

DOCUMENT RESUME

ED 365 369

JC 940 021

AUTHOR Anderson, James M., Comp.; Snyder, Tom, Comp.
 TITLE The Community College Foundation Manual & Guide.
 INSTITUTION Network of California Community Coll. Foundations,
 Rancho Cucamonga, CA.
 PUB DATE [93]
 NOTE 609p.
 PUB TYPE Collected Works - General (020) -- Guides -
 Non-Classroom Use (055)

EDRS PRICE MF03/PC25 Plus Postage.
 DESCRIPTORS Budgets; Community Colleges; Costs; Donors;
 Educational Finance; *Foundation Programs; Full State
 Funding; *Fund Raising; Governing Boards;
 *Institutional Administration; Institutional
 Advancement; Organizational Objectives; Organizations
 (Groups); *Philanthropic Foundations; *Policy
 Formation; *Private Financial Support; Program
 Development; School Funds; Two Year Colleges

ABSTRACT

This collection of resources and information about community college foundations includes brief articles, selected data, materials from foundations, sample mission statements and articles of incorporation, sample forms and correspondence, relevant educational legislation, and other related materials from specific active foundations at two-year colleges in California. Information is provided on the following areas: (1) the mission and history of community college foundations; (2) guidelines for developing a case statement; (3) the legal process of establishing a non-profit corporation; (4) organizational considerations specific to California; (5) the development, role, and organization of a board of directors, including sample checklists and profile grids for prospective board members; (6) the selection of personnel for the foundation, including an executive director and other officers; (7) the development of foundation policy and procedures, providing detailed sample investment materials from active foundations; (8) the day-to-day operations of the foundation, reviewing gift procedures, donor recognition, and record keeping; (9) Internal Revenue Service (IRS) regulations and tax deductibility, providing sample IRS forms; (10) the development of the fundraising plan, reviewing annual giving, direct mail campaigns, phone-a-thons, capital campaigns, planned and deferred giving, and governing received properties; (11) cultivating major gifts of \$10,000 or more; (12) undertaking special events; and (13) corporate and business fundraising. (PAA)

 * Reproductions supplied by EDRS are the best that can be made *
 * from the original document. *



ED 365 369

NETWORK OF
CALIFORNIA
COMMUNITY COLLEGE
FOUNDATIONS

"PERMISSION TO REPRODUCE THIS
MATERIAL HAS BEEN GRANTED BY

J.M. Anderson

TO THE EDUCATIONAL RESOURCES
INFORMATION CENTER (ERIC)."

The Community College Foundation Manual & Guide

Compiled and prepared
by

James M. Anderson, Ph.D.
&
Tom Snyder

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION
CENTER (ERIC)

This document has been reproduced as
received from the person or organization
originating it.

Minor changes have been made to improve
reproduction quality.

• Points of view or opinions stated in this docu-
ment do not necessarily represent official
OERI position or policy.

JC 940 021

BEST COPY AVAILABLE

Mission and History

The mission of a community college foundation is to generate funds and friends for the institution.

Community colleges are the last segment of higher education to organize active fundraising efforts. Historically, except to request scholarships, community colleges have declined to ask for private support. Many citizens view community colleges not as part of higher education but as a division of the K-12 system. Community college leaders reasoned that with the mandated state and local taxes placed on the citizens, only a small amount of additional funding could be raised. In California the legislature attached community colleges to both the K-12 *and* the higher education system. This action further blurred the mission of today's community colleges in the public thinking.

Initially, two-year institutions provided students with an economic method to complete the first half of a four-year degree. This earned these schools the label "junior colleges." Today, states mandate that these same two-year institutions serve the higher education and lifelong learning needs of citizens in their service areas, including those with baccalaureate and advanced degrees. Nationally, community college students range in age from 17 to 72, and have a median age of just under 30.

With the community college mission enlarged to serve adults of all ages and educational backgrounds, the public now views these colleges as change agents for their communities. They provide not only courses for the first two years of a college transfer program, but classes for those who have dropped out of high school. In addition, community colleges extend training programs for the unemployed, those on welfare, and immigrants with limited English skills. At the other end of the spectrum, community colleges offer training to baccalaureate-degree-holders who must upgrade their job skills, which helps their companies to compete in the global market. Industry leaders frequently testify that community colleges provide their respective states with the best tools for rapid economic development. Many community colleges now offer both cultural programs and classes to meet the avocational needs of a citizenry which is living longer.

Community college foundations exist to meet one or more of these needs:

1. Generate additional funding for the college and/or give it more financial flexibility
2. "Friendraise"
3. Provide community leaders with opportunities to participate in college activities
4. Enhance the image of the college and increase its prestige and visibility

Successful foundations:

- 1. Establish positive public relations with the community**
- 2. Provide opportunities for community involvement with the college**
- 3. Involve community leaders and potential donors as board members**
- 4. Create a series of ongoing college projects**
- 5. Furnish revenues over and above state allocations**
- 6. Provide student financial aid via scholarships and grants**
- 7. Continually initiate new proposals and programs**
- 8. Conduct or sponsor beneficial projects and activities for which state funds cannot legally be used, i.e., purchasing food for a scholarship reception.**

CALIFORNIA COMMUNITY COLLEGE FOUNDATIONS
by **DR. W. E. PILAND** and **MS. N. L. LOWDEN**
SAN DIEGO STATE UNIVERSITY
FEBRUARY, 1992

California's community colleges are in a unique position in that they are primarily funded by the state, and therefore subject to the sometimes unstable budgetary climate imposed by the governance structure. But being traditionally innovative, California's community colleges have chosen a more direct, albeit if sometimes rocky path to garnering funding in order to continue and expand their programs and facilities — the foundation. While the concept of a foundation is certainly not a new one to academic institutions, the community college foundation did not come into its own until the mid-1970's, according to Holingsworth (1983). College administrators saw the importance of alternative fund-raising and resource development to help them achieve their missions and goals through community involvement. In 1986, Nusz conducted research to develop guidelines for the establishment and operation of a California community college non-profit foundation. Prior to that time, Kopecek (1983) stated he saw the not-for-profit, tax-exempt foundation as a means for community colleges to increase flexibility of services, build strong ties with community leaders, and permit supporters to show their appreciation. Other research has focused on the "how-to's" of fund-raising.

Fifty foundation directors who are members of the California Community College Foundations Association were surveyed to determine how the foundation raised monies, to what use these monies were put, what obstacles they faced in fund-raising, and other pertinent information about their history and structure. Forty-eight, or 96% responded to the one page survey. Questions were designed for simple, one-word answers, or in multiple choice form, with additional space left for comments.

Results from the surveys were as varied as the community colleges themselves. Substantial disparities were found in amounts of money raised and length of the foundation's existence, with no clear-cut pattern emerging. Other significant data indicated strongly that the foundation's emphasis is on raising immediate cash (78%), as opposed to planned-giving programs such as real estate and stock. Twenty percent placed equal emphasis on both cash and planned-giving. Seventy-three percent of the foundations have paid staff. Of the 35 community colleges with paid staff, 97% have an average of 1.1 paid professionals, while 88% have clerical support. As stated earlier, the greatest disparity came in the amount of money the foundation raised in the 1990-91 fiscal year. While the mean was \$458,303, the low ranged from zero dollars to a high of \$4 million, with the median falling at \$180,000. Of the 46 community colleges that responded to the question, 12 raised under \$50,000, four raised over \$50,000 but less than \$100,000, 18 raised over \$100,000 but under \$500,000, and twelve raised over \$500,000. Six foundations raised over \$1 million. The community college foundations primarily solicit from four groups. Local business and professional leaders were cited most frequently, followed closely by local businesses, college employees and the community at large. In descending order, the other groups solicited for donations are alumni, other foundations, current students, and celebrities. Service clubs and retirees of the district were also cited as sources for solicitation. The majority of foundations

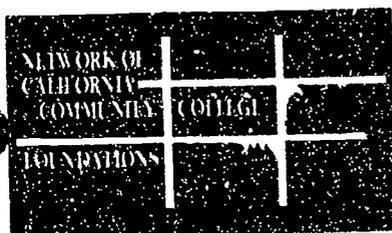
TURN OVER

raised funds successfully through personal solicitation, followed by special events such as dinners, sporting events, auctions and festivals, and direct-mail solicitation. Only 21 of the foundations worked in cooperative programs with business, and only five solicited over the telephone. Grant writing, planned giving, and bequests were other ways in which the foundation raises funds.

The most successful fund-raising technique was cited as personal solicitation (56%). Next was special events, which garnered 32%, followed by cooperative programs with business and direct mail solicitation. The largest percent of foundations (96%) expended monies they raised on student scholarships. Following scholarships, monies were also expended on instructional equipment, facilities, operating expenses, special seminars or educational programs, the library, and guest lecturers. Additionally, foundations expended most of the money raised on student scholarships, with 61 percent of respondents selecting this option. In discussing the difficulties the foundation has in raising monies, the number one problem cited was lack of a comprehensive fund-raising program (48%), followed closely by the public's reluctance to donate money to an institution that receives tax funds (44%) and lack of fund-raising experience and expertise (42%). Lack of paid professional staff (40%), competition (38%), and the community college's image (27%) followed closely behind.

Five variables were selected to compare the responses of foundation directors to determine significant differences, at the .05 level. The chi square statistic was selected to analyze the variables of college size, college location, years the foundation has been in existence, paid staff, and amount of funds raised. Interestingly, there were no significant differences based on size and location of college. The variable which produced the largest number of significant differences (7) was paid staff. The variables of amount of funds raised and years the foundation has been in existence each produced two statistically significant differences.

California community college foundations vary from unsophisticated, poorly organized and staffed operations raising inconsequential amounts of money to competently staffed operations with a focused and motivated solicitation program raising large amounts of money for the colleges. A major key for success seems to be a paid staff, consisting of professionals with clerical support. Paid staff seem to provide fund raising experience and expertise leading to the development of a comprehensive fund raising program using a variety of methods geared to a number of different potential contributing groups. The active involvement of the college president with the foundation is very prevalent, also. Some recommendations for improving foundations are: 1) The hiring of paid professional and clerical staff is a must for foundations to grow and prosper. 2) Paid staff is not enough to guarantee success. A comprehensive, visionary fund raising program must be developed and pursued by staff. 3) The fund raising program must contain a long-range component of planned giving. 4) College presidents, trustees, other administrators, faculty and student leaders must actively support and become involved with foundation efforts.



FOUNDATION DEVELOPMENT

Abstracts

YOUR MESSAGE IS AS CLEAR AS YOUR MISSION STATEMENT

Pat Rasmussen and James M. Anderson

A persistent, clear message of the mission of the community colleges will be necessary to overcome the current misperceptions about them, according to Mark Grossman of the marketing firm Gross, Burson, and Marsteller.

The firm recently completed an audit of selected community colleges and composed an action plan to improve the image of the 107 California community colleges.

The image report will not only assist the colleges in enhancing their public image but will have additional implications for resource development officers. As foundation mission statements are developed, they should reflect a symbiotic relationship between the mission of the college and that of its foundation. The harmony of both statements will bring about greater fund-raising potential and will help raise the image of our community colleges.

The result of the image study, released by the Community College Foundation, yield no surprises to those who have worked in the system. The public still perceives the community college as a provider of a second-rate education. Many are misinformed about the services our colleges can provide.

Public Awareness of College Missions is Low

The general public is not aware of the mission of the community colleges in the state or the multiplicity of benefits they bring to our communities. They are even less aware of our foundations and are often reluctant to give funds to help our tax-assisted colleges.

One way to improve our image is to make certain our message is clear, focused, and repeated often. As our colleges plan their futures, the plan should be apparent in a mission statement, and the entire college community—faculty, staff, foundation, must understand the plan and be willing to support it collectively.

Resource development officers will find it increasingly difficult to raise money for institutions that do not have a clear vision of the future. Donors are more apt to give to foundations that support progressive colleges that have a plan to serve the needs of its constituency.

Equally important for successful fund raising will be a mission statement for our foundations that projects the image of the college and its needs for the future. As long-range plans are developed for our colleges, development officers should make a conscientious effort to merge the college's mission with that of the foundation so that the two organizations work in harmony.

