West Hills Community College Foundation
9900 Cody Street
Coalinga, CA 93210

Gift Acceptance Policy and Procedures
WHCCF Board Policy 3820

PURPOSE OF GIFTS

The purpose of gifts to the West Hills Community College Foundation (hereinafter Foundation) should relate to the Mission and Vision Statement of the Foundation and be consistent with the purposes, bylaws and procedures of the Foundation and be congruent with the West Hills Community College District's (hereinafter District) Mission and Vision. The purpose of the gift and the procedures for its administration shall, when needed, be defined in a letter or agreement signed by the donor.

ROLES AND RESPONSIBILITIES OF THE FOUNDATION

The primary responsibilities of the Foundation as they apply to gift acceptance shall be to review proposed gift transactions and accept or decline gifts pursuant to the procedures contained herein.

All information concerning donors and prospective donors shall be held in strict confidence by the Foundation, subject to legally authorized and enforceable requests for information by government agencies and courts. All other requests for or release of information concerning a donor or prospective donor will be honored or allowed only if permission is obtained from the donor or the donor's representative prior to the release of such information. The Foundation may share necessary information with legal, accounting and other professionals necessary to determine the value and possible disposition of a gift.

Persons acting on behalf of the Foundation, including the Foundation's Executive Director (hereinafter Executive Director), shall encourage the donor to discuss the proposed gift with a legal and or/ tax advisor of the donor's choice, at the donor's expense. This is to ensure that the donor receives a full, accurate, and independent explanation of all aspects of the proposed charitable gift.

Persons acting on behalf of the Foundation, including the Executive Director, shall advise the donor that it is the donor's responsibility to obtain any necessary appraisals, file appropriate personal tax returns, and defend against any challenges to claims for tax benefits

All planned giving agreements requiring execution by the Foundation shall first be reviewed and approved as to form by the District's legal counsel. However, each agreement need not be reviewed provided it is based on a prototype agreement that had been reviewed and approved by District's legal counsel, if any.

The Foundation is an auxiliary of and operates solely pursuant to the authority provided to it by the District, therefore, all gifts, regardless of value or form, are subject to approval by the District.

PROCEDURES FOR REVIEW OF GIFTS

In reviewing gifts to the Foundation, The Foundation's Executive Director will consider the following criteria:

- The charitable intent and ultimate community benefit;
- The nature of any restrictions;
- The permanency of the gift;
- Projected costs of managing the gift asset;

Acceptance by the Executive Director of gifts consistent with the purposes, bylaws and procedures of the Foundation as outlined herein shall not require prior approval by the West Hills Community College Foundation Board of Directors (hereinafter Board) if the gifts are in any of the following forms:

- Cash;
- Negotiable checks;
- Marketable securities;
- In-kind gifts (furniture, books, equipment, etc.) for the offices or programs of the Foundation;
- In-kind gifts, including services, directly related to Foundation fundraising activities and events (i.e. advertising, signs, posters, promotional items, etc.); and
- Gift of precious metals, where the market value is easily established

NOTE: In the case of a gift in any of the forms listed above, the Executive Director shall complete the appropriate sections of the Gift Acceptance Checklist (Personal Property) Appendix A.

Gifts requiring review and approval of the Board and the District include the following:

- Gifts of real estate. The donor will be required to provide an independent appraisal and a description of the property. An environmental review at the expense of the donor may also be required. The Board and the Chancellor of the West Hills Community College District (hereinafter Chancellor) will review these documents as well as consider any liabilities, restrictions or other conditions related to the gift. These policies also will apply to any other asset that has real estate holdings as an element of its value (e.g., certain limited partnerships or other business entities (further details related to the acceptance of real property are included in Appendices B and C);

- In-kind gifts having a value greater than $5,000;

- Limited liability business interests (i.e., closely held securities, limited partnership interests and interests in a limited liability company);

- Charitable remainder trusts or charitable lead trusts;

- Retained life tenancy in a residence, ranch or farm;

- Arrangements where the donor receives fees for services to the Foundation;

- Other property that may be unusual or fall outside the type of gifts usually handled by the Foundation, including tangible personal property unrelated to the Foundation's charitable purpose;

- Gifts to establish funds for a purpose that may fall outside the mission, bylaws and procedures of the Foundation;

- Gifts that require the Foundation to take on any long-term liability; and

- Insurance policies and proceeds and retirement assets.

