OFFICE OF DEVELOPMENT

MARLBORO COLLEGE

GIFT ACCEPTANCE POLICY

I. INTRODUCTION

This policy statement is designed to assure that all gifts to, or for the use of, Marlboro College are structured to provide maximum benefits for the donor and the College. Because some gift situations may be complex, or more costly than beneficial, or restricted in a manner not in keeping with the goals of the College, this policy has been developed to establish standards pursuant to which all gifts will be evaluated, as well as a formal process for carrying out such evaluations. This policy is intended as a guide and allows for some flexibility on a case-by-case basis.

II. GUIDING PRINCIPLES

- Marlboro College encourages gifts in support of its mission as a private liberal arts college.
- Marlboro College seeks to implement a gift acceptance policy that will protect:
  - The best interests of the donor;
  - The welfare of Marlboro College; and
  - The Marlboro College employees charged with the management of the fundraising program.
- Donors are encouraged to consult with their own personal advisors (accountants, certified estate or financial planners, attorneys, investment brokers, etc.) prior to making any gift to the College, particularly a planned gift.
- The College reserves the right not to accept certain gifts, including those from which the College will realize little or no financial gain, or which are made for purposes that are inconsistent with the College’s educational mission, or which have restrictions that violate the College’s ethical standards or require illegal discrimination.
- Donations of gifts for unrestricted, general purposes are encouraged because of the flexibility they provided in meeting the most pressing needs of Marlboro College.
- The College shall acknowledge all gifts and donations in an appropriate manner that respects and honors the donor.
- In accepting a gift, the College also accepts a responsibility to the donor to steward that gift. This includes administering the gift properly, providing the donor with appropriate financial information about the gift, and, when appropriate, reporting to the donor about the use of the funds.

III. PROCEDURES – GENERAL

A. Administrative responsibility for gift acceptance policy

Overall responsibility for assuring compliance with the requirements of this policy is assigned to the Chief Advancement Officer. All gift proposals shall be screened initially by the Office of Development. In appropriate cases, as set forth with more particularity below, gift proposals shall be further screened by the
senior financial management staff, the college’s legal advisors, the Gift Acceptance Committee, and/or the Finance Committee of the Board of Trustees.

B. Gift Acceptance Committee

1. Role of the Committee: The Gift Acceptance Committee shall serve on an ad hoc basis in circumstances described below.

2. Members of the Committee: The Committee shall be composed of the President of the College, the Chief Advancement Officer and a member of the senior financial management team.

3. Counsel to the Committee: The college’s legal advisors shall serve in a consultative role to the Gift Acceptance Committee when necessary.

4. Consensus required: All decisions of the Committee must be made by consensus. If consensus cannot be reached, the final decision to accept a gift will be made by the President in consultation with the Chair of the Board of Trustees.

C. Appraisals

Legal and ethical requirements, designed to protect both the donor and the College, prohibit the College itself from appraising gifts. Such appraisals, if required by law or particular circumstances, are to be conducted by appraisers independent from the College. Generally, the cost of such an appraisal will be the donor's responsibility. In unusual circumstances, the Chief Advancement Officer may approve payment of the cost of an outside appraisal.

D. Evaluation of Costs Associated with Acceptance of Certain Gifts

Proposed gifts of property and gifts in kind must be evaluated to determine whether the costs to the College associated with receiving the gift can prudently be accommodated. For example, accepting real property may require payment of closing costs, payoff of debt secured by the property, and physical changes to the property necessary to assure safety or control environmental hazards. Likewise, the cost to retrofit space on campus and provide necessary utilities to make a proposed gift of equipment usable for College purposes, or the impact of altering the interior or façade of a building to display a gift, may be deemed excessive and may weigh against acceptance of the gift.

The authority and responsibility for prompt, careful evaluation of such costs rests with the Chief Advancement Officer, who shall, after conferring with other Departments as appropriate, confer with the Gift Acceptance Committee for a final determination.

E. Gift Acknowledgement

All donors are to be furnished gift acknowledgement letters and receipts that comply with IRS regulations in a reasonable time frame. Where appropriate, donors shall also be given tokens of appreciation. Assuring compliance with the requirements regarding gift acknowledgement and receipts, tokens and IRS regulations is the responsibility of the Chief Advancement Officer or his/her designee.

F. Acceptance and Administration of Restricted Gifts

Frequently, donors require that gifts be used by the College in particular ways. It is the responsibility of the College to comply with such requirements if the gift is accepted. The Chief Advancement Officer is responsible
for assuring that arrangements are made to achieve compliance with such requirements in consultation with other Departments as appropriate. (See Gift-In-Kind acceptance form.)