Often foundation volunteers can do a great deal to help clear the misperceptions of the role of the community college. Generally, foundation directors are educated business and community leaders who have the respect of the general public. Immersing them in the mission of the college and the foundation will help them to understand the college and its needs and to visualize the positive role the college will play in the community.

If your foundation does not have a mission statement, there's no time like the present to write one. It should be a clear, concise set of messages tailored to the audience. The statement should create a strong impact on the identity of your organization and the mission of the college.

Donors are making an investment in your institution and as investors they want to know what the organization has done, what it plans to do in the future, and what benefits their investment of time and money will bring.

The mission statement must carry with it a vision for the future, and it should be synchronized with the mission of the college. It must inspire and challenge the donors to play a role in making the future vision happen.

The Case statement is the plan behind the organization—a reiteration of the method by which funds will be solicited and used to better the people the institution serves.

Mission Statement Tips

As you set about to write your mission statement, here are some tips to consider:

- Don't use history as an opener, and leave out as much history as possible. The story of the institution is NOT its setting point. Focus instead on how the foundation programs will benefit donors as well as clients.
- Don't focus on the perpetuation of your institution in your mission statement. People give to people, not to institutions. Emphasize the opportunities your institution provides, not the resources it needs. How will the world look if you do or do not accomplish this project? As Henry Ford once said, "The highest use of capital is not to make more money but to make money do more for the betterment of life."
- Don't make promises you can't realistically keep. The statement and your fund-raising plans must include specific objectives for the use of the money you raise. State why your institution is a wise investment.

- Don't write by committee. Using clear, brief, logical arguments, convince, move, enthuse, and excite donors to believe in and support your mission. And re-evaluate your mission statement yearly. A progressive organization is not likely to be static. As projects, programs, and priorities change, the mission statement should also change to reflect the new direction of your organization.

Examples of a Clear Mission Statement

To create a successful foundation you need a plan, and the plan needs a vision which coincides with your college's long-range plan. These two elements need to be written down in a mission statement that inspires people to give to your institution. It is the medium for your foundation's message.

An excellent example of how a clear mission and vision statement can lead into a forceful foundation position is illustrated in Chaffey College's materials below:

Chaffey College Vision

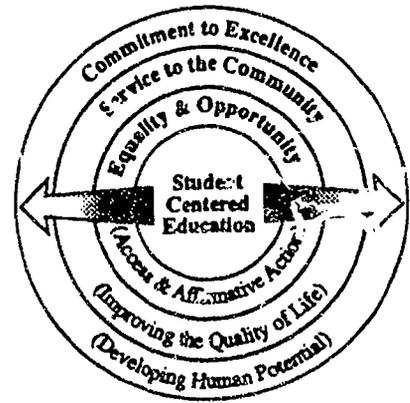
We share a vision of student-centered, educational excellence and responsiveness to community needs that is manifest in quality teaching and student services, access to opportunity, and community involvement.

Chaffey College Mission and Commitment

1. Our mission is to provide comprehensive, student-centered community college education.
2. We are committed to developing equality by providing equal access to opportunity for our students, our faculty and staff, and the District we serve.
3. We also affirm our commitment to provide service to the community and to enhance the quality of life within the college district.
4. We are committed to excellence.

However succinct the above statements may be, they are illustrated even more forcefully by the following graph.

The College Mission



The graphic demonstrates that student-centered education is the core of the college and that everything else flows out of this focal point. Student programs are totally encompassed in an environment of equality and opportunity. Everything that the college attempts is wrapped in a commitment to excellence.

Foundation and College Missions Closely Linked

In a context of a clear vision and mission by the college, the foundation's mission then become very clear.

Chaffey College Foundation Mission

The mission of the Chaffey College Foundation is to provide the margin of support for the activities and programs of Chaffey Community College necessary to maintain an ongoing commitment to excellence in student - centered education and community service.

The above statements are not the end of the mission process, but rather the beginning of an intensive mission continuum. The continuum process eventually provides direction for college goal setting and the development of management performance objectives each year. A separate one-page document for each of the four mission areas is prepared that lists the specific purposes that relate to that aspect of the mission, the programs necessary to manifest that purpose, the strategies necessary to implement the programs, and finally the outcomes by which the programs and strategies can be measured. The mission and values statements are reaffirmed periodically and the continuum sheets are updated annually through a collegial process involving all levels of the campus and the foundation board of directors.

Pat Rasmussen is director of development at Citrus College and is past president of the Network of California Community College Foundations. James M. Anderson, Ph.D., is vice president for planning and development at Chaffey College.

Foundation Development Abstracts is published by the Network of California Community College Foundations. For further information or additional copies, please contact Jim Anderson at Chaffey College, 5885 Haven Ave., Rancho Cucamonga, CA 91701-3002, or call 714/941-2112.



SIERRA COLLEGE FOUNDATION

An Investment in the Future . . .

WHAT IS THE MISSION OF THE FOUNDATION?

The Mission of the Sierra College Foundation is to give members of our community the opportunity to assist and invest in the development of quality educational opportunities for all. In concert with the Sierra College District and the community it serves, the Sierra College Foundation will commit itself to work towards educational excellence.

WHAT IS MY RESPONSIBILITY AS A BOARD MEMBER?

1. Regular attendance at board meetings is the first responsibility of a board member.
 - * Asking discerning questions, constructively participating in deliberations, and voting according to your convictions.
 - * Assuming leadership of board groups and events as requested.
2. Assume a major (leadership) responsibility on at least one committee and a supportive role on another.
 - * Working in an area where your skill and background would be of value to the committee - assisting in more detailed study of the committee's commission of work.
3. Assist in getting donations and/or personally donating according to your own means to the financing of the organization and the projects it supports.
4. Willingness and ability to act as interpreter of the college and the foundation at public events and/or within your own networks and by attending foundation events and selected college functions.
5. With other members of the board and with staff, make sure that the budget, policies, procedures, and program efforts are consistent with the objectives of the organization.

The "Case Statement"

What is it? A case statement is a prospectus for investors, or in this case, donors. A good case statement alone rarely generates a donation. Because *people give to people*, a case statement serves as an excellent resource document for staff and volunteers to use when speaking with potential donors. Therefore, the first consideration when preparing a prospectus is its use by foundation volunteers when appealing to potential donors. All terms and references, including abbreviations and acronyms, should be clear and its charts and graphs self-explanatory.

Effective case statements emphasize future goals and activities. They reflect a businesslike and rational tone and subtly appeal to the fears and concerns of a broad range of potential donors. The document lays out a positive means for addressing the specific institutional needs of its students and staff. Prospective projects and their timetables should be cited. To introduce emotion into case statements, quote students, previous donors, and community/regional leaders. Use photographs of students and faculty who will be served, along with those of campaign volunteers. Display renderings of buildings to be constructed. Use photo essays of successful campaign achievements and include letters from corporations and individuals who made the goals a reality. Well done case statements should establish your institution's viability and credibility.

The real goal of a case statement is to communicate the institutional vision so powerfully that your volunteers will be motivated to ask their friends and associates to contribute to your institution's campaign.

A case statement must answer these questions:

1. What is the business of the institution?
2. What aspects of the institution *distinguish* it from all similar institutions?
3. What are the lasting benefits of a donor's contribution?

In case statements for capital or major gift campaigns, additional questions should be:

1. Who will be asked to give?
2. Who are the leaders of the campaign?
3. What is the campaign timeline and goals?

An institution's capital campaign case statement must stress a sense of POSITIVE urgency. It should NEVER make a potential donor feel that your institution's doors will close forever without his or her investment. *No one will invest in a losing cause.* An institution's case statement is its major resource development document. It is the basis for all other appeals and campaign statements. A well-written case statement will

create a sense of ownership of the problem(s) *and* the solution(s) within both volunteers and potential donors.

Guidelines for Writing a Case Statement

The case statement is your basic resource document. It should contain the information you will need to write all other fundraising materials, direct mail brochures, and public relations information. This document states your institution's needs and how you specifically plan to meet those needs. Every individual involved in implementing the selected strategies should endorse and adopt the case statement.

Mission: State the purpose of your institution succinctly.

History: Provide a brief institutional history which highlights major accomplishments, particularly those which demonstrate the institution's capabilities in the areas of need cited in the case statement.

Needs: Support your need statement with evidence. Use demographics reflecting both present and future trends, and quote authoritative sources.

Goals: Cite specific outcomes to meet the documented needs. Goals should be measurable qualitatively and quantitatively.

Strategies: State your plans and methods for meeting the needs and accomplishing the specific goals. A well-thought-out, practical solution should be presented in sequential detail. Include staff and facility needs, with budgets required to implement the strategies.

Fundraising: Assign costs to specific programs or to "categories of giving." Indicate what each donation level can purchase in terms of benefits to students.

Closer: End with an appeal to the heart.

**Invest
in
the
vision**

A NEW FOUNDATION



LIVING UP TO THE PROMISE

ACCESS TO THE PROMISE will primarily help students from diverse backgrounds to become better integrated and more productive.

SENIORS SERVING SOCIETY will encourage the growing number of active retirees to participate in the solutions of community problems and to be personally involved.

A BETTER TOMORROW will assist adults facing radical life changes such as divorce, widowhood, technological displacement or physical handicap through an accident.

INTERNATIONAL VISTAS will foster increased understanding of languages, cultures and business practices of other countries, and promote world trade.

THE COMPETITIVE EDGE will add new instructional programs and facilities to train and update employment skills.

COMMUNITY NETWORKING will heighten interaction among all segments of the eleven northwest Orange County communities served by the college.

To honor those who contribute gifts of cash, appreciated securities or matching gifts, Coastline's WALL OF RECOGNITION serves as a visible testimony to the generosity and involvement of our supporters. We look forward to adding your name to those who appreciate the hunger for learning.

Categories include:

Benefactors: Willed or other planned gifts.

President's Club: \$1,000 Annually or \$10,000 lifetime.

Innovator's Club: \$500 to \$999 annually of \$5,000 lifetime.

Coastliners: \$250 to \$499 annually.

Centurions: \$100 to \$249 annually.

Sustainers: \$50 to \$99 annually.

*Coastline Community College Foundation contributions are tax deductible under 501-C3 of the Internal Revenue Service Code.

LIVING UP TO THE PROMISE



A NEW DECADE OF GROWTH. Coastline Community College is proud of its record during the past decade. It has lived up to its mission to serve the area's adults through innovative, accessible and affordable programs of higher education. But now our students have expanding aspirations which cannot be met by regular funds. And so, the new

Coastline Community College Foundation (CCCF) has been formed to meet these needs. You can be a partner in bringing new educational programs of quality to area residents by contributing to CCCF.