Gifts requiring Board review and approval will be handled promptly. Foundation staff will deliver to the President of the West Hills Community College Foundation Board (hereinafter President) all information necessary to make a decision. The President shall promptly convene a meeting of the Executive Committee of the Board to make the decision to accept or decline the gift. Prior to an acceptance by the Executive Committee, the Executive Director shall complete the Gift Acceptance Checklist (Real Property) Appendix C and deliver it to the President. Acceptance of the gifts requiring Board approval listed above shall also be reviewed and accepted by the Chancellor/District. If a gift is declined, the donor will be notified promptly in writing by the Executive Director. All gift reviews will be handled with confidentiality.

Note: Gifts requiring immediate action (e.g., gifts on December 31 or pending sale of property) may be exempted from full Executive Committee review if, in the judgment of the President and Executive Director, that gift may be accepted without significant reservations or in any way jeopardizing the Foundation's tax-exempt status. However, in all cases the Gift Acceptance Checklists provided in Appendices A and C shall be completed by the Executive Director prior to acceptance.

GIFTS

Asset Types

The Foundation will accept gifts in the form of the following assets, subject to the conditions and procedures described below and in the Appendices A, B and C. In order to provide written substantiation for gifts over $250, the donor's name and address must be provided.

Cash

Gifts of cash should be paid to the "West Hills Community College Foundation" accompanied by a written document (fund agreement, letter or other written instruction) signed by the donor indicating to what purpose the contribution should be credited.

Checks

Checks must be made payable to the "West Hills Community College Foundation" or "WHCCF". The specific purpose for which the check is intended should be noted in the bottom left corner of the check, or in attached correspondence.

Pledged Gifts to the West Hills Community College Foundation

Written pledges to make gifts may be made applicable to a stated purpose or fund of the Foundation. A schedule of pledges payable should be included in the fund agreement letter or other written instructions from the donor.

Marketable Securities

Publicly traded stocks and bonds may be electronically transferred, re-registered in the name of the Foundation, or conveyed through use of a stock power form. The Foundation may also accept interest in mutual funds. Generally, these securities are sold upon receipt. Stock controlled under Securities and Exchange Commission Rule 144 will be held until the restriction on sales expires and then will be sold. Gifts of bonds that require a holding period may be accepted and cashed when the holding period has expired.

Securities that shall not be accepted include those which are assessable or which in any way may create a liability (such as options); those, which, by their nature, may not be assigned (such as series E savings bonds); and those, which have no apparent value.

Limited Liability Business Interests (i.e., closely held securities, limited partnership interest, interests in limited liability companies)

Donors may make gifts of interest in business entities. These can be accepted if the Foundation assumes no liability in receiving them. In evaluating a proposed gift of such assets, the Board may consider the probability of conversion to a liquid asset within a reasonable period of time, the projected income that will be available for distribution and administrative fees, and the nature of the business from which the asset is derived.

A completed IRS Form 8283 ("Non-Cash Charitable Contributions") and/or a letter from the attorney drafting the governing documents must accompany gifts of the business interests providing the following information:

- Independent appraisal of the value of the subject entity and a statement of the percentage of the entity to be gifted to the Foundation;
- Assurance that the Foundation will be held harmless in the event the entity becomes bankrupt or is otherwise unable to satisfy its obligations or is sued;

The Foundation shall not accept gifts of general partnership interests due to potential unlimited liability.

