Executive Director, and approved by the ACC Foundation.

3. The ACC Foundation then checks the scholarship matrix spreadsheet and the balances in QuickBooks for the fund balance to ensure there is money in the account. The transfer form must also specify the reason for the transfer. This reason can not violate any donor restrictions on the account and should be aligned with the original donor designations for the account.

4. The ACC Foundation will prepare a check and record transaction in QuickBooks from Foundation checking account made out to ACC. Check should also include fund name in memo line.

5. The ACC Foundation will update the scholarship matrix sheet with the new activity made to the fund.

6. The ACC Foundation will either send the check to the ACC Accounting department or to the Director of Financial Aid depending on the fund request instructions.

**Policy: Closing of Fund Accounts**

Fund accounts will be closed when the:

- fund becomes obsolete:
- contributors decline to provide additional funding and
- designated monies have been spent.

Closing of the Account is outlined in the scholarship agreement and all remaining fund balances should be directed to the appropriate places as outlined in the original gift agreement. The
request to close an ACC Foundation scholarship account is initiated by the Executive Director and forwarded for signature to the fund manager, in order to clean-up old accounts and/or consolidate remaining funds into one account. Closing of ACC Foundation accounts should not violate any agreements made in the original gift agreement.

**Procedure:** A fund request form must be completed. This form must be signed by the fund manager, authorized officials for fund, and dean in which the fund will be maintained. The form must clearly indicate that the fund should be closed and that there will be no further gifts to this fund.

The Executive Director will receive this fund request form and approve that the closing of the fund. The ACC Foundation staff will close the account in QuickBooks and will transfer any remaining funds as agreed to in the original gift agreement. The form will be filed in fund file and along with any supporting documentation.

**Forms and Related Documents:**

*New Fund Request Form:*
New Fund Request is to be completed when a new fund is established with the Foundation. The Form is to be completed by Fund Manager or College Development Coordinator and signed by representation from the ACC Foundation, the Fund Manager, and the Dean of the Division or Director of the Department in which the scholarship is managed. (When applicable) The New Fund Request form is used to record restrictions on the scholarship fund, records sources of funding, establishes a fund manager for the scholarship, and other special considerations for the fund. This form is filed with the gift agreement in the scholarships file in the ACC Foundation offices.

*Scholarship Agreement:*
A legal binding document between the Foundation and the donor that establishes the scholarship fund, purpose, uses for the contribution, restrictions on the contributions, funding for the fund, fund administration, governing laws, and dissolution for the fund. The document is signed by both representation from the ACC Foundation and the original donors. This document is filed in the scholarship file in the ACC Foundation offices.

*Scholarship Matrix:*
The Scholarship Matrix is a spreadsheet, prepared by the ACC Foundation, which tracks and records deposits, transfers, and balances of each scholarship managed by the Foundation.
DISCRETIONARY FUNDS POLICIES AND PROCEDURES
Established June 2009

I. GENERAL POLICY
The Arapahoe Community College (ACC) Foundation often receives gifts for the discretionary use of the President, Deans and Chairs. The ACC Foundation also receives unrestricted gifts, which the ACC Foundation Board in turn allocates for specific purposes. The ACC Foundation Board understands that there are legitimate expenses for which it is prudent to use private funds as opposed to State or College appropriations. Those responsible must use a prudent and reasonable approach in determining appropriate expenditures to be paid from these accounts.

These ACC Foundation accounts, assigned to organizations within the College, are intended to enhance the effectiveness of colleges or administrative units. Those personnel designated as signatory authority have discretion relative to expenditures with the same admonitions mentioned above.

At no time will ACC Foundation funds be used for the support of partisan political activity of any kind. Contributions to political parties or to other political activities are prohibited. Contributions and/or subscriptions for publications or other material designed to promote political appointments or similar objectives are prohibited.

Similarly, the ACC Foundation discourages the use of discretionary fund accounts for scholarship/fellowship purposes.

II. GIFT DISCRETIONARY FUNDS
When the ACC Foundation receives gifts and other contributions directly from a donor or makes an allocation, which specifies particular types of expenditures for which the funds may be used, then these funds must be used for those specific expenditures. All contributions received directly from a donor for the benefit of a specific department, but not designated by the donor for a specific type of expenditure other than departmental discretionary use, are considered by the ACC Foundation as available for expenditures for all reasonable purposes.

These funds provide a means of paying those reasonable and necessary expenditures that must be made in the normal course of College business, but for which state funds are not available or appropriate.

Efforts should be made to charge all expenditures to state or College funds when appropriate and to conserve these funds. They are not intended to supplement regular operating budgets, but are to be used as a mechanism for paying special types of necessary expenditures.

III. FOUNDATION EXPENDITURES
The types of expenditures that can be paid through the ACC Foundation are:
Entertainment or travel expense related to College business. Examples include participation in the interview of a prospective employee; entertainment of College visitors; official College functions; training programs; retreats; working meetings; and similar official events.

Memberships, dues and related expenses for civic, College, professional or other organizations are allowed for employees if such expenses are deemed beneficial to the College.

Expenses related to home entertainment, if the activity relates to official guests of the College, cultivation of current and prospective donors or the enhancement of morale within an administrative unit.

Expenses related to drop-ins, open house, receptions, etc., held solely for business purposes of introducing new employees, guest speakers, new programs or facilities to the University or community.

Expenses related to official activities of the College where attendance is required. Expenses of College employees, required by virtue of their office or at the request of their Vice President, Dean or Director to attend College events, or by the function they will perform at the event. A spouse or guest expense may also be covered if their attendance is in the interest of the College. Others who choose/wish to attend such events will pay the regular price of the ticket to that event.

May be used for plaques, awards, retirement dinners.

These examples are not intended to be exhaustive. Discretion and good judgment should be used to determine expenditures appropriate for payment from ACC Foundation funds.

IV. DISBURSEMENT DOCUMENTATION
To be reimbursed for travel, entertainment, and personal expenses, a disbursement authorization must be prepared. It should be signed by the person to whom the submitter reports.

Documentation of expenditures should be explicit. All vouchers for entertainment should list all personnel entertained and the general nature of the meeting. Receipts must be detailed; credit card charges alone are not sufficient. If detailed receipts are unavailable, a statement to that effect must be included.