Where the restrictions imposed by a donor are reduced to writing and require signed agreement by a College official, as in the case of trust agreements, such agreements are to be signed on behalf of the College only by the Chief Advancement Officer, the senior financial manager or the President.

G. Memorandum of Understanding

Prior to completing major and/or planned gift arrangements with donors, the Chief Advancement Officer, on behalf of the College, and the donor will sign a Memorandum of Understanding, which shall contain the following elements:

1. Purpose;
2. Background;
3. Funding;
4. Criteria as to who will benefit;
5. Marlboro College’s responsibilities;
6. Uses of the endowment (principal and income) or current operating fund;
7. Academic year of activation;
8. Additions;
9. Change of the Fund's Use; and

IV. GIFT ACCEPTANCE PROCEDURES

The following procedures relate to the more common types of gifts to the College. It is understood that special gifts or circumstances may require a case-by-case review and may not be covered by this document.

A. Outright Gifts

1. Cash
   a) Gifts in the form of cash and checks shall be accepted by Marlboro College regardless of amount unless, as with any gift, there is a question as to whether the donor has sufficient title to the assets or is mentally competent to legally transfer the funds.
   
   b) Checks shall be made payable to “Marlboro College.” In no event shall a check be made payable to an employee, agent or volunteer who represents Marlboro College.

2. Gifts of Securities
   a) Publicly Traded Securities. Securities that are traded on any recognized stock exchange and are readily marketable shall be accepted by Marlboro College.
   
   b) For Marlboro College gift crediting and accounting purposes, the value of the securities is the average of the high and the low on the date of the gift, in accordance with IRS regulations. The date of the gift is the date that the securities are received to Marlboro’s account.
c) Closely Held Securities. Non-publicly traded securities shall be accepted only after consideration of the costs associated with such a gift and after approval of the Gift Acceptance Committee.

3. Gifts of Personal Property

a) The procedure set forth in paragraph III.D. will be followed in evaluating the acceptability of gifts of personal property.

b) In evaluating the cost associated with receiving a gift of personal property, including jewelry, artwork, collections, equipment and other personal property, the following will be taken into consideration:

- Transportation cost;
- Storage cost;
- Cost of selling;
- Cost of maintenance and repairs;
- Location of property; and cost of insurance.

c) Gifts of personal property shall be used or sold for the benefit of Marlboro College, in the sole discretion of the College.

d) The value of a gift of personal property shall be determined by a qualified appraisal under the terms of the Internal Revenue Code. Donors must complete IRS form 8283 and all other required government documents.

e) Donors will be informed at the time of the acceptance of such a gift that Marlboro College will, as a matter of policy, cooperate fully in all matters related to IRS investigations of non-cash charitable gifts.

f) No personal property shall be accepted under conditions that obligate the College to own the property in perpetuity.

4. Gifts of Real Estate

The following restrictions on acceptance of gifts of real estate apply unless waived by the Gift Acceptance Committee:

a) No gift of residential, commercial, industrial or agricultural real estate shall be accepted without approval of the Gift Acceptance Committee, regardless of the purpose or value of the proposed gift.

b) The donor is responsible for obtaining an appraisal of the property by a qualified appraiser.

c) All gifts of real estate shall be evaluated in light of the need for an environmental audit. Qualified environmental professionals selected and directed by the Gift Acceptance Committee shall perform an environmental audit. The cost of such audit is to be paid for by the donor. An environmental professional is an individual who, through academic training or occupational experience, is qualified to conduct such an audit. The environmental audit is to determine whether a hazardous substance is, or in all likelihood could be, present on the property and shall contain in writing all information required by the Gift Acceptance Committee.

d) If the environmental audit discloses the presence or likely presence of, or a release or threatened release of, a hazardous substance on the property, the transfer of the property to Marlboro College will not be accepted until satisfactory documentation is provided to the Gift Acceptance Committee.
Committee that federal, state and local environmental authorities have determined that such condition has been remediated. The donor bears the cost of any environmental clean up.

e) No gift of real estate encumbered by a mortgage or lien shall be accepted.

f) Prior to the presentation to the Gift Acceptance Committee, a member of the staff of the Office of Development must conduct a visual inspection of the property. If the property is located in a geographically remote area, a local real estate broker can substitute for a member of the staff in conducting the visual inspection.

g) Prior to presentation of the gift proposal to the Gift Acceptance Committee, the donor must provide the following documents:

- Real estate deed
- Most recent real estate tax bill;
- Plot plan;
- Substantiation of zoning status; and
- Environmental site assessment.

h) Prior to presentation to the Gift Acceptance Committee, the donor must certify in writing that:

- No violations of state, local or federal law exist on the property;
- There are no restrictions on the title to the property;
- No unrecorded rights of way, easements or encumbrances are attached to the property.
- No contractual or other donative commitments to other individuals, corporations or groups are attached to the property.
- The property is neither the subject of, nor threatened with, litigation.

i) If the donor is giving a retained life estate gift, the donor shall pay for all or a portion of the following during the donor’s lifetime:

- Maintenance costs;
- Real estate taxes;
- Insurance;
- Real estate broker’s commission and other costs of sale; and
- Appraisal costs.

j) The donor must be advised before making a gift of real estate that the property may be sold upon receipt.

