



Policies on Private Fund-Raising

Private gifts and grants are essential to achieving the vision, mission, and goals of the Bluegrass Community and Technical College (BCTC). Recognizing the important need to create and sustain an environment that encourages the financial investment of individuals, corporations, foundations, trusts, and associations, Bluegrass Community and Technical College, in compliance with the KCTCS Board of Regents' established policies on fundraising, hereby establishes the following policies to guide the continued advancement and effectiveness of a college-wide, comprehensive private-sector resource development program:

QUALIFIED TAX STATUS OF KCTCS

Bluegrass Community and Technical College is an institution of the Kentucky Community and Technical College System, which is organized under Internal Revenue Code, Section 170 (b)(1)(A)(ii) as an instrumentality of the Commonwealth of Kentucky and is qualified to receive tax-deductible gifts.

DEFINITION OF GIFT

The Internal Revenue Service defines a charitable contribution as "a donation or gift to or for the use of a qualified organization. It is voluntary and is made without getting or expecting to get anything of equal value. The contributions must be made to a qualified organization and not set aside for use by a specific person." BCTC shall consider the term "grant," when used in a philanthropic context or when referring to a contribution from a non-governmental source, to be synonymous with the term "gift".

AUTHORITY TO ACCEPT GIFTS AND GRANTS

In accordance with KRS 164.350, the Bluegrass Community and Technical College is authorized to receive grants of money and expend the same for the use and benefit of the college.

Furthermore, in accordance with KRS 164.595, the College shall encourage and may accept donations of land or funds or both to be used in the acquisition, construction, or operation of the college. The College may also commemorate donations, in accordance with KCTCS policy, from private persons or corporations with suitable memorials. In accordance with KRS 164A.595, the college may acquire real or personal property by gift and improve such property whenever in the judgment of the college it shall be necessary.

While BCTC will accept gifts made directly to the College, donors will be requested to make gifts to the Bluegrass Community and Technical College Foundation, Inc. as the recognized fund-raising arm of BCTC, unless there are unique circumstances that make a direct gift to BCTC necessary or more appropriate.

DELEGATION OF AUTHORITY

BCTC President.

The BCTC President or his designee, the college advancement/development officer, in accordance with KCTCS established policy, shall accept proposed private pledges, gifts, and grants on behalf of BCTC and any or all of its parts. The receipt of a private pledge, gift, or grant by an employee of BCTC, other than the President or the President's designee, does not constitute formal acceptance and is conditional, pending Presidential and/or his designee's acceptance.

Chief Development Officer.

The Bluegrass Community and Technical College Chief Development Officer is officially designated by the BCTC President to accept private pledges, gifts, and grants to BCTC and any or all of its parts, and shall serve as the Executive Director of the BCTC Foundation, Inc. The BCTC Office of Development shall establish guidelines and implement institutional policies and procedures for the proper and effective method of

solicitation, acceptance, recording, reporting, and acknowledging of private pledges, gifts, and grants by BCTC, that are consistent with KCTCS policies and procedures.

RECOGNIZED INDEPENDENT FOUNDATIONS

Bluegrass Community and Technical College has established an independent foundation, Bluegrass Community and Technical College Foundation, Inc. Independent foundations, which have been recognized by KCTCS in accordance with the Board of Regents Policy on the Recognition of Independent Foundations adopted June 18, 1999, may solicit and accept private pledges, gifts, and grants on behalf of the institutions with which they are associated.

Recognized independent foundations shall develop policies and procedures for the proper solicitation, acceptance, recording, reporting, and acknowledging of private pledges, gifts, and grants. These policies and procedures shall be consistent with KCTCS policies and procedures.

COORDINATION OF PRIVATE FUNDRAISING

The BCTC Office of Development shall be responsible for initiating and implementing college-wide coordination of all private fundraising activities in support of Bluegrass Community and Technical College and/or any or all of its parts. This responsibility includes its recognized independent foundation.

SOLICITATION OF MAJOR GIFTS

The solicitation of gifts of \$10,000 or more shall be carefully coordinated between the KCTCS Office of Institutional Advancement, the BCTC Office of Development, and the BCTC recognized foundation to maximize the potential gifts from prospective contributors and to avoid the possible duplication of major gift requests from various parts of KCTCS at the same time.