The ACC Foundation does not pay travel per diems, relying on receipts (as indicated above), mileage and specific ticketing.
PLANNED GIVING PROGRAM POLICIES
Approved: July 2001
Revised: December 2003

AUTHORIZATION
The Arapahoe Community College Foundation (hereinafter “the foundation”) is authorized to encourage donors to make both outright and deferred gifts. The types of deferred gifts to be offered include bequests, charitable gift annuities (immediate and deferred), charitable remainder trusts, charitable lead trusts, retained life estates, gifts of life insurance policies and proceeds, pooled income funds and such other gift arrangements as the Board of Directors/Trustees (hereinafter “the Board”) may from time to time approve. All programs, solicitation plans, and activities shall be subject to the oversight of the Board, or additional committees appointed by the Board.

POLICIES
1. The policy of the foundation is to inform, serve, guide, or otherwise assist donors who wish to support the foundation activities, but never under any circumstances to pressure or unduly persuade.

2. No gift will be accepted or program promoted which is not in the best interests of the donor or violates the policies, bylaws or charter of the foundation.

3. Persons acting on behalf of the foundation shall in all cases encourage the donor to discuss the proposed gift with independent legal, financial and/or tax advisors of the donor’s choice, and shall insist that the donor seek such counsel when the gift is irrevocable. This policy is designed to ensure that the donor receives a full and accurate explanation of all aspects of the proposed charitable gift and its appropriateness to the donor’s objectives and circumstances.

4. The foundation should always seek to serve the charitable giving needs and objectives of its donors by encouraging contributions and volunteerism and properly recognizing the material and personal contributions of its donors.

5. The foundation should remain open and accessible to its donors, providing full communication of its activities, use of funds and policies and procedures.

6. The foundation must always strive to maintain the highest level of integrity with its donors, always acting in the best interest of philanthropy and scrupulously avoiding actual or apparent conflicts of interest or any conduct that would tend to bring discredit to the donor and/or the foundation.
7. The Director and persons designated by that office are authorized to negotiate planned gift agreements with prospective donors, following program guidelines approved by the Board.

8. All planned giving arrangements requiring execution by the foundation shall first be reviewed and approved as to form by the foundation’s legal counsel provided it is based on a prototype agreement that has been reviewed and approved.

9. The following planned gifts must be reviewed and approved by the Board. Before acceptance, relevant information about the gift shall be ascertained, including a copy of any appraisal secured by the donor. The foundation also reserves the right to secure its own appraisal.
   a. Outright gifts of real estate closely held stock, tangible personal property, partnership interests, and other property interests, real and personal, not readily negotiable.
   b. Charitable remainder trusts-if the foundation is serving as trustee or co-trustee. Please refer to number 12 below.
   c. Charitable lead trusts—when possible.
   d. Charitable gift annuities—immediate and deferred.
   e. Retained life estate in a residence or farm.
   f. Bargain sales and arrangements other than charitable remainder trusts where the donor receives an income or other payment from the foundation.

10. Outright gifts of cash, publicly traded securities and life insurance do not require approval by the Board.

11. The foundation is authorized to offer and accept charitable gift annuities—immediate and deferred—and shall invest assets contributed for annuities. The foundation may employ agents and advisors to facilitate the investment of these assets. A regular report of charitable gift annuities, immediate and deferred, will be presented to the Board.

12. The foundation prefers not to serve as trustee of charitable remainder trusts except when it is in the best interest of the donor and the foundation or when it is impractical to name another trustee. Agreement to act as trustee shall be subject to prior approval of the Board and/or the Board in consultation with the foundation’s legal counsel. The foundation is authorized to arrange for a trust institution to manage charitable remainder trusts where the foundation is the remainder man.

13. The foundation will not serve as sole trustee for charitable lead trusts and will not serve as trustee for irrevocable life insurance trusts.
14. The costs of administration of charitable remainder trusts and charitable lead trusts may be an expense of the respective trusts.

15. The foundation is permitted to accept gifts and contributions only as authorized in these policies. The following guidelines are established to ensure that planned gifts accepted by the foundation will be cost-effective and beneficial to all parties involved. Exceptions to these policies shall be approved by the Board.

16. These policies and guidelines shall be reviewed at least annually.

17. Existing planned gift arrangements shall be audited periodically and a report submitted to the Board.

18. The foundation or its representatives shall not engage in offering legal or tax advice to donors or gift prospects. Information on giving arrangements shall be supplied, and donors and prospects shall be urged to contact their personal professional advisors.

**Gift Acceptance Policies**

1. **Outright Gifts**
   a. Description: An outright gift refers to a contribution of cash or property in which the donor retains no interest and which can be used currently by the foundation. Securing outright gifts is the foundation’s highest priority, and donors who are able to make an outright gift will be encouraged to do so.

   c. Guidelines
      1) The foundation will accept an outright gift of any amount, though gifts to establish a named endowment must meet the minimum funding requirements set by the Board.
      2) Outright gifts of real estate, closely held stock, tangible personal property, partnership interests, and other property interests, real and personal, not readily negotiable must be reviewed by the Board.
      3) A donor may complete a gift in a single transaction or make a pledge to be paid over whatever period of time is mutually acceptable to the donor and the foundation.
      4) No gift may be received that is subject to any conditions or prearrangements, unless full disclosure has been made to the Board in accordance with policies in the manual.

2. **The Charitable Gift Annuity/Immediate and Deferred**
a. Description: The charitable gift annuity is a contract between the foundation and the donor. The foundation agrees to pay the donor (legal and/or other person named by the donor) a lifetime annuity in return for a gift of cash, securities, or their property. The payment may continue for the life of a second individual, such as a spouse. The immediate payment charitable gift annuity’s annual payment is a fixed sum. The amount is based on the size of the gift and the number and ages of the beneficiaries.

The receipt of payments from an annuity may be deferred for a specified term of years. The deferred payment charitable gift annuity entitles the donor to select a year in the future in which to begin receiving the annual income payments. The donor is also entitled to an immediate charitable income tax deduction in the year in which the gift is created. The income tax deduction is influenced by the number of years the income to the donor(s) is deferred. Like immediate payment charitable gift annuity, the deferred charitable gift annuity is a contract between the foundation and the donor. The deferred payment may continue for the life of a second individual, such as a spouse. The deferred payment charitable gift annuity’s annual payment is a fixed sum, the amount of which is based in the size of the gift, the number and ages of the beneficiaries, and the duration of the deferment.