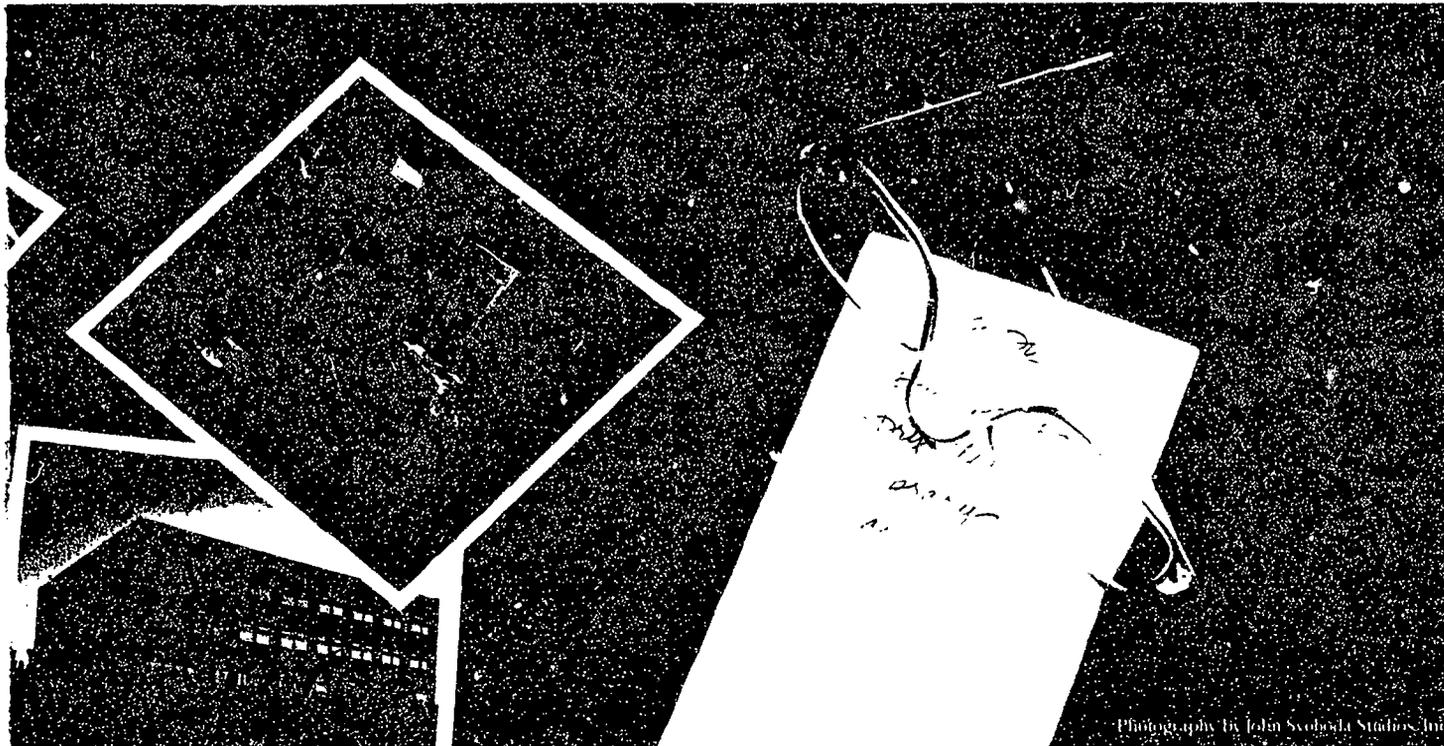
Since 1976, Coastline has offered skill-enhancing, mind-satisfying and soul-rewarding programs which have benefited both individuals and

the community in which the students work, live and grow.

Coastline has won recognition and loyalty from diverse segments of the northwest Orange County community and elsewhere for its broad range of general education courses and its valuable contributions in the areas of career training, basic skills, older adult training, international business

training and rehabilitation. Additional benefits have been gained from the emphasis on professional instruction. Telecourses, developed because of the emphasis on off-hours scheduling to increase accessibility, have reached extraordinary levels. Nearly 1,000,000 people in the United States each day view telecourses produced at Coastline College

BEST COPY AVAILABLE



Photography by John Scoboda Studios, Inc.

over public television stations. The emphasis on community networking has also yielded prestige beyond expectations with the enormous importance of the annual Conference for Women.

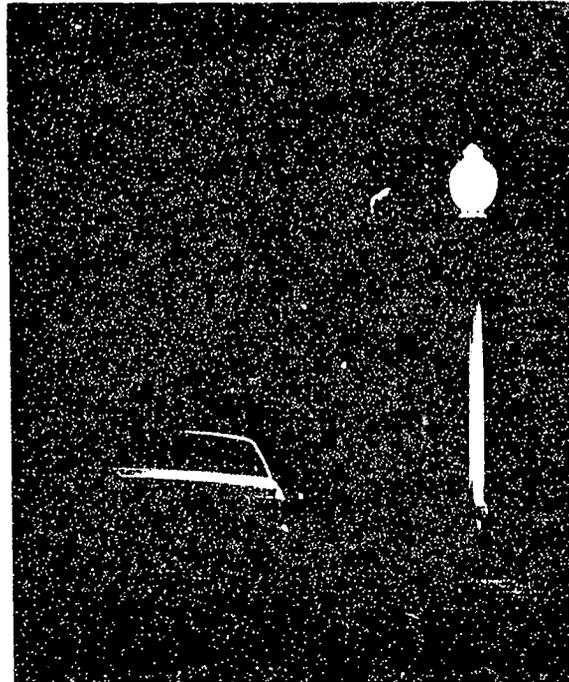
Loyalty, recognition and a healthy dose

of commitment have nourished past growth, and the citizens of our dynamic community are looking ahead to a future bright with opportunities. A community-wide survey has revealed the breadth of these opportunities.

For instance, Coastline has already served nearly 50,000 seniors through its Emeritus Program. The college

inaugurated the nation's first Ombudsman Program through which seniors have been trained in the art of negotiating for improved health care for our aging citizens. The survey further revealed that many more active retirees are eager to participate in the community and would like to receive additional training to assist adult literacy programs, to work as

teaching aides and with "latch-key" kids. Six "people-oriented" programs have been identified by the college from information gathered from the community, but additional funds must be raised in order to develop these new educational opportunities. Your help is needed to activate the program areas listed on the back of this brochure.



"At age 40 I found myself divorced and living on the street in my car. Finally, when I had not eaten in four days..."

BEST COPY AVAILABLE

16

P R O F I L E S

14.

Near the end of "Gone with the Wind," Scarlett O'Hara is seen standing, filthy, in a war-torn part of Tara. She is holding a sweet potato and vowing, "I'll never go hungry again."

That was a movie, but I've experienced it in real life. My name is Carolyn Brenner.

I took an achievement test in the fifth grade and scored the highest in my state. My grandparents were told I was very gifted and that I needed to have special education. But they just laughed and said, "If she were a boy, we could understand, but she's just going to grow up, fall in love and get married."

I heard it. I believed it, and that's exactly what happened. So at age 16 I met my knight in shining armor. We had five children.

Then, at age 40, I found myself divorced and living on the street in my car. I went from feast to famine overnight. No one would hire me. I could not even get a job washing dishes. I had washed dishes all my life. Nobody cared that I made great chocolate chip cookies, cleaned bathrooms or did car pooling. They wanted job skills I did not have.

I was terrified. Finally, when I had not eaten in four days, I prayed. I said, "I know there is such a thing as scholarships. If I can only figure out how to do it." So I took a deep breath and walked into

Scottsdale Community College.

I went to a counselor and said, "Look, I don't know how this works, but I can do anything if somebody will just help me. I promise you if somebody will help me, I will help other people."

I got into college. Eighty percent of my tuition was paid through student assistance. Books, too. My books were \$250 one semester. That's a lot of money when you've been living on \$2,600 a year.

I earned an Associate in Applied Science degree in general business management. I have a micro computer accounting certificate of proficiency. With a 3.7 grade point average I became a member of the National Honor Society. I found employment and received promotions — thanks to people such as you.

If you have given one dollar or encouraged someone to give a dollar for student scholarships, I thank you from the bottom of my heart, and I pray that God will bless you.

There are a lot of people like me out there. I hope you will continue to help them. I will.



Carolyn Brenner
*Programmer Analyst for Information
Management Unit
Arizona Department of Education*



Carolyn Brenner's story is a dramatic and compelling profile from a program that is working — a program that has been responsible for the funding of more than 4,000 scholarships over the past six years as well as the development of other financial support for the teaching-learning process at the Maricopa Community Colleges.

It was for the hundreds upon hundreds of students such as Carolyn that the Maricopa Colleges' Development Program was formed in 1977. The program's prime objective is to supplement the financial needs of the community colleges in areas where public support is not adequate. The program was founded with the generous donations of individuals, community minded corporations, small businesses, employees, alumni and friends. Their continued support has made it possible for the program to prosper and grow.

But each year the need for scholarships and other forms of financial assistance grows. Each year the program's challenge is greater. And, unfortunately, each year capable students as well as dedicated faculty dream dreams that cannot be, simply because of the lack of money.

A few such as Carolyn escape their economic trap. Many more see their dreams fade and die. On the following pages is a brief explanation of the process of giving and several profiles of those such as Carolyn who sought help and found it, thanks to the support of concerned volunteers and donors.

The Maricopa Community Colleges offer more than 6,000 credit courses: close to 2,000 academic courses and more than 4,000 occupational courses. At least 10 percent of the County's adult population attends within an academic year. A special Maricopa Community Colleges "Quantum Quality" commission insists that, while the customer (student) base is huge, the emphasis remains on quality. First and foremost, Maricopa is a teaching institution with more than 900 full-time faculty and some 2,500 part-time instructors, experts selected from the community as specialists in their respective fields.

BEST COPY AVAILABLE



Aaron Messner was student body president at a Valley high school and had graduated magna cum laude and in the top two percent of his class. He was captain of the varsity basketball team, played varsity baseball and was a member of the National Honor Society. He was sought after by top colleges throughout the country and was ultimately accepted by a number of those institutions with scholarships that, unfortunately, fell short of the full tuition and other required costs.

With inadequate scholarship funds, it appeared that Aaron would be forced to abandon his hopes for a college education. Then, just when his future seemed the bleakest, Aaron discovered the Classics Program at Phoenix College. With family encouragement, he enrolled. He continued to demonstrate his scholastic ability, maintained a 3.8 GPA, took leadership roles and his acceptance at a major university now appears sure. Aaron plans to teach at the college level. Support from a number of individuals for this and other programs has made the first two years of college a reality for many students such as Aaron.

Bessie Pewamo wanted to give up. A divorce had left her alone to raise two children. She was forced to depend on public assistance. Bessie remembers the bad times: "Most of the time I just wanted to give up. I was so miserable. I felt I couldn't accomplish a thing." Then her social worker introduced her to the POWER (Parents On Welfare Experiencing Renewal) program at GateWay Community College. After an orientation and introductory program, she started working for her Clerical Support Certificate. "With my tuition and books paid for, all I needed to do was be there."

Today Bessie feels differently about life and her family's future. She has the skills, the motivation and the heart to move into the work world. Support from community leadership firms such as Bank One made it possible for Bessie to complete her education.

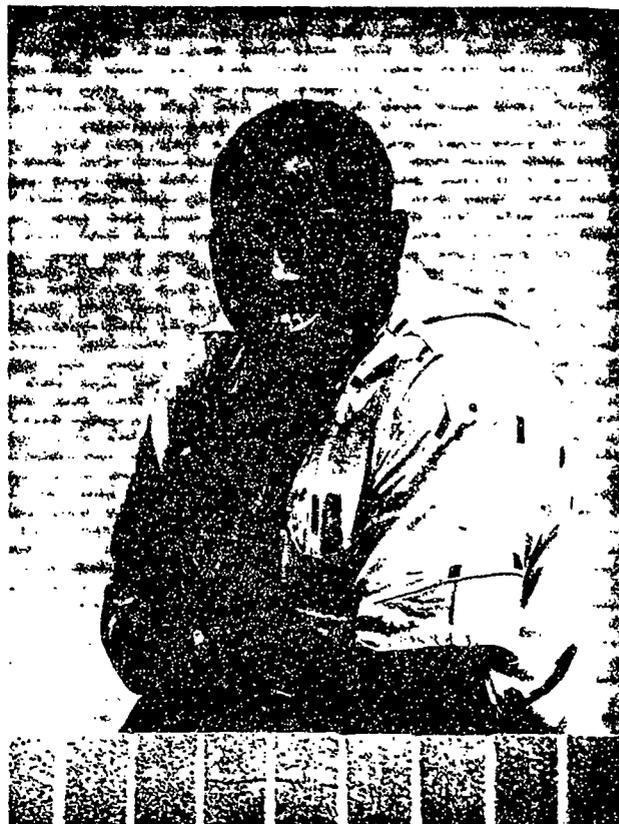


BEST COPY AVAILABLE

Dusty Curry is an articulate, highly motivated, successful student at Phoenix College, well on his way to a career in medicine or government. But things were not always so great for Dusty. Self-supporting since he was 14, he dropped out of high school in his junior year and joined a street gang. During that time eight of his close friends died violent deaths. Dusty watched a 15-year-old friend die from a crack heart attack. Then, vowing "to fight for my community with words rather than guns," Dusty discovered the Genesis program at the Maricopa Community Colleges.