In cases where BCTC intends to solicit a major gift from the same prospective donor as another part of KCTCS within the same time period, the BCTC Office of Development shall work with KCTCS and any other institution to resolve the timing and methods of solicitation in order to maximize the potential gift. The BCTC Office of Development shall coordinate a list of certain individuals, organizations, corporations, and foundations that are deemed to have such a special relationship to the Bluegrass Community and Technical College that they are not to be solicited without the approval of the BCTC President and/or Chief Development Officer.

PRIVATE FUNDS REQUIRED FOR STATE AND FEDERAL GRANTS

The Chief Development Officer and the Director of Grants will assess the fund-raising potential for private funds required as matching dollars for any state or federal grants prior to the submission of grant applications that would place such an obligation on the College.

CRITERIA FOR ACCEPTANCE OF GIFTS

In accordance with established KCTCS policy, gifts shall be accepted that are deemed beneficial to BCTC. In evaluating the appropriateness of proposed gifts, the following criteria will be considered:

- How the gift will assist BCTC in meeting its vision, mission, and goals.
- The costs involved in the acceptance or use of the gift and the budgetary impact of such costs upon the institution.
- Conditions attendant to the acceptance of the gift and all ramifications of such conditions upon the programs of BCTC, its public image, and its philosophical bases.
- Any real or implied obligations derived from the acceptance of a gift and possible conflicts of interest that may result.

FORMS OF GIFTS

BCTC shall seek and accept gifts of outright cash, appreciated securities, and life insurance; personal and/or real property; testimonial gifts by will; and certain forms of planned gifts and charitable trusts.

CONTRIBUTIONS OF PROPERTY (Gifts-In-Kind)

Contributions of property, generally known as gifts-in-kind, may be accepted by BCTC and shall be subject to the same criteria for the acceptance of gifts as defined above. Documentation on all proposed contributions of property shall be forwarded to the BCTC Office of Development for review by appropriate BCTC officials prior to acceptance. In cases of computer or technology related gifts, the Office of the Vice President for Information Technology shall also review and approve the proposed gift(s) prior to acceptance.

BCTC will not furnish property appraisals or valuations of property to donors for tax purposes or knowingly participate in a transaction in which the value of a gift is inflated above its fair market

value to obtain a tax advantage for the donor. The valuation of gifts-in-kind shall be the fair market value, as stated in writing by the donor for gifts of \$5,000 or less or as stated by a qualified third-party appraiser for gifts of more than \$5,000. “Fair market value” is defined by the Internal Revenue Service (IRS) as “the price at which property would change hands between a willing buyer and a willing seller, neither having to buy or sell, and both having reasonable knowledge of all the relevant facts.”

RESTRICTED GIFTS

In compliance with established KCTCS policy, all gifts accepted by BCTC and/or any or all of its parts must be used in accordance with restrictions specified by the donor. Donors may restrict their gift(s), whether for immediate use or for endowment, in support of a specific program(s) or purpose(s) in keeping with the mission of BCTC. Restricted gifts made to BCTC shall be deposited into college gift accounts established by KCTCS for the use and benefit of Bluegrass Community & Technical College for the designated purpose(s) defined by the donor. When the Bluegrass Community & Technical College Foundation is recognized by KCTCS, restricted gifts made to the Foundation shall be retained by the Foundation to be used for the purposes defined by the donor. In cases where the fulfillment of the donor’s intent dictates, the Foundation may be requested to transfer the restricted funds to the College to meet the requirements imposed by the donor.

UNRESTRICTED GIFTS

In accordance with established KCTCS policy, donors may make unrestricted gift(s) to BCTC and/or all of its parts through the BCTC Office for Development, whether for immediate use or for endowment. Unrestricted gifts to BCTC shall be used for the college’s purposes at the discretion of the BCTC President, within established KCTCS guidelines. Unrestricted gifts made to the BCTC’s recognized foundation shall be used in accordance with policies and procedures established by the foundation’s board of directors.