Rates of return under a charitable gift annuity are lower than the rates offered by commercial insurance companies so that a significant residuum will remain for the foundation. Written notice of this fact will be documented for the donor in two documents. First, the donor will be notified in writing during the gift negotiation stage. Second, the gift annuity contract cover letter will also contain this information for the donor.

b. Guidelines
1. The preliminary minimum amount for an annuity agreement is $10,000.00.
2. For new contracts, the foundation will be guided, although not bound, by the suggested payout rates recommended by the American Council on Gift Annuities.
3. Agreements shall be limited to one or two lives, and ordinarily the minimum age for the annuities shall be 65 for immediate payment annuities and 50 for deferred payment annuities. In the case of deferred payment charitable gift annuities, the donor(s) shall be age 65 before the annual income payments may commence. Exceptions may be made subject to the prior approval of the Board.
4. Gift annuities may be managed by the foundation, and the foundation may employ agents and advisors to assist with the administration and investment of gift annuity assets.
5. Gift annuities must meet individual state laws governing gift annuities in each state.
6. The foundation prefers to provide quarterly payments to gift annuity donors.
7. Gift annuities issued in the state of Colorado shall comply with Colorado state law and meet the disclosure requirements under the Philanthropy Protection Act of 1995.

3. Charitable Remainder Trusts
   a. Description: The charitable remainder trust is a separately administered trust established by the donor. It provides for payments to the donor and/or other named beneficiary(ies) either for life or a term of years (not exceeding twenty), whereupon the remaining trust assets are distributed to one or more charities.

   The charitable remainder annuity trust pays a fixed amount (at least 5 percent) of the original fair market value of the assets initially contributed to the trust. This amount does not change, and no additional gifts may be made to the annuity trust after its creation.

   A charitable remainder unitrust pays a fixed percentage (at least 5 percent) of the fair market value of trust assets, as valued annually. Because the value of assets can be expected to change from year to year, the unitrust payment will vary in amount each year. Additional contributions may be made to the trust after it is established.

   The present value of the foundation’s remainder interest in charitable remainder unitrust must equal 10% (or more) of initial fair market value of trust. This rule also applies to additions to existing charitable remainder unitrusts.

   There are three traditional varieties of a unitrust. A “straight” unitrust pays the stipulated amount, even if it is necessary to invade principal to do so. A “net income” unitrust pays the lesser of the stipulated amount or the actual net income, so principal would not be invaded. A “net income with make-up provision” unitrust is similar to the net income unitrust except that excess earnings can be applied to cover the accrued deficiencies resulting from the net income being less than the stipulated amount. A fourth variety, the “Flip” unitrust, should be considered for trusts funded with real estate or family corporations. A “Flip” trust has two specific provisions:

   1) 90% of the fair market value of the trust assets immediately after a contribution (original or subsequent) must consist of “unmarketable” assets; and the trust document must provide that the income exception method continues until the earlier of 1) the sale of a specified asset or group of assets contributed when the trust was created or 2) immediately following a sale of assets, any remaining unmarketable assets total 50% or less of the fair market value of the total trust assets; and

   2) The trust switches exclusively to the fixed percentage method (standard unitrust) for calculating unitrust payments beginning with the first taxable
year after the year earlier of the two events occurs; and any make-up deficiencies are forfeited when the trust switches to the fixed percentage method for calculating the unitrust payment.

b. Guidelines
1) Where the foundation is named as trustee or co-trustee, the minimum amount for funding a charitable remainder trust will ordinarily be $100,000, but a trust may be funded with a smaller amount subject to prior approval by the Board. If the donor selects an external trustee, the minimum will be whatever amount is acceptable to that trustee.

2) Where the foundation is named as trustee or co-trustee, the foundation will provide full disclosure to the donor on the investment portfolio as required by the Philanthropy Protection Act of 1995.

3) Payments made in any one year by a charitable remainder annuity trust to individual beneficiaries may not exceed 50% of initial fair market value of the trust.

4) Payments made in any one year by charitable remainder unitrust to individual beneficiaries may not exceed 50% of fair market value of trust on most recent valuation date.

5) The foundation recommends that beneficiaries be age appropriate unless the trust is for a term of years.

6) The foundation recommends limiting the number of beneficiaries to two where payments are to be made for the life of the beneficiaries.

7) Ordinarily the foundation will not accept responsibility as a trustee of a charitable remainder trust instrument that is or will be funded with the following assets:
   - encumbered real estate
   - margined securities
   - sole proprietorships
   - limited partnerships (unless the Board has given specific approval)
   - working interests in oil and gas fields
   - general partnership interests.

4. The Charitable Lead Trust
a. Description: A charitable lead trust is a trust in which the income, or “lead” interest, is paid to the foundation, and the “remainder” interest is given to one or more non-charitable beneficiaries, who could be either the donor or family
members. The amount paid to the foundation may be either a fixed sum (an “annuity trust” interest) or a percentage of trust assets as valued each year (a “unitrust” interest).

b. Guidelines
   1) The foundation will not serve as sole trustee or co-trustee of a charitable lead trust.
   2) The trust term may be at the discretion of the donor.

5. Life Insurance
   a. Description: A gift of a life insurance policy is a leveraged gift, meaning that for a relatively small sum of money (the premium) a donor can produce a large death benefit for the foundation. Gifts of life insurance policies may allow a donor to make a substantially larger ultimate gift with a much smaller current cash outlay.

   The following terms describe some of the elements associated with gifts of life insurance policies:
   1) The subscriber or insured is the person who takes out a life insurance policy.
   2) The beneficiary is the one who receives the benefit upon the death of the insured. For charitable gifts of life insurance the foundation would be the beneficiary.
   3) The premium is the cost of the policy paid to secure coverage.
   4) The owner of the policy is the one who has the right to select the beneficiary and the right to cash in the policy.
   5) The death benefit or face value reflects the amount of money that is paid to the beneficiary upon the death of the insured.
   6) The cash surrender value is the amount the insured will receive from the insurance company if the policy is cashed in. The cash surrender value reflects the value of premiums paid and any investment growth minus administrative expenses.
   7) A revocable gift of a life insurance policy occurs when the insured retains ownership/control of the policy and is therefore free to change the designated beneficiary.
   8) An irrevocable gift of a life insurance policy occurs when the foundation is designated as the owner and beneficiary.