Today he is a member of the Phoenix Mayor's committee on juvenile violence. At Phoenix College, he has received the equivalent of a high school diploma and will soon be the first of the seven children in his family to earn a college degree. And while he studies, he works as a recruiter for the college, inspiring other youth to join him in renewing their lives.

The Genesis program has been supported by a number of contributors including major gifts from such firms as US West, Bank America, Charter Title Agency, the Arizona Community Foundation, the Phoenix Newspapers and the ARCO Foundation. Philanthropic support changed Dusty's life.



The hopes and dreams of students such as Carolyn, Dusty, Aaron, Bessie and thousands more are meaningless if there isn't staff present, ready to respond with inspired teaching and quality education. Alberto Sanchez is Dean of Educational Services at Glendale Community College and, in a strong sense, symbolizes the level of quality at the Maricopa Community Colleges. Alberto received his Ph.D. at Stanford University and his Master's Degree at the University of Oxford in England. He has received a National Research Fellowship Award, a National Science Foundation Grant, a graduate fellowship from the Ford Foundation, the General George C. Marshall Scholarship, a Fulbright Fellowship and was named Arizona State University's "Scholar of the Year." Alberto supervises Glendale Community College's Literary Center which is supported by Chase Bank and individual contributors. The Center has served more than 5,000 people in the past several years, reducing illiteracy in Maricopa County by 5 percent in just two years, a remarkable achievement. Again, generous support from the private sector has made a very real difference in our community.

Why does a public, tax-supported school need private financial assistance?

Despite modest tuition and low fees, many Maricopa Community College students must depend on financial aid to remain in school, and many have needs which cannot be met with tax dollars. Approximately one-half of the students work full-time in addition to the time they spend at school. Yet, there still is a need for additional support for tuition and books. With limited funds and an increasing demand for post-secondary education, we are able to meet less than one-half of the financial needs of our students.

The total role of financial assistance also extends beyond student aid and covers a number of instruction-related activities which the Colleges can neither afford nor accommodate with budgeted funds such as learning materials, computers, specialized equipment for teaching and opportunities for the professional development of faculty.

Who gives to the Maricopa Community Colleges?

Community philanthropists, individuals, large corporations, small businesses, alumni and friends are among our contributors, including many members of the Maricopa Community Colleges' faculty and staff. Over the past four years, faculty and staff contributions alone have reached \$780,000.

Contributions come from those who understand education's vital role and from those who believe America's future and even its economic survival depend on an educated work force. Contributors with limited means are as welcome as those more financially secure.

What is the Maricopa Community Colleges Foundation?

The Maricopa Foundation is a private, non-profit 501 (c) (3) tax-exempt organization. Its mission is to supplement the financial needs of the Maricopa Community Colleges. The Foundation is designated to receive gifts on behalf of the Colleges from individuals, corporations and foundations. Policy decisions relating to the management of funds and property which have been acquired are made by a volunteer board of directors according to the wishes of the donors. Board members who are asked to serve have a wide range of business skills and, without exception, are distinguished members of the community. Their diversity and talents are utilized in such Foundation efforts as the Investment Committee, the Fund Raising Committee and the Gift Allocations Committee.

Contributions are managed by the Foundation's Executive Director, working with the Board which consists of up to 40 members including the Chancellor of the Maricopa Community Colleges and two members of the District's Governing Board as ex-officio members.



Foundation Past Presidents

Donald K. Chambers (1982-83), President and CEO, Chambers-Mayflower Company. **Donald E. Ruff** (1992), Senior Vice President, Bank One; **Ralph W. Elsner** (1986), Retired Vice President and Deputy to the President, Motorola; **Paul M. Pair** (1985), Retired Senior Education Consultant, Control Data Corporation; **Robert R. Evans** (1990), Managing Partner, The Evans Management Company;



John V. Berry (1989), Attorney, Beus, Gilbert & Morrill; **Marianne Fannin** (1988), Chemical Dependency Counselor, Salvation Army Rehabilitation Center and Past Chairman of the Board, Republic National Bank; **Richard P. Tillack** (1987), Retired Senior Vice President, Northern Trust Company of Arizona.

Not pictured: **Dennis E. Mitchem** (1991), Arthur Anderson and Company.

What makes the Maricopa Community Colleges unique and why is giving to them so worthwhile?

The Maricopa Community Colleges are responding to a community-wide need as is no other educational facility in the state. In fact, student enrollment among the ten colleges is growing faster than the county's population rate. Four out of every ten county residents have attended one of the colleges. Today, the Maricopa Community College District is the second largest and the fastest growing community college district in the nation with almost 200,000 students.

Approximately 45 percent of Maricopa County's high school graduates enter one of the Maricopa Community Colleges within one year of their graduation. Fifty-one percent of Arizona State University's upper division enrollment are transfers from the Maricopa Community Colleges. And 40 percent of the University's total undergraduates are former MCCD students.

The Maricopa Community Colleges provide excellent educational opportunities at a per-student cost lower than any college in Arizona and a tuition rate far lower than the national average. And the Colleges train and educate more local company employees than any other educational institution in Arizona. In the last six years, employee training programs have been developed for more

than 150,000 employees representing more than 700 employers from business, industry and government.

Finally, recent studies predict more than one-half of all future new jobs will require an education beyond high school and that 75 percent of the current U.S. work force will need significant retraining in the next ten years. Obviously, an affordable post-secondary education such as that offered at MCCD is vital to our community, our state and our nation.

How does an individual or organization make a contribution?

Gifts can be made in a number of ways — cash, securities, real estate, paid-up life insurance, insurance benefits, art objects and collections or through trusts, wills and bequests. A gift can be made outright or in a multi-year pledge.

In some cases such as wills, trusts and life insurance, consultation with your attorney is recommended. And to determine the tax consequences and benefits of your gift, the services of a tax consultant are advised. The Foundation is a qualified (501)(c)(3) nonprofit organization in accordance with federal regulations.

Please remember, no gift is too small. Some donors choose to fund special programs or projects. Others provide for a memorial or tribute to a loved one through scholarship funds. Please write or call us for complete information.



Maricopa Community Colleges Development Office

P.O. Box 13349
Phoenix, Arizona 85002-3349
Phone (602) 731-8400

Board of Directors Maricopa Colleges Foundation

Officers 1991-92

President, Dennis Mitchem
1st Vice-President, Donald E. Ruff
2nd Vice-President, LeRoy Gaintner
Secretary, Napoleon Hombuckle
Treasurer, George Leonard
Immediate Past President, Robert R. Evans

Directors

Elden Barmore, Rio Salado Bank
Barbara McConnell Barrett
Gerry L. Bedore
John V. Berry, Beus, Gilbert, Wake and Morrill
William P. Brown, Retired, McDonnell Douglas Helicopter Co.
Dr. Donald R. Campbell*
George Campbell
Don K. Chambers
Dan Cracchiolo
Pam Del Duca, Delstar Group
O. Mark DeMichele, Arizona Public Service
John Driggs
Dr. John Eckstein, Mayo Clinic
Paul A. Elsner, Maricopa Community Colleges*
Ralph W. Elsner, Retired, Motorola GEG
Marianne Fannin
Steve Forister
David R. Frazer, Frazer, Ryan & Goldberg
Barbara Hitchcock*
Rose Marie Lopez, Arizona Department of Education
Jerry Mayer, Deloitte & Touche
Hamilton E. McRae III, Republic Companies
James E. Miller, Retired, Arco Corporation
Paul M. Pair, Control Data Corporation
Edwin Petrazzolo, Digital Equipment Corporation
Lincoln Ragsdale, Universal Memorial Center
Donald Reck, IBM
J.L. Refsnes, Rauscher-Pierce-Refsnes, Inc.
Steve Robson, Sun Lakes Marketing
William Schrader, Salt River Project
Susan Schwartz, Channel 3
James P. Simmons, Retired, Valley National Bank
G.M. Sollenberger, Sollenberger-Sechler Realty Investment Co.
Dr. Warren Stewart, First Institutional Baptist Church
Richard P. Tillack, Retired, Northern Trust
Ted Valdez, Valdez Transfer Company

*Ex Officio

Executive Director
Rea B. Drennen

24



The Colleges

Estrella Mountain Community College Center
Chandler-Gilbert Community College Center
GateWay Community College
Glendale Community College
Mesa Community College
Paradise Valley Community College
Phoenix College
Rio Salado Community College
Scottsdale Community College
South Mountain Community College

Your gift, in whatever amount, for whatever
purpose — restricted or unrestricted — is truly
a Legacy for Learning

2411 West 14th Street
Tempe, Arizona 85281-6941
602/731-8400



MARICOPA
COLLEGES
FOUNDATION

25



The Foundation is a private, nonprofit Arizona corporation, established in 1977 to supplement the financial needs of the Maricopa Community Colleges.

A volunteer board of directors assists in the acquisition and management of funds and/or property derived from bequests, corporate contributions, foundation grants, endowments, memorials and annual individual giving. These funds provide for needs not met by public funds and tuition revenue.

Why does a public, tax-supported school need private support?

Our students have needs which cannot be met with tax dollars and tuition. Many of our students must depend on financial aid to remain in school, despite modest tuition and fees. In addition, public funds cannot provide resources required to meet the demands for adult education brought on by rapid social and technological change.

Who gives to the Foundation?

Those who value education. Contributors with modest means are just as welcome as those who are financially secure. Individuals, corporations, small businesses, alumni, friends and supporters are among our contributors.

How are such gifts used?

Funds provide for scholarships, staff/faculty development, endowments, acquisition of learning aids, technical equipment, and support of special educational programs. Unrestricted contributions are especially helpful because they may be applied to several programs. This means the Foundation can fund programs with the greatest needs or respond to unexpected opportunities.

What amount is required to make a gift?

No gift is too small! All contributions are welcomed from individuals, corporations and foundations. A complete list of gift opportunities and college needs are available from the Foundation office. Some donors choose to fund special programs or projects while others provide for a memorial or tribute to a loved one through scholarship funds.

How much money is needed by the Foundation to meet its objectives?

The Scholarship Program calls for \$1,150,000 over the next five years.

The Endowment Program calls for \$2.25 million in ultimate endowment to sustain the capacity to generate quality into the future. This income will support programs primarily in the areas of student scholarships and faculty development and renewal.

Who is responsible for the management and allocation of gifts?

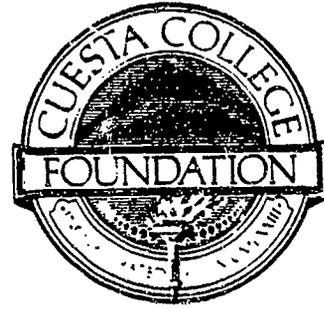
The executive director, working with a volunteer board, acquires and manages funds and/or property.

Policy decisions governing expenditures or allocations are made by the board of directors, on behalf of the Foundation.

The board consists of up to 40 members, including the Chancellor of the Maricopa Community College District, and two members of the governing board, who serve as ex officio members.

How may I make a gift?

Donations are received in several different ways. A simple, easy way is to contact the Foundation office to find out about gift opportunities. Then select the way you wish your gift to be used, and mail your check to the Foundation. Givers may also designate securities, real estate, paid-up life insurance or insurance benefits, trusts, wills, bequests, art objects and collections. These are all important sources of Foundation support. For those interested in deferred gifts, such as wills, trusts and life insurance, consultation with an attorney is recommended. To determine the tax consequences and benefits of your gift, the services of a tax consultant are advised. The Foundation is a qualified 501(c)(3) organization in accordance with federal regulations.



BEST COPY AVAILABLE

**Meeting Today's
Challenges
And Planning
For The Future:
The Case For
Cuesta College**



promise to achieve the
community's vision ...

"I entered Cuesta College as a 42-year-old returning student. To my surprise, I discovered a number of other middle-aged people were students also. The caliber of instructors was impressive; moreover, they understood why I was there. I was inspired to continue on and with pride was awarded a B.S. and an M.P.A. as my grown children cheered wildly. Cuesta has remained important in my life: as a member of the staff, as a regular at the library, as a teacher and student of short courses, Senior's Day and the Writers' Conference, as an appreciative participant of the fine and performing arts."



Mary Moses
Class of 1978
Director of Personnel
San Luis Obispo County
Office of Education

The year was 1964.