ENDOWMENTS

Bluegrass Community & Technical College Office of Development will accept funds from donors who desire to establish an endowment, meaning the fund corpus shall be invested and only the income distributions therefore used for expenditures to achieve the endowment’s

designated purpose. An endowment agreement between the donor, the president/director of the beneficiary institution, and the President of KCTCS shall be prepared for each new endowment fund established through the Office of Development and the KCTCS Treasurer. All endowment funds contributed to Bluegrass Community & Technical College and any or all of its parts shall be invested and managed by KCTCS in accordance with the KCTCS Statement of Investment Policies, Objectives, and Guidelines. Income distributions will be deposited into restricted gift accounts for expenditures by BCTC as stated in the endowment agreement with the donor. The KCTCS Treasurer and Office of Institutional Advancement shall provide annual reports to BCTC for the purpose of reporting to endowment donors on the investment performance of their respective endowment account(s).

DOCUMENTATION

In accordance with IRS guidelines, all gifts shall be accompanied by the appropriate and required documentation to determine the exact amount and form(s) of the gift, the intent of the donor, the restrictions, if any, imposed on the use(s) of the gift, and the names and addresses of those persons or entities to whom the gift(s) shall be credited for tax purposes.

Processing and Recording

Information related to prospective donors, pledges, gifts, and grants to Bluegrass Community & Technical College and any or all of its parts, shall be processed and recorded on PeopleSoft Advancement in a manner prescribed by the KCTCS Office of Institutional Advancement. Information and transactions related to prospective donors, pledges, and gifts to recognized independent foundations shall be processed in a manner determined by the foundation. The information and transactions of recognized independent foundations shall be recorded on PeopleSoft Advancement by BCTC's Office of Development with which it is associated for the purpose of coordination and reporting only.

Reporting

In accordance with established KCTCS policy, the BCTC Office of Development is designated as the central development office of BCTC and shall prepare and issue all official reports on private giving on behalf of Bluegrass Community & Technical College. All gifts received by BCTC, and all of its parts, including the recognized

independent foundation (Bluegrass Community & Technical College Foundation, Inc.), shall be reported in accordance with guidelines and standards of the Council for the Advancement and Support of Education (CASE), the Council for Aid to Education (CAE), the Government Accounting Standards Board (GASB), the Financial Accounting Standards Board (FASB), and the National Association of College and University Business Officers (NACUBO).

Gift Receipting and Acknowledgement

All gifts to BCTC and any or all of its parts, including recognized foundations, shall be receipted and acknowledged in accordance with requirements of the Internal Revenue Service. Quid pro quo contributions that entitle the donor to receive merchandise, goods, or services, will only be receipted for the amount that exceeds the fair market value of the benefit(s) received.

The BCTC President shall determine at what levels to send a written expression of appreciation for gifts and pledges to BCTC and any or all of its parts, including recognized independent foundations. The BCTC Development Office shall prepare and provide receipts to donors for gifts to their respective institutions. The BCTC Development Office shall also determine at what gift levels various forms of acknowledgment shall be provided to donors to express appreciation for their private support.

Donor Recognition

The Bluegrass Community & Technical College Office of Development shall develop and recommend to the BCTC President for approval various forms of recognition that are commensurate with the level of private support being received by the College and any or all of its parts, including recognized foundations. In naming buildings and facilities, BCTC will follow the KCTCS Policy for Naming Buildings and Facilities.

DONOR RIGHTS

BCTC, in accordance with established KCTCS policy, ascribes to the Donor Bill of Rights (attached hereto) and shall make every effort to be aware of and sensitive to the prospective

donor's financial needs and concerns. All BCTC representatives involved in the solicitation process shall use their best judgment in aiding donors to make appropriate gifts. Neither BCTC nor any of its parts should knowingly accept a gift that is contrary to the donor's best interests.

BCTC will treat donor transactions and all charitable gift instruments as private and confidential to the extent permitted by law. However, a donor may authorize the public announcement of any feature of an agreement. All files will be made available to agents of the Internal Revenue Service. All other requests for information will be honored only if the donor approves the release of information or if current law requires the release of the information.

ETHICS

The private fund-raising activities of BCTC shall be consistent with the ethical code and standards of professional practice as expressed by the Association of Fundraising Professionals (AFP), the Council for Advancement and Support of Education (CASE), and the National Association of College and University Business Officers (NACUBO).