There are various methods by which a life insurance policy may be contributed to the foundation. Each method requires a thorough evaluation of policy, insurance company and benefit to the foundation. A donor may:

   1) Assign irrevocably a paid-up policy to the foundation;
2) Assign irrevocably a life insurance policy on which premiums remain to be paid as long as the foundation is owner and beneficiary;
3) Name the foundation as a primary or successor beneficiary of the proceeds; or
4) Establish a new life insurance policy with the foundation as the applicant, owner and beneficiary.

b. Guidelines
1) The foundation will accept any gift of a life insurance policy provided that it is under no prearranged obligation to expend its assets to maintain the policy. No portion of the proceeds may be paid to anyone or any organization that is not qualified as a tax-exempt entity under IRS Code Section 501(c) (3). The foundation has the unrestricted right to fully exercise its powers as the owner, including the power to surrender, select payment options, designate beneficiaries and withdraw or borrow cash values.

2) In the event a policy is contributed on which premiums remain to be paid, the donor must pledge to continue paying premiums or give the foundation permission to surrender the policy for cash value.

3) The foundation will not participate in split dollar or reverse split dollar plans, or other partial interest programs. Any charitable insurance program, such as those promoted by the life insurance industry, or individual insurance agent(s), shall be entered into only after a thorough explanation has been provided to the Board and the Board has voted to proceed with the program.

4) Under extraordinary circumstances the foundation may choose to provide for a payment of premium or premiums for the policy.

6. Retained Life Estate
a. Description: A retained life estate contains two components: the life estate interest and the remainder interest. A gift of a retained life estate occurs when a donor transfers title of a personal residence or farm to the foundation and retains the life estate interest while the foundation retains the remainder interest. The life estate interest represents the donor’s right to use the property for a term of years or his/her lifetime and/or another person. The remainder interest is the foundation’s right of ownership to the property after the life estate has expired.

b. Guidelines
1) The donor shall continue to be responsible for real estate taxes, insurance, utilities, and maintenance after transferring title to the property unless the foundation, upon prior approval of the Board, agrees to assume responsibility for any of these items.
2) The donor shall also be responsible for obtaining a qualified appraisal.
3) Each retained life estate gift will be individually negotiated and approved by the Board.

7. Bargain Sale
   a. Description: A “bargain sale” is a sale of property to the foundation for an amount less than the property’s current fair market value. The excess of the value over the sales price represents a contribution. The bargain sale price may be paid either in a lump sum or in installments.

   A gift of mortgaged property will constitute a bargain sale. Since the amount of indebtedness is treated as a relief of liability, there could be adverse tax consequences to the donor. The donor should be properly informed of this and told to consult with his or her tax advisor.

   b. Guidelines
      1) In order to determine the true fair market value of the asset, it must be adequately appraised. In most cases, the donor will be responsible for appraisal costs.
      2) The foundation, upon approval of the Board and legal counsel, may purchase real estate, securities, or other property on a bargain sale basis. Ordinarily the price paid for the property should not exceed 60 percent of its appraised value.
      3) A gift should not be encouraged from a donor unless it is clear that there is donative intent.

8. Gifts of Real Estate (Real Property)
   a. Description: A gift of real estate is a gift of real property (not a gift of tangible personal property such as art, jewelry, collections, automobiles or equipment) which may include residences, vacation homes, businesses or commercial property (developed or undeveloped).

   Gifts of real estate may be made in various ways: outright, charitable remainder trust, retained life estate, and a bargain sale. These guidelines pertain to gifts of real estate in general. For further reference, please refer to the foundation’s detailed Gift Acceptance Policy for Gifts of Real Estate.

   b. Guidelines
      1) The donor shall secure a qualified appraisal of the property.
      2) The foundation (or trustee in case of a charitable remainder trust) shall determine if the donor has clear title to the property.
      3) The donor shall secure a Phase I environmental audit and the results shall be given to the Board. (Please see the foundation’s detailed Gift Acceptance
Policy for Gifts of Real Estate). No property containing toxic wastes shall be accepted prior to their removal or other remedies assuring that the foundation assumes no liability whatsoever in connection with such toxic wastes.

4) Ordinary mortgaged property will not be accepted as an outright gift; however, exceptions may be made when the property has sufficient equity to justify assumption of the liability and provided the property is marketable.

5) Mortgaged property shall not be accepted for a charitable remainder trust unless the trust would be disqualified and the income from the property is sufficient to cover all liabilities.

6) If a donor wants to give real estate and retain income, a “net-income,” “net-income with make-up provision,” or a “Flip” charitable remainder unitrust is the preferred instrument. Usually real estate will not be accepted for a charitable remainder annuity trust or a charitable gift annuity.

7) The foundation will not manage real property and the property must be readily marketable.

9. Gifts of Closely Held Stock and Other Business Interests
   a. Description:
      Closely held stock is most often found in family-run businesses or in private businesses with relatively few stockholders. Closely held stock, unlike publicly traded stock, is not freely marketable nor is its value as apparent or as easily determined.

      A partnership is an entity created to hold title of a variety of assets - real estate, family businesses, family investment portfolios, etc. Gifts of partnership interests to charity often involve transfer of the limited partnership interest while the general partnership interest is retained by the donor.

      Donors may make gifts of closely held stock and limited partnership interests. These can be accepted by the foundation so long as the foundation assumes no liability in receiving them, and the property can be sold within a reasonable period of time. Additionally, such gifts must not have adverse consequences for the foundation.

   b. Guidelines
      1) To be considered for acceptance, partnership interests must not subject the foundation to cash calls or other liability.
      2) Closely held stock may be accepted if the probability exists of selling it within a reasonable period of time to the corporation, other stockholders, or to
others interested in acquiring the corporation. Contributions of “S” Corporation stock will be carefully discussed with the donor and his or her advisors.

3) Royalty interests will be considered but working interests will not be accepted.

4) Outright gifts of real estate closely held stock; tangible personal property, partnership interests, and other property interests, real and personal, not readily negotiable must be reviewed and approved by the Board.

10. Bequests
   a. Description: A bequest is a testamentary gift (a gift received after death) generally received through a donor’s will or other estate planning document.

   Bequests have historically been the most important kind of deferred gift, and they have contributed significantly to the fundraising revenue of the foundation. The encouragement of bequests will be one of the highest priorities of the foundation.

   b. Guidelines
      1) Sample bequest language for restricted and unrestricted gifts, including endowments, will be made available to donors and their attorneys to ensure that the bequest is properly designated. Donors will be urged to obtain the advice of a professional advisor to create a bequest that is in their best interest. Donors will also be invited to provide a confidential copy of that section of their wills naming the foundation.