Further details related to limited liability interests in business entities are included in Appendix A.

Real Property
Unencumbered real property will be accepted at fair market value as established by at least one approved appraisal, provided by the donor. The donor must provide evidence of clear title to the property to the Board.

Real property that is encumbered by a trust deed, loan or mortgage will be accepted only in exceptional circumstances.

Prior to acceptance of a gift of real property, the Foundation and the donor must agree, in writing, on arrangements for paying expenses associated with the property, including taxes and assessments, insurance coverage, and maintenance costs.

In order to avoid potential liability for environmental cleanup and toxic and hazardous materials issues related to real estate, the Foundation may require inspection through an environmental audit of all proposed gifts of real estate and assets related to real property.
In addition to the considerations listed above, commercial properties and businesses will be examined in relationship to the potential for exposure of the Foundation to unrelated business taxable income.

A completed IRS Form 8283 ("Non-Cash Charitable Contributions") must accompany gifts of real property. Upon acceptance, the President and Chancellor will sign off on the form.

For further details see Appendix B, Real Estate Gift Acceptance Procedures and Checklist.

Tangible Personal Property
Gifts of assets such as boats, airplanes, automobiles, artwork, furniture, equipment, jewelry, gems, and metals valued in excess of $5000 must be accompanied by a qualified appraisal consistent with IRS regulations. Unless the property is to be used in connection with the Foundation's tax-exempt purpose or a purpose associated with a department or program within the District, it will be sold at the highest possible price as soon as possible after conveyance. No commitment will be made to keep such gifts of personal property. The Foundation discourages gifts of personal property which cannot be used in connection with Foundation's tax-exempt purpose and which cannot be readily sold or which require unusual expenses prior to sale. If a lengthy selling period is anticipated, the Foundation may ask the donor to cover such expenses with a cash gift.

A completed IRS Form 8283 ("Non-Cash Charitable Contributions") must accompany gifts of tangible personal property. Upon acceptance, the President and Chancellor will sign off on the form.

Royalties, Distribution Rights
The Foundation may accept gifts of royalties or distribution rights on published works (such as books or films) where there is clear evidence of marketability or assurance of an income stream. A qualified appraisal is required.

A completed IRS Form 8283 ("Non-Cash Charitable Contributions") must accompany gifts of royalties or distribution rights. Upon acceptance, the President and Chancellor will sign off on the form.

Insurance Policies and Proceeds
Donors may transfer ownership of a paid-up policy to the Foundation and take a tax deduction for the interpolated terminal reserve (typically, the cash surrender value). Donors may transfer ownership of premium-due policies to the Foundation and make income tax deductible contributions in the amount of the premiums. In either case, the Foundation shall be the owner and permanent beneficiary of the policy and retain the policy in its offices. Upon redemption, the value of the policy may contribute to an existing fund at the Foundation.

Contributions for premium-due policies must be made by direct payment to the Foundation at least ten days prior to the premium date. The Foundation cannot assume delinquent premium payments. If a policy is canceled, the cash value will be added to the Foundation's endowment fund in the donor's name for the charitable and educational needs of the Foundation.

The Foundation may accept paid-up policies of any value.

Donation of policies or annuities written for a year-end tax purpose must have a certifiable date from the insurance or an investment company to be a qualified donation for that tax year.

Retirement Assets
Account-type retirement plans, in which a balance accumulates as principal, may be gifted to the Foundation. These include but are not limited to Individual Retirement Accounts (IRA), 401(K), 403(B), and defined contribution plans. (Annuity plans, such as defined benefit plans, in which retirement benefits are paid out as income and principal and does not accumulate, generally cannot be used for charitable gifts.)

Methods for gifting retirement assets include:

- Naming the Foundation as a primary or contingent beneficiary for all or part of the assets upon death of the retirement participant owner or his/her successor beneficiary if applicable;
- Creating a testamentary charitable remainder trust with the assets upon the death of the participant owner, naming the Foundation as remainder beneficiary and non-charitable heirs as income beneficiaries.

