

SANTA BARBARA CITY COLLEGE
CAMPUS-WIDE POLICY ON ACCEPTANCE OF GIFTS

April, 1997

While the majority of financial support for Santa Barbara City College and all its operations comes from the State of California, local property taxes and student fees, the College also relies to a significant extent on the generous private contributions of individuals, corporations, and private foundations in our community. Under the leadership of the Foundation for Santa Barbara City College, there has been a tremendous increase in the level of private support for the College, with over \$25 million committed in gifts and pledges since 1990.

As we rely more and more on these community gifts, it is critical to our effectiveness that we follow an agreed upon campus-wide policy for acceptance and processing of all private gifts of money, equipment, and other goods. Therefore, the College Trustees and the Office of the President reaffirm the following policy for acceptance of private contributions in support of College programs and students.

STATED POLICY

It is the policy of Santa Barbara City College that all gifts of any size, to any department or program, must be immediately reported and channeled through the Foundation for SBCC. The Foundation will process these gifts, ascertain that the funds designated are correctly credited to the department or area for which they are intended, handle all tax reporting, coordinate donor recognition, and provide full notice of all gifts and fund balances to recipient departments or programs in a timely and accurate manner.

SPONSORSHIP GIFTS

It is also the policy of Santa Barbara City College that the Foundation serve as a "clearinghouse" for solicitation of all sponsorship gifts of ~~\$1000~~ or more from local corporations, foundations and individuals. This is to prevent a public embarrassment to the College that might result if several different campus programs unknowingly compete for the support of the same entity at the same time due to the submission of overlapping requests. Lists of planned solicitations by a specific department or program must be submitted in advance to the Foundation's Executive Director for review and clearance. These include solicitations planned by such support groups as the Business & Industry Associates, SBCC Alumni Association, and the various athletic teams and programs.

BACKGROUND AND RATIONALE

The Foundation was established in 1976 as the private fundraising arm of the College, and it is to function as the sole recipient of gifts to the College for a number of reasons. First, it is a qualified 501(c)(3) organization, and all gifts to it are donations that may trigger a Federal and State charitable tax deduction for the donor. **Gifts that do not**

come through the Foundation cannot be validated by any College employee for tax deduction consideration. Thus, the donor may forfeit any claim for a deduction since the IRS requires written substantiation by a qualified 501(c)(3) organization for all gifts of \$250 or more.

Second, the Foundation is charged with the stewardship and fiduciary responsibilities to ensure that the gift is properly accounted for, that the donors are appropriately thanked and provided with the tax information required for them to secure a deduction, and that the gifts are correctly channeled to the department they are to serve. The Foundation and its Investment Committee also ensure that gifts contributed to an endowment fund are prudently invested to provide the maximum long-run return. The Foundation not only has the accounting systems and gift processing personnel in place to handle all private gifts to the College, but also has the experience and the expertise required to assure compliance with the complex tax laws governing gift acceptance.