      2) During the probate of estates containing a bequest to the foundation and during the post-death administration of revocable trusts containing dispositive provisions benefiting the foundation, the manager of the bequest program, in consultation with the foundation’s legal counsel and president of the foundation or chairperson of the Board shall represent the foundation in all dealings with the attorney and personal representatives of the estate.

Letter of Receipt

Dear (Donor):

The purpose of this letter is to acknowledge receipt of your gift to Arapahoe Community College Foundation (hereinafter “ACCF”) of the property described in the attachment to this letter. ACCF has required, and you have accepted, certain understandings in connection with this gift which are also described in the attachment.

You have not imposed, and ACCF has not accepted, any conditions, restrictions, or limitations on the manner in which ACCF may use or dispose of the property, or fund of ACCF, pursuant to the stated restrictions of such Fund. ACCF may sell or otherwise transfer or dispose of any or all of its interest in the property at any time, in its sole discretion. When it does, it shall comply
with any and all applicable reporting requirements, including those of the Internal Revenue Service.

If the foregoing accurately reflects our understanding, please sign this letter in the space provided below.

Very truly yours,

Arapahoe Community College Foundation

By: _________________________________

ACCEPTED AND AGREED as of the date set forth below:

______________________________  __________
(Donor)                 Date

______________________________  __________
(Donor)                 Date
Environmental Considerations Policy and Procedures

Guidelines for Accepting Gifts of Real Estate Environmental Considerations Policy and Procedures

1. Policy.

It is the policy of Arapahoe Community College Foundation (hereinafter “ACCF”) not to accept gifts of real estate or interests in real estate which could result in ACCF’s liability for environmental contamination under the Comprehensive Environmental Response, Compensation and Liability Act of 1986 (CERCLA) as amended by Super Fund Amendment and Reauthorization Act of 1986 (SARA), other such amendments that may be adopted in the future, or any other applicable laws or regulations.

ACCF will review the potential for such liability in connection with each and every parcel of real estate which may be proposed to be transferred to ACCF by virtue of a will or inter vivos gift. This review shall be for the specific purpose of determining whether or not the property potentially contains or previously contained contaminants or hazardous wastes. A decision will be made as to whether or not this property will be accepted based on initial environmental assessments as set out in the following procedures.

ACCF retains the right to refuse or accept property in the event potential liability is evidenced by the initial environmental assessment, site examination, or investigation into prior uses, or for any other reason.

2. Procedure for Reviewing Potential Environmental Liability

a. The donor will be advised of ACCF’s need to avoid liability in connection with the risk of contamination to the property which is proposed to be given. A letter attached as Environmental Law Impact on Real Property Ownership will be sent to the donor requesting information needed to determine whether an environmental assessment is required.

b. The Board will gather information from the donor using a Prior Uses Questionnaire.

c. Representatives of the Board will conduct an on-site examination of the property using the Environmental Site Examination Checklist and will report the findings to the Board with a recommendation of whether a formal environmental assessment should be conducted.

Note: ACCF may elect to require an environmental assessment without first performing its own on-site inspection and evaluation.

d. Properties which meet the following criteria may be considered for acceptance if:

1) The prior uses of the property and surrounding properties are not of a nature that, in the judgment of the Board, may have exposed the property to contamination. See the attached Examples of Prior Uses with Potential Risk for examples. This list is not all-inclusive; and

2) Either the site inspection of the property revealed no evidence of contamination or an existing environmental assessment or an
environmental assessment requested by ACCF substantiates that the property is free of contamination.

e. If there is concern about possible contamination, ACCF should use an environmental assessment company to conduct an environmental assessment of the property. The donor may be asked to incur the cost. The Explanation of Environmental Assessments attached to this document discusses the usual procedure for such assessments.

f. If the assessment report indicates that the property may be contaminated, ACCF may reject the property. The Board will forward its recommendation with a summary of the findings of the environmental assessment.

Environmental Law Impact Letters to Donors
Environmental Law Impact on Real Property Ownership

Dear Donor:

As part of the current national focus on cleaning up our environment, strict legislation has been passed which may seriously affect owners of property which is found to be contaminated.

In effect, any current or prior owner of such property may be held liable, without fault, for costs to reduce or eliminate contamination found on the property.

The Arapahoe Community College Foundation (hereinafter “ACCF”) has adopted certain policies and procedures for its donors designed to identify and avoid the potential risk posed by environmental contaminates, a copy of which is enclosed for your review. These policies provide for an on-site examination of the property by the ACCF representatives at the election of the ACCF, and may require environmental assessment of the property.

In order to facilitate the evaluation process and assist the ACCF in determining whether an environmental assessment should be performed, please complete the attached questionnaire if you have knowledge of the prior use of the property.

Please note your approval to conduct an environmental assessment of the property by signing and returning the completed questionnaire to the Arapahoe Community College Foundation.

Thank you for your cooperation and assistance.

Sincerely,

Arapahoe Community College Foundation
Prior Uses Questionnaire

Donor Name: _______________________________________

Information Source: _______________________________________

Location of Property:

Description of Property:

Agriculture______  Commercial/Industrial______  Undeveloped land______

Other______  Age of Buildings (years) ______  Residential______

1. If known, please indicate prior uses of property:

2. For uses identified in No. 1 above, has an environmental license or permit ever been issued? If so, provide details.

3. Are there any oil, fuel, or chemical storage tanks on the property located above or below ground? If so, please provide the location, approximate size, contents, age, and type (if known) of each tank and associated lines and state whether the tanks have been registered within the State of Colorado. Please provide copies of registration forms.

4. Has an environmental assessment been previously conducted?

   Yes_____  No______

   If so, provide a copy of the report.

5. If available, attach maps or surveys that describe the property.

I hereby consent to the performance of an environmental assessment of the property described above.

OWNER OF PROPERTY:

_____________________________________

By: __________________________________

Date: _________________________________
Gifts in Kind Policy

Summary
In-kind gifts of property or services are to be valued by the donor and reported to the development and finance department. If the in-kind valuation of the donor is suspect, Arapahoe Community College Foundation (ACC Foundation) may request an independent appraisal.

ACC Foundation need not accept any gift or property, product, service, equipment, or other valuable that is obsolete, unrelated to collections, and unnecessary service, or not mission-related.

Guidelines
Purpose: The purpose of this document is to provide guidance in recording product and property donations for ACC Foundation.