5. Gifts of Life Insurance

k) Marlboro College will accept life insurance policies as gifts only when Marlboro College is named as the irrevocable owner and beneficiary of 100% of the policy.

l) If the policy is a paid up policy, the value of the gift for Marlboro College’s gift crediting and accounting purposes is the policy’s replacement cost.

m) If the policy is partially paid up, the value of the gift for Marlboro College’s gift crediting and accounting purposes is the policy’s cash surrender value.
Deferred Gifts

1. Bequests
   a) Marlboro College encourages alumnae/i and friends to disclose their bequest intentions to the Development Office in writing to ensure that the College is able to carry out their future wishes and that the gifts conform to this Policy Statement.
   b) All bequests should conform to the principles set out in Section II of this policy.
   c) Gifts from estates of deceased donors which do not conform to Marlboro College’s policies may be accepted or rejected pursuant to the procedures outlined above, and such decision communicated to the legal representative of the estate. If possible, a mutually agreeable plan shall be negotiated between the College and the representative to make the gift acceptable.
   d) Suggested Bequest Language:
      i. “I give and bequeath to the Corporation of Marlboro College, a non-profit corporation established under the laws of the State of Vermont, (state percentage of estate, residue, sum of money, or otherwise described property)…”

2. Charitable Trusts
   a) The Gift Acceptance Committee and other employees acting on behalf of Marlboro College should become familiar with the types of property generally accepted by corporate fiduciaries as suitable contributions to charitable trusts. Only suitable types of property shall be encouraged as gifts to Marlboro College.
   b) Neither the Gift Acceptance Committee nor any employee or other person acting on behalf of Marlboro College shall recommend to a potential donor any corporate fiduciary.

3. Charitable Gift Annuities
   a) No gift annuity which names an income beneficiary under 65 years of age, or any Deferred Payment Gift Annuity which names a beneficiary under 45 years of age, shall be accepted without approval of the Gift Acceptance Committee.
   b) Gift Annuities and Deferred Payment Gift Annuities will be accepted for a single life or two life-joint and survivor only, unless the Gift Acceptance Committee approves acceptance under other circumstances.
   c) The minimum initial contribution for a Gift Annuity shall be $10,000. The minimum contribution for an additional gift annuity shall be $5,000.
   d) The College will use the payout rate schedule suggested by the American Council on Gift Annuities as a representative guide.
4. Life Estate Gifts

Marlboro may accept such life estate gifts when the Gift Acceptance Committee is satisfied that the donor is fully aware of the possible future ramifications of the transaction and the property is determined to be of acceptable value. The Committee must approve all such gifts.

Restricted Gifts/Endowments

1. Gifts to Marlboro College may be restricted in their use if the proposed use is consistent with the College’s educational mission and the restrictions do not violate the College’s ethical standards or require illegal discrimination.

2. Significant restricted gifts and endowments shall be approved by the Gift Acceptance Committee after consultation with the Finance Committee of the Board of Trustees.

3. The Gift Acceptance Committee reserves the right to recommend a change the designated purpose or purposes of any restricted gift if the restriction prevents the College from using the gift to fulfill the donor’s intentions or becomes impractical, unnecessary or undesirable. Donors will be made aware of the discretion to change the purpose of a restricted gift, and no changes will be made before a reasonable effort is made to hold a discussion with the donor, or if then deceased, his or her surviving spouse or children, or such other persons designated by the donor.

4. Endowment Gifts:

   a) Designated gifts of any size may be made to an existing endowment fund of Marlboro College.

   b) A Named Endowed Gift carrying the name or names of the donor, or names of others the donors wishes to honor, may be established assuming the purpose of the endowment is acceptable to the Gift Acceptance Committee with the following suggested minimums:

      Academic Prize: $7,500       Scholarship: $125,000       Faculty Chair: $1,250,000

D. Payment of Fees Related to Gifts

1. Marlboro College may incur and pay reasonable fees for the professional services rendered to the College in direct connection with the completion of a gift to Marlboro College.

2. Where advisors retained by Marlboro College prepare documents or render service of any kind to Marlboro College and/or the donor to Marlboro College, the donor shall be informed that the professional involved is in the employ of Marlboro College and is not acting on behalf of the donor and that any advice given or documents prepared should be reviewed by counsel for the donor prior to completion of the gift.

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