



CRAFTON HILLS COLLEGE FOUNDATION
Gift Acceptance Policy
Adopted: Dec. 21, 2006

TYPES of GIFTS

1. Cash

Gifts in the form of cash and checks are accepted regardless of amount. All checks must be made payable to Crafton Hills College Foundation.

2. Publicly Traded Securities

Securities which are traded on the New York or American Stock Exchanges, NASDAQ and other publicly traded securities, shall be accepted. In no event shall an employee or volunteer working on behalf of the College commit to a donor that a particular security will be held by the College.

3. Closely Held Securities

Non-publicly traded securities may only be accepted after approval of the Foundation Board of Directors or their designated representative. Such securities will be subsequently disposed of as soon as possible.

4. Real Property

Gifts of real estate shall be accepted with the approval of the Foundation Board of Directors or their designated representative. No gift of real estate shall be accepted without a qualified appraisal.

Environmental testing is required if there is any reason to suspect the presence of toxic substances or hazardous materials. If the donor is living, the donor shall pay for the testing. In most cases, a Phase I Audit is sufficient.

Ordinarily, mortgaged real estate will not be accepted. The value of a gift of mortgaged property must be reduced by the amount of the debt. Such a gift has additional tax consequences to a donor because it is treated as a bargain sale, resulting in taxable gain. It can also cause tax problems for the beneficiary by causing a trust to fail to qualify or by resulting in unrelated business income. To be placed in a charitable remainder trust, the property must have been owned and mortgaged for more than five years.

5. Tangible Personal Property / In-Kind Donations

Gifts of jewelry, art objects, antiques, collections and other personal property can only be accepted at the discretion of the College President. IRS rules may require an appraisal and determination of the gift's relationship to the purpose of Crafton Hills College. The appraisal is obtained and paid for by the donor.

Normally, no unrelated property shall be accepted, unless there is reason to believe the property can be disposed of quickly. Only the Foundation Board of Directors may represent to a donor that property will or will not be held in perpetuity or for a specified period of time. Donors should be notified at the time of receipt of a gift that the College Foundation will, as a matter of policy, cooperate fully in all matters related to IRS inquiries of non-cash charitable gifts.

6. Other Property

Other property of any description shall only be accepted by the Foundation Board of Directors or persons duly acting on its behalf. (remainder of sentence was deleted)

GIFT ACCEPTANCE POLICIES

Crafton Hills College encourages and solicits planned gifts as permitted by the Internal Revenue Service (IRS) and the State of California, as well as in keeping with the following policies:

1. Conflict of Interest

- a. A gift arrangement shall not benefit the College at the expense of the donor's needs and/or interests.
- b. An agreement will not be entered into if it knowingly jeopardizes the donor's interests.

2. Legal Counsel

- a. Prospective donors will be advised to seek their own legal counsel. In matters of taxes and estate planning, they will be advised to seek the services of an accountant or other professional advisor, as needed.
- b. The College and/or the College Foundation will consult legal counsel in the execution of complex gift agreements.
- c. If a prospective donor does not have an attorney or professional advisor knowledgeable in aspects of estate planning and taxes, the Director of Resource Development will provide the names of at least three professional advisors to the donor.

3. Informing Prospective Donors

- a. Acting on behalf of the CHC Foundation, the Director of Resource Development will be careful to avoid pressure in working with prospective donors.
- b. The primary intent will be to inform and assist the donor in estate planning and charitable giving.

4. Confidential Information

- a. All information concerning persons, ages, worth of estate, gifts in formation, etc., will be kept confidential, unless the donor agrees to publication of all or part of the gifting procedure to aid the College in its planned giving program.

5. Ethics

The Crafton Hills College Foundation adheres to all principles of the Code of Ethics and Donor Bill of Rights adopted by the Association of Fund-Raising Professionals (AFP).