Definition: Gifts-in-Kind specifically refer to contributions of products or inventory from corporations, private donors and other not-for-profits.

Acceptance of Gifts in Kind Donations
ACC Foundation need not accept any gift or property, product, service, equipment, or other valuable that is obsolete, unrelated to collections, and unnecessary service, or not mission-related. If the gift-in-kind is to be used by the ACC Foundation in its day-to-day operations and is consistent with its mission and goals, the donation will be accepted.
### A Donor Bill of Rights

**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 assure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the not-for-profit organizations and causes they are asked to support, we declare that all donors have these rights:

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<th>I.</th>
<th>VI.</th>
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<td>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.</td>
<td>To be assured that information about their donations is handled with respect and with confidentiality to the extent provided by law.</td>
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<th>VII.</th>
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<td>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.</td>
<td>To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.</td>
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<th>III.</th>
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<td>To have access to the organization’s most recent financial statements.</td>
<td>To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.</td>
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<th>IV.</th>
<th>IX.</th>
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<td>To be assured their gifts will be used for the purposes for which they were given.</td>
<td>To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.</td>
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<th>V.</th>
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<tr>
<td>To receive appropriate acknowledgement and recognition.</td>
<td>To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.</td>
</tr>
</tbody>
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**DEVELOPED BY**

American Association of Fundraising Counsel (AAFC)
Association for Healthcare Philanthropy (AHP)
Council for Advancement and Support of Education (CASE)
Association of Fundraising Professionals (AFP)

**ENDORSED BY**

(In formation)
Independent Sector
National Catholic Development Conference (NCDC)
National Committee on Planned Giving (NCPG)
Council for Resource Development (CRD)
United Way of America

Please help us distribute this widely.
Ethics
Arapahoe Community College Foundation conducts solicitation of funds in an ethical manner and with accurate description of the organization, its identity and purpose, its programs and the financial needs for which the solicitation is being made. There will be no material omissions, misstatements of fact, or misrepresentation of the use of the funds. All donors will be acknowledged and thanked in a timely manner.

GUIDELINES:

1. The requests for contributions are made in such a way as to appeal to the highest levels of a person’s motivation. Fund raising efforts at Arapahoe Community College Foundation are primarily those that result in gifts which are given without thought of return other than evidence that the gift’s intended use was carried out. This does not preclude the use of fund raising events that are accompanied by activities appealing to a person’s appreciation of joy, celebration and fellowship.

2. Since Arapahoe Community College Foundation is a resource available to the entire Colorado community, individuals, groups, businesses, foundations and other entities from the general community may be solicited to support the work of Arapahoe Community College Foundation.

3. All contributions raised in the name of specific programs will only be used for its publicized use and intent. Restricted and designated gifts for programs that no longer exist shall be placed in the general fund of the agency.

DOCUMENT RETENTION POLICY
Arapahoe Community College Foundation Inc.

ARTICLE I
PURPOSE

The purposes of this document retention policy are for the Arapahoe Community College Foundation (the “Foundation”) to enhance compliance with the Sarbanes-Oxley Act and to promote the proper treatment of corporate records of the Foundation.

ARTICLE II
POLICY

Section 1. General Guidelines. Records should not be kept if they are no longer needed for the operation of the business or required by law. Unnecessary records should be eliminated from the files. The cost of maintaining records is an expense which can grow unreasonably if
good housekeeping is not performed. A mass of records also makes it more difficult to find pertinent records.

From time to time, the Foundation may establish retention or destruction policies or schedules for specific categories of records in order to ensure legal compliance, and also to accomplish other objectives, such as preserving intellectual property and cost management. Several categories of documents that warrant special consideration are identified below. While minimum retention periods are established, the retention of the documents identified below and of documents not included in the identified categories should be determined primarily by the application of the general guidelines affecting document retention, as well as the exception for litigation relevant documents and any other pertinent factors.

Section 2. **Exception for Litigation Relevant Documents.** The Foundation expects all officers, directors, and employees to comply fully with any published records retention or destruction policies and schedules, provided that all officers, directors, and employees should note the following general exception to any stated destruction schedule: If you believe, or the Foundation informs you, that Foundation records are relevant to litigation, or potential litigation (i.e., a dispute that could result in litigation), then you must preserve those records until it is determined that the records are no longer needed. That exception supersedes any previously or subsequently established destruction schedule for those records.

Section 3. **Minimum Retention Periods for Specific Categories.**

(a) **Foundation Documents.** Foundation records include the Foundation’s articles of incorporation, by-laws and IRS Form 1023, Application for Exemption.

Foundation records should be retained permanently. IRS regulations require that the Form 1023 be available for public inspection upon request.

(b) **Tax Records.** Tax records include, but may not be limited to, documents concerning payroll, expenses, proof of contributions made by donors, accounting procedures and other documents concerning the Foundation’s revenues. Tax records should be retained for at least seven years from the date of filing the applicable return.

(c) **Employment Records/Personnel Records.** State and federal statutes require the Foundation to keep certain recruitment, employment and personnel information. The Foundation should also keep personnel files that reflect performance reviews and any complaints brought against the Foundation or individual employees under applicable state and federal statutes. The Foundation should also keep in the employee's personnel file all final memoranda and correspondence reflecting performance reviews and actions taken by or against personnel. Employment applications should be retained for
three years. Retirement and pension records should be kept permanently. Other employment and personnel records should be retained for seven years.

(d) **Board and Board Committee Materials.** Meeting minutes should be retained in perpetuity in the Foundation’s minute book. A clean copy of all other Foundation Board and Foundation Board Committee materials should be kept for no less than three years.

(e) **Press Releases/Public Filings.** The Foundation should retain permanent copies of all press releases and publicly filed documents under the theory that the Foundation should have its own copy to test the accuracy of any document a member of the public can theoretically produce against the Foundation.

(f) **Legal Files.** Legal counsel should be consulted to determine the retention period of particular documents, but legal documents should generally be maintained for a period of ten years.

(g) **Marketing and Sales Documents.** The Foundation should keep final copies of marketing and sales documents for the same period of time it keeps other corporate files, generally three years.

An exception to the three-year policy may be sales invoices, contracts, leases, licenses and other legal documentation. These documents should be kept for at least three years beyond the life of the agreement.

