

GIFTS AND CONTRIBUTIONS - BP 7.2

Legal Authority: NCGS 115D-20

Approval: April 19, 2011

Revision:

Gifts and Contributions

Policy

The Board encourages donations that contribute to the ability of the College to complete its mission. It is the Policy of the Board that the College receive the benefits of donations and gifts made to the Public Radio East Foundation or the Craven Community College Foundation (collectively, the “Foundations”). All gifts and donations, whether made to the College or the Foundations, must be of a nature that is suitable to the College's mission and goals, and the College may refuse acceptance of monetary donations or gifts of real or personal property when the President or Board determines that acceptance is not in the best interest of the College.

Donations of Money

Any donations of money to the College or the Foundations that are accompanied by special restrictions or conditional uses must be reviewed and approved by the President. The President may direct that the donation be accepted or declined. Also, the President may request that the Board decide the appropriateness of the donation.

Gifts of Personal Property

All proposals to donate personal property to the College or the Foundations shall be directed to President, who shall review the appropriateness of the donation. Examples of gifts that may not be appropriate include: equipment, cars, boats, aircraft, supplies, and gifts that are given with unusual restrictions or that may violate College policies. With the concurrence of the board of directors of the Foundation to which the gift is proposed, the President may direct that the gift be accepted or declined, or the President may request that the Board decide the appropriateness of the gift.

Gifts of Real Property

Gifts of real property can be valuable assets for furthering the mission of the College. Real property includes, without limitation, improved or unimproved land, personal residences, farmland, commercial property, rental property and mineral interests. In general, the College and Foundations shall utilize or dispose of all gifts of real property

as efficiently and expeditiously as possible. However, gifts of real property can create financial, legal and logistical obligations for the College, particularly if the gift is provided with the expectation or condition that the College must retain the gift for extended periods, for specific purposes, or in a specific condition. No gift of real property to the College shall be accepted without approval by the Board or, if the gift is to one of the Foundations, the gift shall not be accepted without the approval of the Foundation's Board of Directors and concurrence by the Board.

1. Gifts of real property must benefit the College in at least one of the following ways:
 - (a) Programmatic purpose: Gifts of real property may be accepted to advance the programs of the College (for example, teaching, research, and outreach) either as the location for specific programs or as long-term sources of income to support programs.
 - (b) Real property to be sold: Gifts of real property may be accepted for immediate sale or short-term retention in anticipation of sale for purposes of providing funds to support other College objectives.
 - (c) Other institutional purposes: Gifts of real property may be accepted if the gifts are determined to be valuable assets to the College for other appropriate purposes.
2. The following procedure shall be followed for determining whether real property should be accepted by the College:
 - (a) Proposal: Any proposal for the acceptance of a gift of real property must be in writing. The proposal should contain:
 - i. A description of the specific benefit to the College that supports acceptance of the gift.
 - ii. A plan for the real property's maintenance, including the source of funds for maintaining the property.
 - iii. If the real property is to be sold immediately or as soon as possible after receipt, the proposal should also include:
 1. A description of the source of funds to cover expenses incurred while holding the property until it is sold.
 2. A description of the anticipated proceeds to be realized from the sale and the proposed use of such proceeds.
 - (b) Conditions Affecting Acceptance
 - i. If the property is to be used by the College, it shall be in good physical condition. If it is not in compliance with applicable building, health, and safety codes, or requires repairs or improvements, a source of funds for the cost of bringing the property into compliance must be identified prior to acceptance.
 - ii. Prior to acceptance of the real property, the College shall take such steps as are reasonably necessary to ascertain whether or not there are any

- environmental or similar risks associated with the property, such as the presence of hazardous substances on or under the property and, if so, to determine the potential liability arising from those risks. The College may require that a Phase One environmental inspection be made at the donor's expense by a reputable, licensed environmental engineer or firm competent to advise the donor and the Foundation whether further inspections and investigations are required.
- iii. The College or either Foundation may not accept property that would jeopardize their tax-exempt status, or expose the College to expenses for which no source of funds has been identified.
 - iv. No gift of real property may be accepted until all mortgages, deeds of trust, liens and other encumbrances have been discharged.
 - v. Prior to formal acceptance, the College or Foundation as applicable shall obtain the following:
 - a. Preliminary title report covering the subject property (the title report shall reflect that title is vested in the donor in the form represented, and is subject to no claims, liabilities, or major defects of title);
 - b. A current valid appraisal performed by a qualified appraiser. The donor may be asked to pay the costs associated with obtaining any necessary final appraisal.
 - c. A list of improvements to the property;
 - d. A current list of leases, if any;
 - e. A list of encumbrances, liens, pending assessments and current expenses, if any;
 - f. A commitment for title insurance; and
 - g. A physical inspection of the property by an employee, agent of, or consultant to the College.
- (c) **Review and Recommendation:** The President shall consider all facts and circumstances pertinent to whether the College or a Foundation should accept a proposed gift of real property. The President shall recommend to the Board and, if applicable, to the Foundation's board of directors, whether the gift of real property should be accepted. No gift of real property to the College shall be accepted without approval by the Board or, if the gift is to one of the Foundations, the gift shall not be accepted without the approval of the Foundation's board of directors and concurrence by the Board.
- (d) **Accounting Systems and Procedures:** The College and the Foundations shall establish appropriate accounting systems and procedures to track and document all monetary donations and gifts of real or personal property.

Tax Information

The College and Foundations shall provide a donor with a written confirmation of acceptance, but the College shall not appraise or estimate the value of donated personal or real property. The College and Foundations shall not provide any donor with tax advice or suggestions and guarantees regarding the tax treatment of a particular donation.

Reports to the Board

A summary report of any acceptance of gifts of personal and real property shall be submitted to the Board at its next regular meeting following acceptance.

Implementing Guidelines

The President is authorized to establish College procedures necessary for the successful implementation of this Policy.

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