The magic number was 463.

Cuesta College was little more than a vision. There was no campus. Class offerings were sparse. But the promise of educational excellence was enough to attract 463 students for evening classes held in San Luis Obispo and Atascadero high schools that first fall semester. It would be another year before a full-time schedule of day and evening classes was established in the temporary, refurbished barracks and mess halls of Camp San Luis Obispo. Five more years would pass before work on a permanent campus would begin.

Today, the concept of a community college has been achieved. The enrollment is in excess of 8,200 full-time and part-time students, and the College has broadened its horizons and its vision for the future. Today's leaders take pride in the

knowledge that the College has made a difference in the lives of close to a half-million individuals: half in college credit classes, and half in continuing education, contract education and community service programs. The campus is readily identified as a place where people of all ages and from all



BEST COPY AVAILABLE

25.

walks of life find programs and activities to meet their needs . . . to realize their dreams.

Cuesta College's primary mission is two-fold: first, to provide lower division transfer curricula in the arts and sciences; and second, to provide occupational/technical



education for students seeking specific career skills. Residents of San Luis Obispo County have invariably turned to Cuesta College to acquire the training and education needed to maintain licensing and professional advancement. The campus is an extraordinary community resource which provides cultural, public service and civic benefits. Impressive opportunities in performance and visual arts, community recreation, lifelong learning programs, and health and wellness programs are examples of the College's contribution to the quality of life on the Central Coast.

As the county's fifth largest employer, the College makes a substantial contribution to the local economy as well. Cuesta College often serves as a catalyst for community planning to address community concerns, and more than 1,000 local residents return the favor every year by volunteering services as diverse as working in the library, helping with registration or providing career mentoring for students.

"I was a returning student after a ten year absence from college, who was accepted into Cuesta's excellent nursing program. The attitude and support of the



instructors enabled me to develop the self discipline and study habits necessary to meet the rigorous academic requirements of the program."

*Jon DeMorales
Class of 1972
Executive Director,
Atascadero State Hospital*

**uilding on our vision, what
you can do . . .**

The vision of Cuesta College has been defined over the last three decades largely through public funding, but the innovation, experimentation and special attention associated with quality education continue to exact a heavy price. Through private gift support, you can help the College fulfill its mission to benefit all San Luis Obispo County citizens.

One of the most important ways you can help Cuesta College is by making a general purpose contribution for use where the needs are greatest. General support allows the College the flexibility to implement new programs in a timely manner. Private gift support helps the College guard against state funding cutbacks. Unrestricted gift support permits the College to maintain essential campus and community service programs that cannot be funded otherwise.

You may choose to allocate your contributions to specific programs or to specific scholarship areas. Named and endowed scholarships may be appropriate for gifts of a certain level. Contributions to the Cuesta College Foundation may be one-time only gifts or pledges payable over a period up to five years.

Cuesta College is meeting today's challenges and planning for the future through 16 separate funding initiatives. Developed through the extensive College and community needs assessment process, these initiatives directly address the challenges facing Cuesta College. Your support for any of these projects is an investment in the future of what has become a dynamic educational, intellectual and cultural center in San Luis Obispo County.



In 1964, the magic number for Cuesta College was 463. Today, the magic number is just 1. You. In the spirit of giving, you have the opportunity to make a significant difference to the future of Cuesta College.

"It is with tremendous pride that I can say that all four of my children attended and graduated from Cuesta College. I knew that my children's first two years of college would be the best they could get—right here at home.

"A plus in my job was the opportunity to observe and evaluate in the classroom. I can speak with certainty about the superior quality of teaching and learning at Cuesta College."



*Ernest G. Cementina, Ed.D.
Dean of Instruction,
Emeritus*

Help us continue the commitment . . .

Increasing demand for College resources and declining funds have led Cuesta College to identify 16 separate funding initiatives for essential support to programs vital to academic excellence, student success and community service. Your private gift supporting one or more of these funding initiatives is an investment in the future of Cuesta College.

Establish a *Faculty Grants Program*, to advance faculty innovation in the classroom and to recognize the relationship of innovation and scholarly pursuit to superior teaching.

Expand the *Classroom Based Research* program, to improve the student learning process across the curriculum.

Increase the campus-wide use of the *Facilitator Assisted Learning* program, to provide an increasingly diverse student population with special lectures, small group sessions and individualized educational opportunities.

Create an *Equipment Endowment Fund*, to supply state-of-the-art equipment and sufficient library resources for student, faculty and community use.

Establish *Teaching and Service Excellence Awards*, to spotlight exemplary work and dedication to teaching and service by Cuesta College faculty and staff.

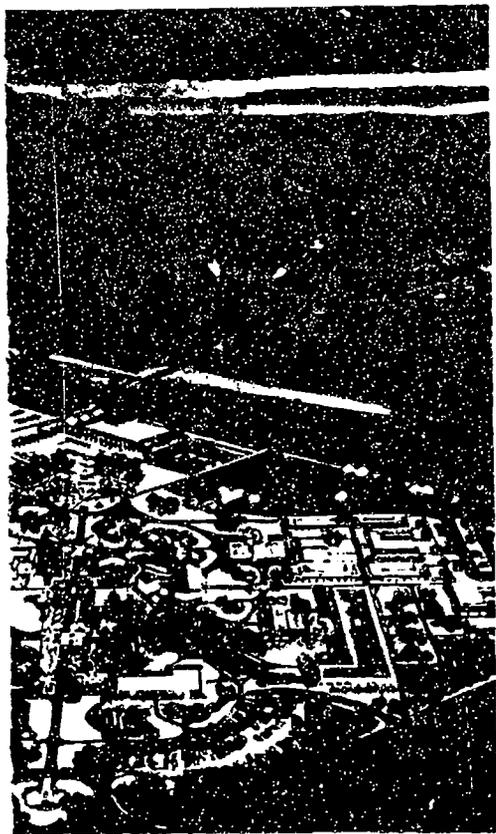
Build a comprehensive *College Readiness Program*, to increase access to Cuesta College's academic and technical training programs by students who are at risk of not furthering their educations.

"As a re-entry student at Cuesta College, I had already completed four years of college (the last two years at U.C. Santa Cruz) majoring in the humanities and social sciences. So, at the age of 26, I was a full-time student again, majoring in nutrition and facing the dreaded chemistry. Much to my surprise, I excelled in math and chemistry due to the personal encouragement and outstanding teaching of Dr. Brundage, Dr. Fischer and Dr. McKeague. I finished with not only a B.S. in nutrition but a master's degree in public health and finally medical school and my M.D.



"The Latin word for doctor is docere which means to teach. It's the part of medicine that I enjoy the most. Cuesta College nurtured this part of me and I am thankful."

Karen Roberts, M.D.
Class of 1977
Family Medical Center
San Luis Obispo



"No other college I have ever attended can compare with the overall quality of instruction at Cuesta College."



Grace Hayes-Romero, Pharm.D.
Class of 1983
Clinical Pharmacist
Atascadero

"Two years ago I was given a chance to live here. In Hong Kong, I never thought about studying in a foreign country or enjoying the American life."

"If I had missed the opportunity, maybe it would never happen again."

"Being at Cuesta College is a chance to study and enrich my life."



Wai-Han Fung
Class of 1993
Hong Kong

Augment the *Women's Re-entry Program*, to meet the burgeoning demand of re-entry women as they return to school with specialized support system needs.

Establish the *College Grant Fund*, to provide scholarship support for students with the greatest need during a time of severe cutbacks in federal financial aid.

Automate the *College Library*, to offer a fully implemented, interactive, computerized system providing readily accessible, immediate information retrieval for student and community use.

Create a *Teaching Resource Center*, to provide enhanced professional development opportunities for faculty and staff and to house resource material for study or research.

Launch a *Senior Initiative*, to establish an Emeritus College which promotes intergenerational activities and offers classes of interest to senior adults, and to support a "Silver Series" of public events for senior adults.

Create an *Environmental Education Program*, to consider topics including growth, land use planning, marine habitat and recycling technologies, and to house the Morro Bay Estuary and Marine Resources Collection.

Create a *Small Business Development Center*, to provide seminars, workshops and assistance for individuals establishing and operating small businesses.

Create a *Performing Arts Division*, to bring together student productions, public events, and classes in drama, music and dance, providing a comprehensive program for students and the community.

Support completion of the College's *Fine Arts Complex*, to provide modern facilities, including classrooms, laboratories, an art gallery, and performance spaces for teaching and participating in the fine arts.

Establish an on-campus *Health Fitness Lab*, to assess the health and fitness of students, faculty and staff, to aid research, and to serve as a resource for both instructional and community use.

CUESTA COLLEGE FOUNDATION

Board of Directors

Ann Bernhardt
Faculty Representative

Diane Blakeslee
San Luis Obispo

Charles Cabassi
Arroyo Grande

Vicki Carroll
San Luis Obispo

Ethel Cooley
San Luis Obispo

Nella Girolo
Faculty Representative

Myron Graham
Los Osos

Jim Greathouse
San Luis Obispo

Michael L. Hargett
Cuesta College

Douglas Hilton
Arroyo Grande

Mary E. Howell
Friends of the Library
Representative

Jon Jenkins
San Luis Obispo

Allan Johnson
San Luis Obispo

Mark Jorgeson
San Luis Obispo

Rosemary Maimo
San Luis Obispo

Paula McDougal
San Luis Obispo

Robert McKie
Paso Robles

Harold Miossi
San Luis Obispo

Grace N. Mitchell
Cuesta College

Pat Nagano
Morro Bay

Frances Reynolds
Board of Trustees
Representative

Grace Hayes Romero
Alumni Association
Representative

Laurie Sinton
Paso Robles

Paul Snyder
Paso Robles

Gilbert H. Stork
Cuesta College

John Swift
Los Osos

Mark Woolpert
Cayucos

Student Representative
(selected annually)

Honorary Directors

Merlin Eisenbise
Laguna Hills

Frank R. Martinez
San Luis Obispo

Advisory Director
Barbara George
Cuesta College

Past Presidents

Diane Blakeslee
Merlin Eisenbise
Jon Jenkins
Milton Levy
Charles Seger

Board President

Harold Miossi
San Luis Obispo

Cover photo: View from
Cuesta Ridge by Dave Garth

Printed on recycled paper.



Cuesta College Foundation

Post Office Box 8106

San Luis Obispo, CA 93403-8106

8 0 5 . 5 4 6 . 3 2 7 9

**CUESTA COLLEGE FOUNDATION
BOARD OF DIRECTORS**



Ann Bernhardt
Diane Blakeslee
Charles Cabassi
Vicki Caroll
Ethel Cooley
Nella Girolo
Myron Graham
Jim J. Greathouse
Michael L. Hargett
Douglas Hilton
Mary E. Howell
Jon Jenkins
Allan Johnson
Mark Jorgeson
Rosemary Maino
Paula McDougal
Robert McKie
Harold Miossi
Grace N. Mitchell
Pat Nagano
Frances Reynolds
Grace Hayes Romero
Laurie Sinton
Paul Snyder
Gil Stork
John Swift
Mark Woolpert

HONORARY

Merlin Eisenbise
Frank R. Martinez

EXECUTIVE DIRECTOR

Barbara George



Focus
on the
Future
Cuesta
College
Foundation

BEST COPY AVAILABLE



*'For all that I am,
for all that I have
achieved, for all of
my life, I will
remember that
Cuesta College was
my anchor as a 26
year-old just out of
the service.'*



*Rod Tarrer
Class of 1966
Dean,
Student Services
Chancellor's Office
California
Community
Colleges*

What is the Cuesta College Foundation?

The Cuesta College Foundation is a tax-exempt, nonprofit organization established in 1973 for the purpose of providing essential financial support for College programs, services, scholarships, and capital campaigns.

The Cuesta College Foundation is the focus of community support with thousands of caring citizens giving time and money to the Foundation, thus ensuring that quality education and community programs are available to everyone in the San Luis Obispo County community.

A volunteer Board of Directors made up of local business and professional leaders as well as College staff, faculty and students directs the acquisition and management of funds and donations.



Why does a public, tax-supported school need private support?