(h) **Development/Intellectual Property and Trade Secrets.** Development documents are often subject to intellectual property protection in their final form (e.g. patents and copyrights). The documents detailing the development process are often also of value to the Foundation and are protected as a trade secret where the Foundation:

(i) derives independent economic value from the secrecy of the information; and
(ii) has taken affirmative steps to keep the information confidential. The Foundation should keep all documents designated as containing trade secret information for at least the life of the trade secret.

(i) **Contracts.** Final, execution copies of all contracts entered into by the Foundation should be retained. The Foundation should retain copies of the final contracts for at least three years beyond the life of the agreement, and longer in the case of publicly filed contracts.

(j) **Correspondence.** Unless correspondence falls under another category listed
elsewhere in this policy, correspondence should generally be saved for two years.

(k) Banking and Accounting. Accounts payable ledgers and schedules should be kept for seven years. Bank reconciliations, bank statements, deposit slips and checks should be kept for three years. Any inventories of products, materials, and supplies and any invoices should be kept for seven years.

(l) Insurance. Expired insurance policies, insurance records, accident reports, claims, etc. should be kept permanently.

(m) Audit Records. External audit reports should be kept permanently. Internal audit reports should be kept for three years.

Section 4. Electronic Mail. E-mail that needs to be saved should be either:

(i) printed in hard copy and kept in the appropriate file; or

(ii) downloaded to a computer file and kept electronically or on disk as a separate file.

The retention period depends upon the subject matter of the e-mail, as covered elsewhere in this policy.

GENERAL DEVELOPMENT

Acknowledgement Procedures:
All contributions will be recognized within 72 hours of receipt. All gifts will be recorded accurately and a quarterly report of gifts will be made to the Board of Directors.

Telephone Gift Acknowledgement
$1,000 or more – Executive Director will personally telephone within 48 hours of receipt. Record of call documented in donor file. Request a personal visit.

Questions:
1. Why is ACC worthy of your support?
2. How do you think ACC could improve in the years ahead?
3. What do you like best about ACC? Least?

$500 to $999 – Director of Development will personally telephone within 72 hours of Receipt. Record of call documented in donor file.

Compensation
ACC Foundation will not compensate any employee or contractor (fund raising counsel or service provider) through a contingency fee, commission, or other percentage basis
for any contribution or other fund raising proceeds. Exceptions or deviations to this policy must be approved by the ACC Foundation Board of Directors.

**Corporations:**
Any solicitation or contribution from an ACC Foundation vendor must not be directly related to the business relationship with the vendor or the vendor’s competition. No vendor should be chosen based on a stated or implied contribution to ACC Foundation.

A corporate contribution may be recognized publicly as a donor or underwriter.

*Sponsorship* is revenue from a corporation that is clearly intended to:
- market the corporation’s products or services;
- promote the image or product through ACC Foundation’s marketing/PR or exhibit/program signage;
- promote the corporation through hospitality options, including complimentary admissions, invitations to ACC Foundation receptions, or the opportunity to host a reception with no facility or at a substantial discount (25% or more)

*Cause related marketing*, in which ACC Foundation is directly related to the marketing or a product or service and receives a portion of sales of the items, should only be agreed upon with the review and approval of the Development Committee.

**Corporate Matching Gifts**
Corporations that provide a Matching Gift program establish their own guidelines with respect to employee eligibility, qualifying recipient organizations (such as ACC Foundation) and the minimum and maximum contributions that can be matched. Generally, a corporation will match dollar for dollar, but some match at a higher rate. Matching gifts are initiated by individuals – employees – who work for the corporations that match employee charitable gifts. The corporation will distribute matching gift application forms. The donor must fill out the donor part of the form and send to ACC Foundation along with your gift. We will then process and return the application to the employer.

**Credit Card**
ACC Foundation through the College accepts all major credit cards for donations and fees for our services. The major credit cards are: MasterCard, Visa, Discover, and American Express.

**Donor Communications and Relationships**
ACC Foundation must accurately describe its mission, accomplishments, funding sources and expenditures in all donor communications and solicitations.
The Foundation will monitor all information presented to the public in any fund raising solicitation material. This includes case statements, brochures, direct mail material, capital, or endowment campaigns.

Neither an employee nor volunteer solicitor may make any promise to a donor, nor expect any favoritism from a donor, nor agree to any donor-directed changes in the mission of ACC Foundation as a result of a solicitation or contribution.

ACC Foundation must be especially cautious in approaching any potential donor when that individual is in emotional or physical distress such as death in the family or serious illness.

It is important for the Foundation to be aware of any tax provisions relating to contributions. ACC Foundation must not represent itself as representing the donor in any transaction, and should stipulate that the donor contact a professional advisor in questions of gift valuation and deductibility.

ACC Foundation can inform potential donors of any tax deadlines or “windows of opportunity” regarding contributions or the tax benefits of such contributions. This must be communicated in a timely fashion without exerting undue pressure right before any deadline.

**Donor Recognition Program**

The Foundation, in conjunction with the Development Committee, will show proper appreciation and recognition of all development volunteers and contributors in a timely fashion.

**EVENTS AND AUCTIONS GUIDELINES**

**Events**

- Individuals who purchase a ticket for an event should be given gift credit only for the amount that exceeds the fair market value (FMV) of what was received at the event, i.e. dinner, drinks, t-shirt.
- It is best to indicate that amount on the printed tickets so that the attendees are aware of what amount is tax-deductible. For example, if the FMV of the dinner at an event is $30 and the ticket price is $100, then they will be given tax-deductible contribution amount of $70.
- This FMV should be placed on items received REGARDLESS if they are donated to or purchased by the organization running the event. For example, if you get your wine and food donated for a dinner, you still need to determine the FMV for what someone would pay for that dinner.

**Auctions and Raffles**
• Donors of items for an auction or raffle will be receipted for the item contributed.
  - Organizers of an event must give the donor a Receipt Of Donated Goods Form to fill out and fax to the Foundation. The FMV needs to be determined by the donor (not the event organizers).

• Individuals who purchase an auction item should be given gift credit only for the amount that exceeds the FMV. The FMV for each item must be published and available to bidders prior to the auction. If the FMV is not published, there is no charitable deduction — no matter the amount paid for the item by the purchaser.

• There is no charitable deduction for individuals who purchase raffle tickets.

Processing Checks/Credit Cards/Cash
Please make sure that the following information is sent with your deposit to the ACC Foundation:
• A copy of the invitation
• Complete donor name (include company name if appropriate)
• Complete donor address, preferably with phone number
• If an auction, include the retail value of the item the donor received from their gift
• The ACC Foundation account where the money should be deposited

Foundations:
If ACC Foundation is submitting similar requests to more than one foundation (corporate, private, or government) for a specific project or program, it must acknowledge the duplicate submission if an inquiry is made. If more than one responds positively, ACC Foundation must inform the others.