Planned and Testamentary Gifts
The Foundation's planned and testamentary giving program encompasses all forms of gifts whose benefits do not fully accrue to the Foundation until some future time (such as the death of the donor or other income beneficiaries or the expiration of the predetermined period of time), or whose benefits to the Foundation are then followed by the interest of non-charitable beneficiaries.

Donors using planned and testamentary gift techniques may designate one of the Foundation's endowment funds or may be unrestricted. Will, trust, or other documents should specify the Foundation or District as the charitable recipient and name the fund to which the donor's gift will be added.

Testamentary Gifts
A specific devise or testamentary gift may be from a will or trust and may be specific or contingent in nature.

Representatives of the Foundation, including the Executive Director, are authorized to solicit direct testamentary charitable contributions through wills or trusts, as well as testamentary contributions to establish charitable remainder and lead trusts. Advice offered by representatives of the Foundation must be accompanied by a written recommendation that the prospect consult his/her own attorney and/or tax counsel.

A testamentary gift through a will or trust to the Foundation or District should include the following:

- the name of the West Hills Community College Foundation, a California nonprofit corporation or the West Hills Community College District located at 9900 Cody Street, Coalinga, CA 93210; and

- the name of the endowment fund to which the testamentary gift is made.

Charitable Remainder Trusts
Description: Unitrusts

The basic form of a Unitrust provides for payment to the donor and/or beneficiary for their lives or life or a term of years in accordance with IRS regulations of an amount equal to a set percentage of fair market value of the assets of the trust, valued annually. The percentage payout is determined at the time the trust is created, is stated in the trust, and is permanent. The payout rate must equal no less than 5% and be no more than 50% of the annual fair market value of the trust, and may be made

quarterly, semiannually or annually. If the annual income and/or realized capital gains do not equal the committed Unitrust percentage, principal is used to supplement the shortfall. If there is any excess income or appreciation in excess of the stipulated payment, it is added to the principal. Additional contributions may be made to Unitrusts. This is ideal for assets that produce income at least equal to the stated pay-out rate. The present value of the remainder interest must be equal to or greater than 10% of the original contribution to the trust.

A variation of the basic Unitrust, know as the Net Income with Make-Up Unitrust, may be used if the donor and the Foundation agree on its use. When the trust is created, it includes a provision, which defines the Unitrust's payments to be the lesser of the specified payout rate or the actual annual income generated from the investments in the Unitrust. In subsequent years, any income generated from the Unitrust in excess of the specified payout percentage is used to make up any deficit from previous years and is paid to the income beneficiary/donor prior to being added to the Unitrust corpus. The Unitrust can also be structured to be a Net Income Unitrust. In this case the payout is made from income only; principal is not accessed for income payout.

Another variation of the basic Unitrust is known at the Flip Unitrust. A Flip Unitrust starts as a Net Income Unitrust or a Net Income with Make-Up Unitrust. Upon the occurrence of certain specified events (e.g., a specific date, sale of real property, etc.) a Flip Unitrust "flips" to function as a basic Unitrust. A flip provision typically may be attractive to donors who intend to fund their Unitrust with assets that are not producing income, such as undeveloped real property.

A. Description: Annuity Trusts

The basic form of an Annuity Trust provides payment to the donor and/or beneficiary for their lives or life or for a term of years in accordance with IRS regulations. The percentage payout is fixed irrevocably at the time of the gift and stated in the trust agreement. The payout must equal at least 5% and be no more than 50% of the fair market value of the assets placed in the trust when it is created and may be made quarterly, semi-annually or annually. Income in excess of the annual payment is added to principal. If the income in any year is less than the annual payment, the difference is derived from realized capital gains or principal. Additions may not be made to Annuity Trusts.