Cuesta College is an increasingly important community educational center, yet public tax support has not kept pace with escalating demands on its resources and services. And like California's universities, community colleges need charitable gifts to endow scholarships and to support educational programs and capital improvements. Philanthropy can mean the difference between ordinary and extraordinary programs and services for student success, and provides a necessary cushion in times of budget crisis. You can provide the gift of opportunity. Every dollar you give represents your endorsement of the importance of education.

"Destiny is not a matter of chance, it is a matter of choice; it is not a thing to be waited for, it is a thing to be achieved."

*William
Jennings
Bryan*

Who gives to the Cuesta College Foundation?

Those who value education and the special resources of a local community college. Local residents, parents of our students and students themselves, alumni, friends, corporations, and small businesses are among our contributors.



How are gifts to the Foundation used?

Private gifts, donations, and other non-tax sources provide for scholarships, endowments, learning aids, technical equipment and educational programs and services. Unrestricted gifts are especially welcome because they provide funds for use where the need is greatest or to allow the College to respond to unexpected opportunities.

Can I restrict my gift to specific programs or scholarship funds?

Yes. While unrestricted gift support gives the College flexibility to implement new programs in a timely manner, you may elect to restrict your gift to a particular program or scholarship area. Named and endowed scholarships may be appropriate for gifts of a certain level.

What amount is required to make a gift?

No gift is too small! All contributions are welcomed from individuals, corporations and foundations. A complete list of gift opportunities and College needs is available from the Foundation office. Some donors choose to fund special programs or projects, while others provide for a memorial or tribute to a loved one through scholarship funds.



*"Education is not to make the young perfect, but to open their minds."
John Locke*

How can I make my gift to the Foundation?

Contributions to the Cuesta College Foundation are accepted in the form of outright gifts, bequests, life income gifts, or life estate gifts. You may wish to donate equipment, or to name the Foundation as the beneficiary of a life insurance policy.

A simple, easy way to get help in making your decision is to contact the Cuesta College Foundation office to find out more about ways of giving to the College. For help with bequests or deferred gifts, consultation with an attorney is recommended, and for help determining tax benefits, the services of a tax advisor are suggested.

How can I get more information?

For more information or to help support the Cuesta College Foundation, contact Barbara George, Executive Director, Cuesta College Foundation, P.O. Box 8106, San Luis Obispo, CA 93403-8106. Or call 805.546.3279.



Legal Process

Creating an IRS-approved 501(c)(3) community college foundation with tax-deductible status is not difficult. It is essential to use the services of legal counsel and a Certified Public Accountant experienced in establishing not-for-profit corporations.

Let's assume no foundation currently exists or a new foundation is needed. Why might a new foundation need to be created? Some older community college foundations only solicit funds for scholarships or specific programs. These foundations generate limited funding using the devoted volunteers on their boards of directors. However, these volunteers sometimes resist broadening the scope or altering the purpose of the foundations they serve. They particularly balk at assuming the responsibility for raising funds for other than the foundation's original purposes. So college administrators may prefer to leave such a foundation in place and create a new foundation with a much broader mission.

Follow these steps to create a new community college foundation:

1. Develop a committee of at least three to serve as the incorporators.
2. Work with legal counsel to create and file the appropriate state documents, including the *Articles of Incorporation*, to become a not-for-profit corporation. These filing fees are usually quite reasonable.
3. Form a larger group to write the corporate bylaws. The key volunteer leadership for the new foundation should be included in this group. Accomplish this task while waiting for the state to approve of the new foundation.
4. Draft bylaws which provide the foundation with maximum flexibility to generate additional financial support for the college.
5. Hold the corporation's first annual meeting to officially adopt the bylaws and elect its directors. Who may attend and vote at the first annual meeting depends on what is stated in the *Articles of Incorporation*. As a rule, anyone with an interest in the foundation can attend and vote at the legally required annual meeting. All college employees should be invited to attend.
6. Conduct the first meeting of the newly elected board of directors immediately following the annual meeting. At the meeting, the first item of business is to elect the board's leadership for the coming year. One voting member who should never stand for election is the college president. He or she should always be a voting member of the Board of Directors and the Executive Committee. At board meetings, only duly elected directors and the president can vote.

Some community college foundations find it helpful for an elected or appointed member of the college Board of Trustees to serve as a director. However, most believe the college president will reflect the attitudes and concerns of the Board of Trustees and will advise the trustees of foundation activities and the concerns of volunteers.

7. Adopt appropriate policies and procedures to meet IRS requirements for a 501(c)(3) organization with tax-deductible status. The attorney and CPA should draft these documents for the approval of the board.
8. File the forms requesting designation as a tax-deductible foundation under Section 501(c)(3) of the Internal Revenue Code with the nearest IRS regional office.
9. Celebrate when the IRS numbered designation letter is received. The letter will also include the foundation's federal employer identification number. Both numbers should be listed on all foundation stationery, acknowledgment cards, case statements, and most fund appeals. Lock this very important original designation letter from the IRS in the safe after making about 100 copies.
10. Compile a list of forms and reports (and due dates) which must be filed with federal and state agencies to maintain the foundation's newly acquired legal status. One slipup on a required report and the foundation could lose its corporate tax-deductible status. (See *Policies and Procedures* for a partial listing.)
11. Go raise funds.



State
of
California

OFFICE OF THE SECRETARY OF STATE

STATE OF CALIFORNIA

I, *MARCH FONG EU*, Secretary of State of the State of California, hereby certify:

That the annexed transcript has been compared with the record on file in this office, of which it purports to be a copy, and that same is full, true and correct.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this

OCT - 3 1984



March Fong Eu

Secretary of State

ENDORSED
FILED
In the office of the Secretary of State
of the State of California

SEP 21 1984

MARCH FONG EU, Secretary of State
Gloria J. Carroll
Deputy

ARTICLES OF INCORPORATION
OF
THE COASTLINE COMMUNITY COLLEGE FOUNDATION

ARTICLE I

Name

The name of this Corporation is:

THE COASTLINE COMMUNITY COLLEGE FOUNDATION

ARTICLE II

Purposes

This Corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for charitable purposes. The charitable purposes of this Corporation are to promote and assist the educational program of the Coastline Community College, in accordance with the mission, policies, and priorities of the College as administered by its President.

ARTICLE III

Conformity with Regulations

This Corporation shall conduct its operations in conformity with general regulations established by the Board of Governors of The California Community Colleges and the implementing regulations established by the Coast Community College District as required by the Education Code, Section 72672(c)

ARTICLE IV

Exempt Status and Limitations on Activities

This Corporation is organized and operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code.

Notwithstanding any other provision of these Articles, this Corporation shall not carry on any other activities not permitted to be carried on (1) by a corporation exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code, or (2) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code.

No substantial part of the activities of this Corporation shall consist of the carrying on of propaganda or otherwise attempting to influence legislation, and this Corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of any candidate for public office.

ARTICLE V

Directors

The number of directors, the method of their selection and the terms of their office shall be as specified by the Bylaws of this Corporation. The President of the College or his or her designated representative shall be a member of the Board of Directors of this Corporation to insure that this Corporation operates in conformity with College policy. This Corporation shall have no members other than the persons constituting its Board of Directors. The persons constituting its Board of Directors shall, for the purpose of any statutory provision or

rule of law relating to nonprofit corporations or otherwise, be taken to be the members of such Corporation and exercise all the rights and powers of members thereof.

ARTICLE VI

Dedication and Dissolution

The property of this Corporation is irrevocably dedicated to charitable purposes and no part of the net income or assets of this Corporation shall ever inure to the benefit of any director, officer, or member thereof or to the benefit of any private individual. Upon the dissolution of this Corporation, net assets, other than trust funds, shall be distributed to the Coast Community College District to be used exclusively for charitable purposes.

ARTICLE VII

Initial Agent for Service of Process

The name and address in the State of California of this Corporation's initial agent for service of process is:

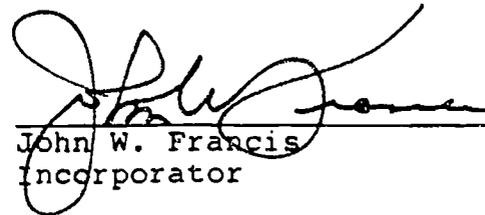
John W. Francis
1703 Via Palomares
San Dimas, CA 91773

ARTICLE VIII

Amendment of Articles

The Articles of Incorporation of this Corporation shall not be amended except with the vote of three-fifths (3/5) of the total voting membership of the Board of Directors.

IN WITNESS WHEREOF, for the purpose of forming this nonprofit corporation under the laws of the State of California, I, the undersigned, constituting the incorporator of this corporation, have executed these Articles of Incorporation this 21st day of May , 1984.

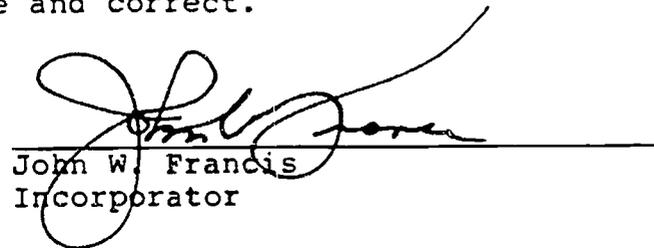

John W. Francis
Incorporator

DECLARATION

I am the person whose name is subscribed below. I am the incorporator of the Coastline Community college Foundation and I have executed these Articles of Incorporation. The foregoing Articles of Incorporation are my act and deed.

Executed on May 21 , 1984, at San Dimas, California.

I declare that the foregoing is true and correct.


John W. Francis
Incorporator

Coastline Community College Foundation

BYLAWS

(As amended in September, 1992)

ARTICLE I

Name

The name of this corporation shall be The Coastline Community College Foundation.

ARTICLE II

Principal Office

The principal office for the transaction of business of the corporation is hereby fixed and located in the city of Fountain Valley, Count of Orange, State of California. The Board of Directors may at any time, or, from time to time, change the location of the principal office from one location to another in said county.

ARTICLE III

Seal

The corporation shall have a common seal consisting of a circle having on its circumference the words "Coastline Community College Foundation, Incorporated" and within the circle the words "Incorporated October 3, 1984, California."

ARTICLE IV

Purpose

The primary purpose of this corporation shall be to assist Coastline Community College in the achievement and maintenance of a quality program of public education and community participation, with Coastline Community College receiving contributions from the public, raising funds, and making contributions to educational and community, programs of the Coast Community College District, by developing, conducting, contacting, and financing supplementary programs and projects designed to benefit the students and programs of Coastline Community College.

ARTICLE V

Membership

The directors of the corporation, during their time in office, shall constitute the members of the corporation.

ARTICLE VI
Board of Directors

1. **Number.** The Board of Directors shall consist of no fewer than four members, with the exact number thereof to be determined by resolution of the Board of Directors. Coastline's President is a non-elected, voting member of the Board of Directors.

2. **Powers.** Subject to limitations imposed by law, the Articles of Incorporation, or these bylaws, all corporate powers shall be exercised by or under the authority of, and the business and affairs of this corporation shall be controlled by, the Board of Directors. Without limiting any such power or authority, the Board of Directors shall have the following powers:
 - (a) To determine this corporation's objectives and formulate plans designed to meet them;

 - (b) To establish policies for administering the affairs of this corporation;

 - (c) To adopt and control the operation, budget, and financial plan of this corporation and assure the conduct of the financial affairs on a responsible basis, in accordance with established policies;

 - (d) To control, manage, and maintain the property of this corporation, borrow money for corporate purposes, and to cause to be executed and delivered therefore, in the corporate name, promissory notes, bonds, debentures, deeds of trust, indebtedness, and security therefore;

 - (e) To sell any property, real, personal, or mixed, owned by this corporation at any time upon such terms as deemed advisable, at public or private sale, for cash or on credit;

 - (f) To employ or retain individuals or other corporations as agents or representatives of the corporations and to describe their role or duties;

 - (g) To retain uninvested sums received by this corporation, when, by the discretion of the Board of Directors, such sums cannot be invested advantageously;

 - (h) To retain all or any part of any securities or property acquired by this

2

corporation in whatever manner, and to invest and to reinvest any funds held by the corporation, according to the judgment of the Board of Directors;

(i) To invest funds received by this corporation in such stocks, bonds, mortgages, loans, secured or unsecured, or other investments as the Board of Directors shall deem advisable;

(j) To appoint such committees as it deems necessary, and to prescribe powers and duties for them;

(k) To select and remove officers of this corporation and prescribe powers and duties for them;

(l) To enter into and execute contracts or letters-of-agreement with individuals, companies, or corporations where the resulting product or activities will contribute to the achievement or maintenance of a superior program of public education or community participation within the geographic area served by Coastline Community College;

(m) To control, manage, and maintain programs assigned to the corporation by the Coast Community College District or other entities which would result in the achievement or maintenance of superior public education or community participation within the service area of Coastline Community College.