Gifts in Kind
Summary
In-kind gifts of property or services are to be valued by the donor and reported to the development and finance department. If the in-kind valuation of the donor is suspect, Arapahoe Community College Foundation (ACC Foundation) may request an independent appraisal.

ACC Foundation need not accept any gift or property, product, service, equipment, or other valuable that is obsolete, unrelated to collections, and unnecessary service, or not mission-related.
Guidelines

**Purpose:** The purpose of this document is to provide guidance in recording product and property donations for ACC Foundation.

**Definition:** Gifts-in-Kind specifically refer to contributions of products or inventory from corporations, private donors and other not-for-profits.

**Acceptance of Gifts in Kind Donations**
ACC Foundation need not accept any gift or property, product, service, equipment, or other valuable that is obsolete, unrelated to collections, and unnecessary service, or not mission-related. If the gift-in-kind is to be used by the ACC Foundation in its day-to-day operations and is consistent with its mission and goals, the donation will be accepted.

**Recording Of Gifts-In-Kind Donations:**
ACC Foundation will record all accepted gifts.

**Assessing the Value of Donated Items:**
Once the determination has been made that the donation will be accepted and recorded on ACC Foundation general ledger, an assessment of the value of the donated goods is made by the donor. The donated goods will be recorded at the fair market value at the time the donation. These donations are considered revenue to ACC Foundation and will be so recorded, if declared value is $250.00 or more.

ACC Foundation will request a statement from the donor verifying the fair market value of the donated goods. This information will be kept as support for the recorded values of donated products on ACC Foundation books and will be available for review during each ACC Foundation financial compilation or audit. If the in-kind valuation of the donor is suspect, ACC Foundation may request an independent appraisal.

ACC Foundation will acknowledge all Gifts-in-Kind Donations and in a timely manner.

**Financial Statement Disclosures:**
Donated assets will be classified as either “restricted” or “unrestricted” by the organization receiving the assets. If the asset is to be used for a specific purpose or cannot be used until a certain time, then it is classified as “restricted” for the purpose intended by the donor.

9/11/06
Non Coercive Solicitation Policy
ACC Foundation is committed to the practice of voluntary contributions open and freely made without pressure and coercion.

Furthermore, ACC Foundation is committed to an ongoing comprehensive program to inform potential contributors of the programs and services of ACC Foundation. Training and instruction will stress that each potential contributor should receive a thoughtful and informed solicitation, that each gift should be volunteered in the truest sense of that word, and that the amount of each gift should be based on the individual’s capacity and willingness to make such a gift.

Consistent with this practice, ACC Foundation deplores the application of coercion or pressure in any form and, when alerted to a coercive practice, will intervene directly with the person making the complaint and the person responsible for the coercive action to explain ACC Foundation’s position and attempt to minimize ill will.

ACC Foundation strongly believes in the importance of training, proper and reasonable techniques of solicitation, and the need to inform potential contributors of organization services.

Prospect Cultivation and Solicitation:
The Foundation is the clearinghouse for all contacts with donor prospects. Before a prospective contributor - corporate, individual or foundation -- is contacted by staff or volunteer, the Foundation staff should be contacted so a coordination of effort can be maintained.

If a cultivation process is to be initiated for a prospect for more than one project or fund, the Executive Vice President of the College and the Executive Director of the Foundation will determine the priority.

It is the ethical responsibility of ACC Foundation to protect the private information on the donors in its files. This is especially critical when a donor requests anonymity. Donor names and contribution names are public information unless the donor request anonymity. However, background information and other prospect/donor information is not public information. The prospect and donor files and databases are the property of the Foundation. An employee or volunteer may not use or hold any unpublished files for any use other than the advancement of the Foundation’s mission.

Payment of Sales Tax: Special Event Fund Raisers, Alumni Events, etc.
Sept 2003

The law regarding the payment of sales tax is very complex. Per discussions with personnel at the Tax Compliance/Audit Section, City and County of Denver, and the Colorado State Department of Revenue, please find below detailed
information/examples that will provide clarification regarding the payment of sales tax when making purchases for special event fund raisers, athletic club events, alumni events, etc:

Purchases of food and beverages by charitable and otherwise exempt organizations are subject to sales tax if the final recipient reimburses the organization in any way, such as the purchase of a ticket, payment of a registration fee or membership fee, or making an involuntary contribution to attend such event. If a caterer is involved, please insure that sales tax is included in the invoice for event food and beverages. In addition, any prizes, premiums, gifts to be given away, and tangible personal property acquired by winning bid at auction at a fund raiser, are also subject to sales tax (even if the item was donated). To summarize, items being consumed by or transferred to a non-exempt person are subject to sales tax.

Some examples of items not subject to sales tax that are purchased for the use of everyone attending a special event fund raiser, athletic club event, alumni event, etc. are: stationery, printing, flowers, table decorations, etc. However, the costs of items such as special award letters given to individuals, or items that will be taken home by attendees at the end of the event are subject to sales tax. Information received from the Business Tax Accounting Section, Colorado State Department of Revenue, states that, "A nonprofit organization must pay sales tax when purchasing tangible personal property that will later be transferred to an individual for personal use if the organization will be reimbursed for all or part of the purchase price through direct payment or donation. If the sales tax is not paid to the vendor (whether outside or inside of Colorado), the organization must remit the tax directly to the Colorado State Department of Revenue."

The Arapahoe Community College Foundation has been granted a sales tax exemption to be used when purchasing items exclusively for the specific charitable activity for which the exemption has been granted. Only activities that are an integral part of our charitable purpose qualify for the sales tax exemption. Our sales tax exempt status does not apply to the tangible personal items sold to or used by individuals. Therefore, the Foundation must pay sales tax on items such as food, books, t-shirts and other materials when these items are to be sold to or consumed by individuals who pay for them directly or indirectly. The fact that proceeds from such sales are to be used for charitable purposes does not make the sale exempt from tax.

State and Local Statues
ACC Foundation will adhere to all state and local statutes relating to charitable organizations and not-for-profit corporations.
This includes registration of ACC Foundation as a charitable organization and contracting only with those fundraising counsel and service providers who are registered and bonded with the state.