The present value of the remainder interest must be equal to or greater than 10% of the original contribution to the trust.

B. Policy

1. Representatives of the Foundation, including the Executive Director, are authorized to solicit gifts in the form of Charitable Remainder Trusts (including but not limited to basic Unitrusts, Annuity Trusts, Net Income Unitrusts, Net Income with Make-Up Unitrusts and Flip Unitrusts) with annual payout rates in conformance with the IRS requirements.

2. Donors who elect to self-trustee must be informed of the administrative and tax-reporting responsibilities entailed by their trusteeship. The Foundation's representative may provide information on professionals providing administrative and tax reporting services.

3. Sample trust agreements provided by the Foundation to the donor shall be accompanied by a letter indicating that the sample does not constitute legal advice and strongly advising that the donor seek legal counsel prior to completing the trust.

4. The Foundation's Executive Committee shall ratify any agreements that name the Foundation as trustee.

Charitable Lead Trust
Description

Income earned from the assets within the Charitable Lead Trust is donated for a period of years, or for the remaining life of the donor or beneficiary. The remainder interest is either retained by the donor or given to a non-charitable beneficiary. A contribution of the income generated from the assets within the trust must be in the form of either an annuity or unitrust interest which percentage payout may be as little as 1% or as high as 100%. In contrast to a Charitable Remainder Trust, which is limited to a maximum term of years in accordance with IRS regulations, a Lead Trust does not have a limit for a term of years.

A. Policy

1. Representatives of the Foundation, including the Executive Director, are authorized to solicit gifts for Charitable Lead Trusts. The donor may select any annuity or fixed payout percentage.

2. Sample trust agreements provided by the Foundation to the donor shall be accompanied by a letter indicating that the sample is not a completed legal document and strongly advising that the donor seek legal counsel prior to completing the trust.

3. The Executive Committee of the Foundation shall ratify any agreements that name the Foundation as trustee.

4. Exceptions to the above must be approved by the Board and Chancellor prior to execution of the agreement.

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APPENDIX A
Gift Acceptance Checklist (Personal Property)

1. **Cash and Cash Equivalents**: Cash is acceptable in any form. Checks shall be made payable to the "West Hills Community College Foundation" or "WHCCF" and shall be delivered to the Foundation's administrative offices located at 9800 Cody Street, Coalinga, CA 93210. Cash equivalents include certificates of deposit or other assets readily converted to a stable, determinable cash value.

2. **Tangible Personal Property**: All other gifts of tangible personal property shall be examined in light of the following criteria:

    - Does the property fulfill the mission or vision of either the West Hills Community College District or the Foundation?_____
    - Description of object: _____
    - Location of object: _____
    - Will the property be sold on receipt? _____
    - Is the property marketable? If so, what is the likely market? _____
    - What are the costs of sale? _____
    - Has the donor obtained a qualified appraisal for the property in compliance with IRS requirements and supplied the Foundation with a copy of the appraisal if necessary? _____
    - Value according to appraisal, if available: _____
    - Are there any restrictions on the use, display, or sale of the property? _____
      If so, please state? _____
      _____
    - Are there any carrying costs or liability for the property? _____
    - Are there any costs for holding the item (insurance, safeguarding, transport, other)? _____
      _____

The final determination on the acceptance of tangible property gifts shall be made by the Foundation Board pursuant to the Foundation's Gift Acceptance Policy.