3. **Compensation.** Members of the Board of Directors shall serve without compensation, but shall be entitled to reimbursement for expenses in accordance with corporate policy.
4. **Liability.** No director shall be personally liable for the debts, liabilities, or obligations of this corporation.
5. **Election and Term of Office.** The initial Board of Directors, at its annual meeting, shall elect a Board of Directors from among the nominees selected by the board, which shall be divided into three classes in respect to term of office, each class to contain as near as may be to one-third of the total number of directors. The directors of one class shall serve until the annual meeting of the Board of Directors held in the calendar year following their election, the members of the second class shall serve until the annual meeting of the Board of Directors held in the

3

44.

second calendar year following their election, and the members of the third class shall serve until the annual meeting of the Board of Directors held in the third calendar year following their election, provided, however, that, in each case, directors shall continue to serve until their successors shall be elected. At each annual meeting of the Board of Directors following the election of the first Board of Directors, one class of directors shall be elected from among the nominees selected by the Board of Directors to serve until the annual meeting of the Board of Directors to be held in the third calendar year next following and until their successors shall be elected. All directors will be elected to serve three-year terms unless they are removed for cause, resign, or are granted a special exception term of office. Directors may be elected to succeed themselves in that office for a subsequent term or terms.

6. **Special Exception Term of Office.** The Board of Directors may elect individuals to one-year terms of office. These individuals may, but do not have to, represent affiliate organizations of the Foundation. The number of these one year term positions shall not exceed the number of affiliates, plus three individuals not representing affiliate organizations.
7. **Vacancies.** Any vacancy or vacancies in the Board of Directors resulting from death, incapacity, resignation, expiration of term of office, removal, or otherwise, shall be filled by a vote of the majority of the remaining directors then in office, present and voting, even though less than a quorum.
8. **Removal.** A director may be removed from office, for cause, by the vote of a majority of the directors.

ARTICLE VII Meetings

1. **Regular Meeting.** Regular meetings of the Board of Directors shall be held without call on the third Tuesday in the months of January, February, March, April, May, June, September, October, and November, of said day; provided, however, should said day fall upon a legal holiday, then said meeting shall be held at the same time on the next day thereafter ensuing which is not a legal holiday. Notice of all such regular meetings of the Board of Directors is hereby dispensed with.
2. **Quorum.** A simple majority of the total number of elected directors

A

shall constitute a quorum for the transaction of business at any meeting.

3. **Annual Meetings.** With the exception of the annual meeting for 1985-86 which will be called by the resolution of the Board of Directors, the June meeting of the Board of Directors is designated as the annual meeting of the corporation and it will serve as the principal organizational meeting for the purpose of election of directors, election of officers, and the transaction of other business. Notice of the annual meeting is hereby dispensed with.
4. **Meetings.** Special meetings of the Board of Directors for any purpose or purposes shall be called at any time by the president or by any two directors. Written notice of the time and place of special meetings shall be delivered personally to each director or sent to each director by mail or by other form of written communication, charges prepaid, addressed to him or her at his or her address as it is shown upon the records of the corporation, or if it is not so shown on such records or is not readily ascertainable, at the place in which the meetings of the directors are regularly held. Such notice shall be mailed at least forty-eight hours prior to the time of the holding of the meeting. The transactions of any meeting of the Board of Directors, however called and noticed and wherever held, shall be as valid as though made at a meeting duly held after regular call and notice, if a quorum be present and if either before or after the meeting or on approval of the minutes thereof. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.
5. **Place of Meeting.** Regular meetings of the Board of Directors shall be held at any place, within or without the State of California, which has been designated from time-to-time by resolution of the board or the consent of a majority of directors. In the absence of such designation, regular meetings shall be held at the principal office of the corporation. Special meetings of the board may be held either at a place so designated or at the principal office.
6. **Adjournment.** In the absence of a quorum at any meeting of the Board of Directors, the majority of the directors present may adjourn the meeting until the time fixed for the next regular meeting of the board.
7. **Attendance.** Attendance at all board meetings is required, A director missing three consecutive meetings may be required to resign.

5

ARTICLE VIII Officers

1. **Officers.** The elected officers of this corporation shall be a President, a Vice President for Public Relations, a Vice President for Finance, a Vice President for Legal Affairs, a Vice President for Fundraising, a Vice-President for Planning, and a Secretary. The Board of Directors, on the recommendation of the College president, shall also elect an Executive Director and Treasurer. The Board of Directors may appoint other officers as they deem appropriate. All officers shall be either ex-officio (non-voting) or voting members of the Board of Directors.
2. **Election.** The Board of Directors shall be nominated in May, and elected in June. Their terms shall begin with the start of the fiscal year. All officers of the corporation shall serve for terms of one year, or until their successors are elected and qualified.
3. **Vacancies.** A vacancy in any office because of the death, resignation, removal, disqualification, or otherwise shall be filled by the Board of Directors.
4. **President.** Subject to the control of the Board of Directors, the President shall have general supervision, direction, and control of the business and affairs of the corporation. The president shall preside at all meetings of the members and directors, and shall have such other powers and duties as may be prescribed from time to time by the Board of Directors.
5. **Election of President.** A President may be chosen at any regular board meeting six months before the end of the Foundation's fiscal year. Whenever possible, for a person to serve as President, he or she should have previously served on the Foundation Executive Committee. The Board of Directors shall be nominated in May, and elected in June. Their terms shall begin with the start of the fiscal year. All officers of the corporation shall serve for terms of one year, or until their successors are elected and qualified.
5. **Vice President for Public Relations.** Chairs the Public Relations Committee which plans and carries out the "friendraising" activities of the Foundation. This may include subcommittees on friendraising events, donor cultivation, potential board member cultivation, meetings, newslet-

6

ters, and other communications, and issues of concern to the Foundation.

Requests for funding allocations from the Foundation's general fund must be submitted to this committee, and then taken by the Senior Vice President of Programming to the Executive Committee.

6. **The Public Relations Committee.** Plans and carries out the "friendraising" activities of the Foundation. This may include subcommittees on friendraising events, donor cultivation, potential board member cultivation, meetings, newsletters and other communications, as well as issues of concern to the Foundation. A subcommittee of this committee is the Advocacy Committee.

8. **The Fundraising Committee.** approves the annual fundraising plan of each affiliate and program supported by the Foundation, calendars all events in consultation with the Foundation staff, assigns a member to assist and track each approved fundraising activity conducted under the auspices of the Foundation, analyzes the effectiveness of each fundraising activity, and markets and publicizes each fundraising activity of the Foundation and the College.

9. **Vice-President for Legal Affairs.** Chairs the Legal Affairs Committee which reviews all legal matters and contracts for the Foundation, coordinates the services provided to the Coastline Legal Clinic, establishes, promotes, and maintains an active Planned Giving program, prepares bylaw amendments, and establishes policies for keeping official records of proceedings, donations and other activities.

10. **The Finance and Planning Committee.** Is charged with maintaining the operation of the Foundation, with more successful results each year. It identifies critical skills and kinds of knowledge needed for the Board of Directors, seeks potential board members with these needed qualities, conducts orientation sessions for new board members, plans the annual board retreat, develops short-term and long-term plans, reviews the resources of the Foundation staff, evaluates the effectiveness of the organizational structure and operational procedures, and keeps abreast of external developments that could have an impact on Foundation operations. This committee prepares the annual budget, monitors expenditures, reviews audit reports, establishes fiscal policies, determines investment strategies, makes recommendations on accepting or rejecting gifts of property or services, and makes sure all filings are completed on time to

7

local, state, and federal government agencies.

11. **The Advisory Committee.** Collectively or individually shall advise and assist the Foundation Board of Directors on matters within the Advisory Committee members' fields of expertise. Advisory Committee members shall be sent the agendas and minutes of the Board of Directors and are encouraged to attend meetings when possible. Advisory Committee members may serve as independent contractors to the Foundation.

This committee shall consist of no fewer than five people and shall have a chair appointed by the President of the Foundation. The committee shall meet when called by its chair or by the President of the Foundation or by the President of Coastline Community College.

Members of the Advisory Committee shall be appointed by a two-thirds vote of the Board of Directors and shall serve at the pleasure of the President of the Foundation.

12. **Secretary.** The Secretary shall take the minutes at the annual meeting and at the meetings of the Board of Directors. Further, the Secretary shall sign all documents requiring the official signature of the corporation's Secretary.
13. **Executive Director.** The Executive Director shall keep a full and complete record of the proceedings of the Board of Directors, and keep the seal of the corporation and affix the same to such papers and instruments as may be required in the regular course of business, shall make service of such notices as may be necessary or proper, shall supervise the keeping of the books of the corporation, and shall discharge such other duties as pertain to the office or as prescribed by the Board of Directors. The Executive Director shall serve as an ex-officio (non-voting) member and as the Secretary for the meetings of the Executive Committee.
14. **Treasurer.** The treasurer shall receive and safely keep all funds of the corporation and deposit or invest the same as may be designated by the Board of Directors. In accordance with board of director-approved or -ratified financial transactions, any two of the said officers who have been duly elected and/or appointed are hereby authorized to withdraw funds from depository on the check (or draft) of the corporation; and the said officers authorized to withdraw funds are hereby authorized to endorse and receive payments of bills and notes payable to the corpora-

tion. The authority hereby conferred shall remain in full force until revocation by the Board of Directors of this corporation. The treasurer shall have such other powers and perform such other duties as may be prescribed from time to time by the Board of Directors.

ARTICLE IX Executive Committee

1. **Powers of the Executive Committee.** This Corporation shall have an Executive Committee. The Executive Committee shall have and may exercise all powers and authority of the Board of Directors when said board is not in session, subject only to such restrictions or limitations as the Board of Directors may from time to time specify; provided, however, the Executive Committee shall not have authority to alter, amend, or repeal the articles of incorporation or bylaws, or to appoint directors. Written reports of the actions of the Executive Committee shall be submitted to the Board of Directors at its next meeting following the actions of the Executive Committee.
2. **Composition.** The voting members of the Executive Committee shall be the Foundation Board President, Vice President for Public Relations, Vice President for Finance, Vice President for Fundraising, Vice President for Legal affairs, Vice President for Planning, the Secretary of the Foundation, Coastline's President, and the immediate Past President of the Foundation, if in attendance. The Foundation Treasurer and the Foundation Executive Director shall be non-voting members. The Executive Director shall act as Secretary for the Executive Committee.
3. **Removal and Vacancies.** A member of the Executive Committee, elected or appointed, may be removed from such committee at any time for cause by a majority vote of all members of the Board of Directors. If any vacancy on the Executive Committee exists by reason of death, resignation, removal, or otherwise, the Board of Directors may elect a successor member to serve until the next annual meeting of the Board of Directors.
4. **Meetings.** The Executive Committee shall meet once a month, prior to the regularly scheduled board meetings. Other meetings of the Executive Committee may be called upon the request of the President of the Foundation or two of the members of the Executive Committee. Notice of any such meeting shall be given by sending via ordinary mail or by telegram

9

to each member at his last known post office address at least two days prior to such meeting, a notice signed by the Secretary of the Executive Committee setting forth the purpose, place, and time of such meeting. Notice of such meeting may be waived in writing by any member of the Executive Committee before or after the meeting. In addition, the presence of any member at any such meeting shall be held to be a waiver of the required notice unless the member makes timely objection.