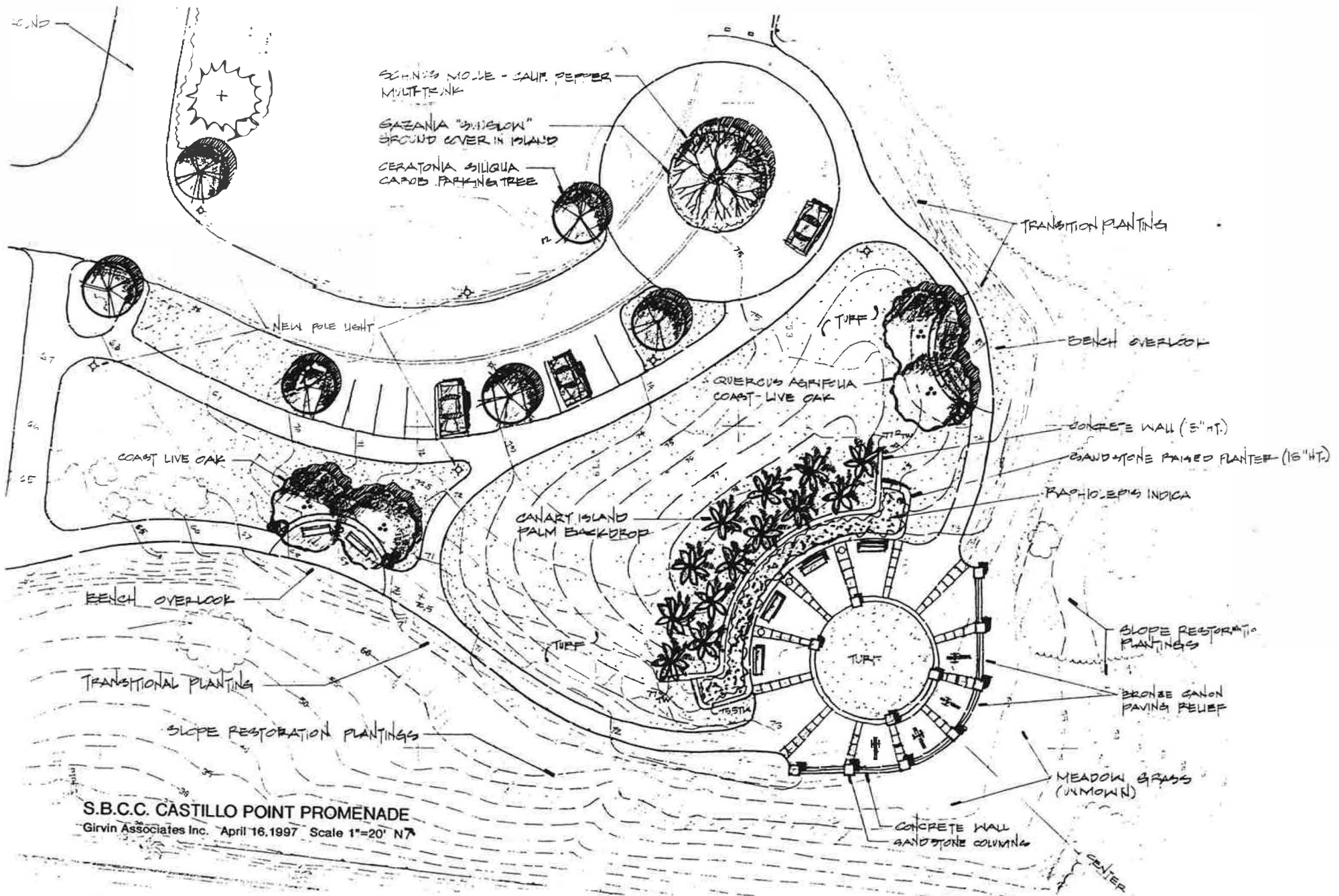
GIFTS-IN-KIND

A number of departments receive "gifts-in-kind," that is, equipment, goods or services, which they can use directly in their courses or in the instructional process, but few departments understand the complicated tax requirements for the acceptance and recording of such gifts. Numerous forms, fairly narrowly defined IRS rules and regulations, and special reporting requirements govern gifts-in-kind. Additionally, for many gifts of property, securities or "planned gifts" (those gifts invested on behalf of the donor for which the donor receives income for life), the reporting and legal requirements are even more complicated. Again, the Foundation staff has the expertise and the tools to handle such gifts expeditiously, legally and appropriately.

FEE POLICY

Outright gifts of any amount for unrestricted or restricted purposes of a College program or department are not currently assessed any administrative fees by the Foundation. Thus, 100% of the gift is available for its intended purpose by your program. However, by Foundation Board policy, a one-time 5% fee is assessed on endowment gifts, in order to assist with the many costs involved in administering and managing an endowment fund in perpetuity. This fee is generally paid from the first year's interest earnings, or it may be paid as an additional gift by the donor or covered by department funds. If paid from interest on the gift principal, after the first year, the interest earnings up to the level set annually by the Board's endowment spending policy (currently 5% maximum) are available to distribute to the scholarship or program fund designated by the donor.

Please direct any questions on any aspect of this policy to Patricia O. Snyder, Executive Director of the Foundation at 965-0581, ext. 2618.



SENN'S MOLE - CALIF. PEPPER
MULTITRUNK

SAXANIA "SHIBLOW"
GROUND COVER IN PLANT

CERATONIA SILIGUA
CAROB PARKING TREE

TRANSITION PLANTING

NEW POLE LIGHT

BENCH OVERLOOK

QUERCUS AGRIFFUA
COAST-LIVE OAK

CONCRETE WALL (5" HT.)

SANDSTONE PAIRED PLANTER (16" HT.)

COAST LIVE OAK

RAPHIOLEPIS INDICA

CANARY ISLAND
PALM BACKDROP

SLOPE RESTORATION
PLANTINGS

BRONZE GANON
PAVING BELIEF

BENCH OVERLOOK

TRANSITIONAL PLANTING

SLOPE RESTORATION PLANTINGS

MEADOW GRASS
(UNMOWN)

CONCRETE WALL
SANDSTONE COLUMNING

S.B.C.C. CASTILLO POINT PROMENADE

Girvin Associates Inc. April 16, 1997 Scale 1"=20' N7

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