3. **Securities:** The Foundation may accept both publicly traded securities and closely held securities.

    a. Publicly Traded Securities: Marketable securities may be transferred to an account maintained at one or more financial institutions or delivered physically with the transferor's signature or stock power attached. As a general rule, all marketable securities shall be sold upon receipt. In some cases marketable securities may be restricted by applicable securities laws; in such instance the final determination on the acceptance of the

restricted securities shall be made according to the Foundation's Gift Acceptance Policy

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- What is the form of delivery: __ Electronic __ Physical.
- Estimated date of gift: _____
- If electronic, firm and contact: _____
- If physical, stock power? _____
- Any restrictions on sale? If so, describe: _____
- _____
- Value on date of gift: _____

b. Options and Other Rights in Securities: The Foundation may receive warrants, stock options, and stock appreciation rights only upon review and acceptance of the Foundation Board. In considering acceptance, the Board must consider the following issues:

- Is the Foundation required to advance funds upon exercise of the gift? _____If so, does the Foundation have the required funds? _____
- Is the Foundation at risk of loss of funds in accepting the gift? _____
- Are the rights restricted? _____ And if so, does the restriction affect the ability of the Foundation to dispose of the asset? _____Does the restriction materially impact the value of the gift to the Foundation? _____
- Will acceptance of the gift and/or exercise of the option trigger any tax consequences to the donor? _____

c. Closely Held Securities: Closely held securities, which include not only debt and equity positions in non-publicly traded companies but also interests in LLPs and LLCs or other ownership forms, can be accepted subject to the approval of the Foundation Board Interest in any closely held entity requires legal documentation (such as Partnership and Operating Agreements) setting forth the rights and legal obligations of the owner. The Foundation will not accept general partnership interests because of potential liability. However, gifts will be reviewed prior to acceptance using the following checklist:

- What type of entity is represented by the gift? (For example, C Corporation, S Corporation, LLC, LLP.) _____
- Will ownership create liability risk? _____
- Will the security generate unrelated business income to the Foundation? _____
- Will the gift trigger any negative tax consequences to the donor? _____ (If the donor is unsure, he should be advised to talk with his accountant.)
- Are there other consequences to the donor on disposition? _____
- Form of delivery: _____ Electronic _____ Physical
- Form of holding: ____ C Corporation ____ S Corporation

- ____LLC ____ LLP ____Ltd Partnership
- Are there costs to the Foundation on acceptance or sale? _____
- Donor's tax basis (value of gift): _____
- Copy of appraisal in file: _____
- Is the asset subject to a buy-sell agreement? _____
- Are there other restrictions on sale? _____
- Is the security marketable? _____ If so, describe the market for sale, and estimated time required for sale. _____
- Are there restrictions on the security that would prevent the Foundation from ultimately converting those assets to cash? _____
- Does the restriction materially impact the value of the gift to the Foundation? _____
- Describe the operation of the company. Does it create a legal or public relations liability for the Foundation? _____

d. Closely held corporation stock is generally acceptable on condition that the Foundation assumes no liability by accepting it, the corporation's buy-back policies are acceptable, there is an expectation to liquidate the stock in a reasonable timeframe, and that no monies will be dispersed from a fund until such time as the stock is liquidated.

e. The initial acceptance of a closely held stock requires Foundation Board approval. After a closely held stock has been "approved" for acceptance by the Board, future gifts of that same closely held stock are deemed to be acceptable so long as the conditions under which future gifts are made do not vary in substance.

f. If potential problems arise on initial review of the security, further review and recommendation by an outside professional may be sought before making a final decision on acceptance of the gift. It is generally the goal of the Foundation to sell non-marketable securities within a reasonable timeframe unless the income that is generated is sufficient to justify holding them.

APPENDIX B
Gift Acceptance Procedures (Real Property)

When a donor expresses the desire to donate a gift of real estate, the following guidelines will be followed:

(1) The Executive Director, the donor and a District representative should meet to visually evaluate the property and develop appropriate gift arrangements with the donor, subject to proper approval. The approval process includes consulting with the Board and the District.

(2) The attached Checklist for Real Estate Gifts (APPENDIX C) needs to be filled out by Executive Director and the procedure followed as provided therein.

(3) The donor will be required to provide a written independent appraisal of the fair market value of the real property prepared by a qualified appraiser (MAI, FHA or equivalent) in accordance with IRS guidelines and, regardless of the use of the real property, a written disclosure statement in the form provided in California Civil Code sec. 1102.6 (or successor statute), together with any and all documents and information as the Foundation Board or District may require.

(4) A financial analysis must be performed prior to acceptance to determine whether the gift makes a financially sound investment for the Foundation especially if commercial or income property is involved. The Board and District will evaluate the value of the property in relation to the costs of holding the property and the likely proceeds from selling it.

(5) Depending on the complexity (e.g. location, use of improvements, title) and value of the property being donated, the Executive Director should discuss an appropriate fee/gift arrangement with the donor to help cover the overhead costs of accepting the gift. These costs may include but are not necessarily limited to property inspections, environmental assessment, market analysis, sales commissions, title work, closing costs, legal fees, property taxes, insurance and the cost of holding the property for eventual resale.

(6) The Board and District will also evaluate any potential problems associated with co-ownership if less than the full interest in a property is being donated.

Considerations for Accepting Real Estate Gifts

(1) The Foundation will take into account the depreciation of real estate in considering gift proposals. If the donor has taken accelerated depreciation in excess of straight-line prior to making the gift, the donor will be responsible for making any recapture payments to the IRS.

(2) The Foundation will consider encumbered property for acceptance only if the evaluation convincingly demonstrates that the property can be sold at a price that substantially exceeds the aggregate amount of the encumbrances and any costs associated with satisfying them.

(3) The Foundation must weigh carefully whether or not it has the desire and ability to manage the property for whatever length of time is necessary to consummate the sale. If the property produces income, the Foundation must consider the amount of income it receives against the ongoing cost of the encumbrances.

(4) The Foundation will not pay for appraisals, finder's fees, or the drafting of legal documents without approval of the Board.

Disposition of Property

Generally, the Foundation will sell property as quickly as possible after the gift is completed, unless it is determined that it is in the best interests of the Foundation and/or District to retain title, possession and

control of the subject property.

Additionally,

(1) The Foundation should consider its investment objectives before selling.

(2) The Foundation should avoid selling property at a distressed price. A quick distress sale may jeopardize the donor's charitable contribution deduction and might negatively impact the market values in the area.

(3) The Foundation may transfer title and interest in real property to the District for any value deemed reasonable by the Foundation Board and the District.

Environmental/Pollution Concerns

In all cases involving real property, the President and the Chancellor may determine that an Environmental Assessment be prepared for the property. The Executive Director and the Chancellor shall determine whether the Assessment shall be prepared to ASTM Standard E 1527-00 (Phase I Environmental Site Assessment) or ASTM Standard E 1528-00 (Transaction Screen Process), or the appropriate successor to those standards.

The determination of the President and the Chancellor whether to require an Environmental Assessment and if so, which type of Assessment shall be prepared and shall be in writing. The President and the Chancellor shall state the reasons why a particular determination is made. The decision of the President and Chancellor may be reviewed and changed by District's governing board.

Any Environmental Site Assessment prepared shall be reviewed and approved by the Board and the District's governing board prior to final acceptance of the gift by the Foundation.

The Foundation will generally not accept gifts of real property that are contaminated by hazardous materials at the time of the gift or have been so contaminated at any time in the past. However, in the unusual event that the Foundation does elect to accept gifts of such property, a written agreement shall be made with the donor acknowledging the facts and circumstances concerning the hazardous materials, allocating responsibility for any damage or cost caused or incurred as a result of such hazardous materials and any other matters deemed appropriate by the Foundation under the circumstances of the proposed gift.

Gifts Related to Real Estate

The Foundation may accept promissory notes secured by trust deeds or mortgages as gifts. In most cases, a qualified appraisal will determine the value, taking into account the unpaid principal balance, the interest rate payable under the loan, and the current interest rates.

Gifts of Real Estate with Retained Life Tenancy

Consideration of a life tenancy gift requires the Foundation staff to follow the stated guidelines for acceptance of real property. The donor pays for the appraisal and all transfer fees and costs. The gift value and anticipated value of property at the end of the life tenancy will be calculated by the Foundation when the gift is made.

There should be reasonable expectation that the property can be sold within one year after the donor is deceased or donor's relinquishment of the property.

In accepting gifts of real estate with retained life tenancy, the Foundation will also take into consideration the potential use of the property during the life tenancy to avoid acceptance of a property that may become a liability in future years.

APPENDIX C
Gift Acceptance Checklist (Real Property)

General Information

Donor's Name: _____

Address: _____

Phone Number: (home) _____ (business) _____

(Email) _____

Location of Property:_____

Type of Property: _____

Owners of Record: _____

Ownership: (circle one) 1) Sole Individual 2) Joint Individuals
3) Community Property 4) Business Entity (indicate type)_____

Does the ownership include mineral rights, water rights, any restrictive easements, covenants or rights of way, etc.? _____

Legal description (from owner's documents): _____
_____
_____

Any impending litigation with regard to the property? _____

Valuation and date of most recent appraisal: _____

Annual property taxes: _____

Fees (associated fees, sewer, water, or other operating costs): _____

Are there any liens, encumbrances, mortgages, etc.? _____
_____
_____

Status of this year's taxes and holding costs (include delinquent fees): _____

Donor's basis/cost of property and length of time owned: _____

Estimated time required to sell the asset: _____

Zoning uses (residential, commercial, etc.): _____

Has the property been the subject of any regulatory designations (such as wetland or other easement)? If so, list type of designation and regulatory agency: _____

_____

Proposed delivery date of deed: _____

Date of physical inspection of property: _____

Documents to Obtain

Title Report: Date Received

Donor to supply. _____

Appraisal:
Must be ordered, paid for and submitted
Prior to date of change of ownership _____

Deed:
Shows how title is vested and is used to prepare the title transfer. _____

Property tax bill:
Shows assessed value of land, improvements,
actual tax and any assessments. _____

Income/Expense Pro Forma for three-year period:
If commercial income-producing property. _____

Association agreement:
Ownership rights and responsibilities of some properties, primarily residential or condominiums, are governed by an owner's association. The agreement should include fees or assessments and conditions of sale together with a statement showing the condition of any reserve fund for deferred maintenance. _____

Covenants, Conditions, and Restrictions:
Covenants, conditions and restrictions are required of most subdivisions. A copy of these will show how the property may be used and what restrictions may apply. _____

Lease or rental agreements:
If the property is leased or rented to others, a copy of each rental agreement should be obtained showing the terms of the agreement, term of rental, deposits, etc. _____

Notes and trust deeds or mortgages:
If the property is encumbered by a note, mortgage, or other debt, copies of the promissory note, mortgage, or other relevant documents should be obtained showing the terms of the encumbrance. _____

Current mortgage statement:
Will show the current status of a loan and will be helpful in identifying and discussing the loan with the lender and considering the value to the charity.. _____

Insurance policy:
Will verify cost of insurance and provide information for the Hartnell College Foundation to transfer insurance, if desired, after gift is made.

Plot Map/Property line:
This indicates location of property and is an important step in acquiring much of the information for gift analysis. _____

Inspection Report:
Where inspections reports are available from previous activity related to the property, such as inspection reports or structural assessment reports by an engineer. _____

Fund Agreement:
Outline of donor's charitable intent. _____

Donor/Donee Transfer Agreement:
Must use Foundation approved agreement form (if appropriate, depending on type of gift). The agreement should be drafted with legal counsel's help to meet the needs of each gift. _____

Approved by the WHCC Foundation Board of Directors
March 17, 2010

Reviewed November 13, 2013 with no changes
Reviewed: February 18, 2015 with no changes
Reviewed: May 11, 2016 with no changes
Reviewed: May 10, 2017 with no changes