5. **Quorum.** The presence of fifty percent of all of the members of the Executive Committee shall constitute a quorum for the transaction of business at any meeting of the Executive Committee.

ARTICLE X Miscellaneous

1. **Budget.** The Board of Directors shall adopt a corporate budget for each year, which may be reviewed as necessary during the course of the year. Expenditures for items not provided for in the adopted budget shall require approval of the Board of Directors. Expenditures provided in the adopted budget may be disbursed without specific authorization.
2. **Fiscal Year.** This corporation's fiscal period for financial and accounting purposes shall commence July 1st and end June 30th.
3. **Financial Audit.** The financial books and transactions of the corporation shall be audited within three months following the close of each budget reporting period, and the results of such will be presented to the Board of Directors at the first board meeting following the issuance of said report. The authority hereby conferred shall remain in full force until revocation by the Board of Directors.
4. **Indemnification.** Every person who is or was a director, officer, or employee of this corporation, or of any other corporation in which he or she served as such at the request of this corporation, shall be indemnified by this corporation against any and all liability and reasonable expense that may be incurred by him or her in connection with or resulting from any claim, action, suit, or proceeding (whether brought by or in the right of this corporation or such other corporation or otherwise), civil or criminal, or in connection with an appeal relating thereto, in which he or she may be involved as a party or otherwise, by reason of being or having been a director, officer, or employee of this corporation or such

10

other corporation, or by reason of any action taken or not taken in his or her capacity as such director, officer, or employee, whether or not he or she continues to be such at the time such liability or expense shall have been incurred, provided such person acted in good faith, in a manner he or she reasonably believed to be in or not opposed to the best interests of this corporation or such other corporation, as the case may be, and, in addition in any criminal action or proceedings, where there is no reasonable cause to believe that his or her conduct was unlawful.

As used in the section above, the terms "liability" and "expense" shall include, but shall not be limited to, counsel fees and disbursements and amounts of judgments, fines, or penalties against, and amounts paid in settlement by a director, officer, or employee. The termination of any claim, action, suit, or proceeding, civil or criminal, or its equivalent, shall not create a presumption that a director, officer, or employee did not meet the standard of conduct set forth in this section.

Expenses incurred with the respect to any claim, action, suit, or proceeding of the character described in the section may be advanced by this corporation prior to the final disposition thereof, upon receipt of an undertaking by or on behalf of the recipient to repay such amount unless it shall ultimately be determined that he or she is entitled to indemnification hereunder.

The rights of indemnification provided in this section shall be in addition to any other rights to which any such director, officer, or employee may otherwise be entitled by contract or as a matter of law, and, in the event of any such person's death, such rights shall extend to his or her heirs and legal representatives. The provisions of the section are separable, and if any provision be held invalid, all other provisions are fully in effect and such invalid provision enforceable, it being the intent of this section that this corporation indemnify each of the directors, officers, and employees of this corporation to the maximum extent permitted by law.

5. Execution of Contracts. The Board of Directors authorizes the Executive Committee to enter into any contract or execute any instrument in the name of and on behalf of this corporation, and such authority may be general or confined to specific instances, as determined by the Board of Directors.

H

ARTICLE XI
Amendment of Bylaws

These bylaws may be amended or repealed and new bylaws adopted by the vote of a majority of the Board of Directors present at any directors' meeting, except that a bylaw fixing or changing the number of directors may be adopted, amended, or repealed only by the vote or written consent of a majority of the directors of the corporation.

ARTICLE XII
Agent and Principals Office

The principal office and agent of this corporation for service of process is:

1/dw < fndtn > bylaws.693

~~12~~

57

53 .

ARTICLES OF INCORPORATION

OF

BUTTE COMMUNITY COLLEGE FOUNDATION

ENDORSED
FILEDOffice of the Secretary of State
State of California

ARTICLE I

FEB 3 1992

The name of the corporation is:

MARSH FONG EU, Secretary of State

BUTTE COMMUNITY COLLEGE FOUNDATION

ARTICLE II

This corporation is a non-profit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for charitable purposes. This corporation is not organized, nor shall it be operated, for pecuniary gain or profit, and it does not contemplate the distribution of gains, profits or dividends to the members thereof or to any private shareholder or individual. The property, assets, profits and net income of this corporation are irrevocably dedicated to charitable, scientific and educational purposes, and no part of the profits or net income of this corporation shall ever incur to the benefit of any director, officer or member thereof or to the benefit of any private shareholder or individual. Upon the liquidation or dissolution of this corporation, the assets of this corporation remaining after payment of, or provision for payment of, all debts and liabilities of this corporation shall not inure to the benefit of any private person, but shall be distributed and paid over to such fund, foundation or corporation organized and operated for charitable, scientific, or educational purposes as the Board of Directors shall be qualified for exemption from Federal Income tax under Section 501(c) (3) of the Internal Revenue Code of 1954 as now in effect or as subsequently amended.

ARTICLE III

The specific and primary purposes for which this corporation is formed are:

To provide an instrumentality for financing and undertaking activities, projects, and functions of an educational, charitable and/or scientific nature which will benefit the students and benefit and augment the educational and scientific programs of Butte Community College District of Butte and Glenn Counties and such District as it may subsequently be known by a different name through annexation, reorganization or other action which results in a change in its name.

ARTICLE IV

The general purposes for which this corporation is formed are:

(a) To accumulate funds for the purpose of awarding scholarships to assist students attending Butte College so that they may obtain education beyond the secondary or high school level. Such scholarships shall be awarded on the basis of 1) the donor's criteria, 2) merit, and 3) need of the applicants.

(b) To afford and encourage opportunities for the establishment of permanent collections, art endowments, research and educational projects and otherwise provide aids to education supplementary to State and local tax means.

(c) To solicit, collect, receive, acquire, hold and invest money and property, both real and personal, received by gift, contribution, bequest, devise or otherwise; to sell and convert property, both real and personal, into cash and to use the funds of this corporation and the proceeds, income, rents, issues, and profits derived from any property of this corporation for any of the purposes for which this corporation is formed.

(d) To purchase or otherwise acquire, own, hold, sell, assign, transfer, or otherwise dispose of, mortgage, pledge, or otherwise hypothecate or encumber, and to deal in and with shares, bonds, notes, debentures or other securities or evidences of indebtedness of any person, firm, corporation or association and, while the owner or holder thereof, to exercise all rights, powers and privileges of ownership.

(e) To purchase or otherwise acquire, own, hold, use, sell, exchange, assign, convey, lease or otherwise hypothecate or encumber real and personal property.

(f) To borrow money, incur indebtedness, and to secure the repayment of the same by mortgage, pledge, deed of trust, or other hypothecation of property, both real and personal.

(g) To sponsor expeditions or explorations of scientific quest; to subsidize scientific research; to publish reports, proceedings, bulletins or journals of science, education or art, or divisions thereof; and in general to do any or all things conducive to dissemination of knowledge of the sciences and the arts, or necessary or incidental to the realization of the purposes aforementioned.

55

(h) To own, manage, finance and/or operate a student dormitory used by the students attending Butte College.

(i) To carry into effect any one or more of the objectives or purposes contained in Articles II and III of these articles of incorporation and to that end to do any one or more of the acts and things mentioned therein, and likewise any and all acts or things necessary or incidental thereto; and, in conducting or carrying on its activities, and for the purpose of promoting or furthering any one or more of its said objects or purposes, to exercise any or all of the powers hereinabove set forth in Articles II and III of these articles of incorporation, and any other or additional power now or hereafter authorized by law, either alone or in conjunction with others, as principal, agent or otherwise; provided, however that this corporation shall not have the power to, and shall not, carry on propoganda, or otherwise attempt, to influence legislation or to participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of any candidate for public office.

The statements of purpose contained in Articles II and III of these articles of incorporation shall be construed as statements of both purposes and powers, and the purposes and powers stated in each clause, except where otherwise expressed, shall be in no way limited or restricted by reference to or inference from the terms pendent purposes and powers.

ARTICLE V

The name of the initial agent of the corporation for service of process is Nancy Griswold whose complete business address is 3536 Butte Campus Drive, Oroville, CA 95965.

ARTICLE VI

The name of the unincorporated association which is being incorporated is BUTTE COMMUNITY COLLEGE FOUNDATION.

ARTICLE VII

The unincorporated association whose name is set forth in Article VI of these Articles of Incorporation is being incorporated by the filing of these Articles.

ARTICLE VIII

This corporation is not authorized to issue shares of stock.

ARTICLE IX

The powers of this corporation shall be exercised, its properties controlled, and its affairs conducted by a board of no less than fifteen (15) and no more than twenty-five (25) directors. The number of directors herein provided for may change by a duly adopted by-law.

The names and addresses of the persons who are appointed to act as the first directors of this corporation who are to serve until the election and qualification of their successors are as follows:

<u>Mrs. Yvonne Hobbie</u> <u>97 Pine Oaks Road, Oroville, CA 95966</u>	<u>Mr. Ted Cleveland</u> <u>1622 Louie Lane, Paradise, CA 95969</u>
<u>Mr. Robert Bramlage</u> <u>49 Rockridge Ct., Oroville, CA 95966</u>	<u>Mr. Thomas Wilson</u> <u>6686 Brook Way, Paradise, CA 95969</u>
<u>Mrs. Janice Clay</u> <u>3 Beverly Drive, Oroville, CA 95966</u>	<u>Mr. Ray Gollnick</u> <u>Rt. 4, Box 4290, Orland, CA 95963</u>
<u>Mr. Marvin Davidson</u> <u>1090 E. 20th, Chico, CA 95928</u>	<u>Mrs. Myrna Hunt</u> <u>Rt. 1, Box 1046, Orland, CA 95963</u>
<u>Mr. Jeff Stover</u> <u>260 Cohasset Road, Chico, CA 95926</u>	<u>Mrs. Yvonne Koehnen</u> <u>Rt. 1, Box 242, Glenn, CA 95943</u>
<u>Mr. Gerald Schuller</u> <u>489 Country Drive, Chico, CA 95928</u>	<u>Mrs. Rowena Hoever</u> <u>262 S. Enright, Willows, CA 95988</u>
<u>Mr. Richard Eiselt</u> <u>30 Independence Circle, Chico, CA 95926</u>	<u>Mr. Dean Stoullil</u> <u>Rt. 2, 255, Willows, CA 95988</u>
<u>Mr. Ken Baker</u> <u>1876 Hooker Oak Ave., Chico, CA 95926</u>	<u>Mrs. Claire Rumiano</u> <u>Rt. 1, Box 235, Willows, CA 95988</u>
<u>Mr. Greg Correa</u> <u>308 Ord Ranch Road, Gridley, CA 95948</u>	<u>Mrs. Margaret Hughes</u> <u>166 Blue Bird Ln. Gridley, CA 95948</u>
<u>Mr. Lowell King</u> <u>279 Obermeyer Ave., Gridley, CA 95948</u>	<u>Mr. Lou Cecchi</u> <u>233 Ward Blvd., Oroville, CA 95966</u>
<u>Mr. James Graff</u> <u>P.O. Box 265, Gridley, CA 95948</u>	<u>Dr. Betty Dean</u> <u>758 Westmont Ct., Chico, CA 95926</u>
<u>Mrs. Constance Barnes</u> <u>P.O. Box 90, Chico, CA 95927</u>	

ARTICLE X

The original by-laws of this corporation shall be made and adopted by the Board of Directors, and may thereafter be amended or repealed by any means provided in the by-laws.

ARTICLE XI

Upon the dissolution of this corporation, after paying or adequately providing for the debts and obligations of this corporation, the directors or persons in charge of the liquidation shall distribute or apply all remaining assets, in such manner as they shall determine, for the benefit of one or

more non-profit, charitable or educational institutions to be selected by them, operated for the benefit of the Butte Community College District or the students or the students and faculty at Butte College; provided, however, that at the time of such distribution, the institution or institutions to which such distribution is made shall be an organization or organizations exempt from taxation under Section 23701(d) of the Revenue and Taxation Code of the State of California, or exempt under Section 501(c) (3) of the Internal Revenue Code Section of 1954 or the corresponding provision of any future United States Internal Revenue Law.

ARTICLE XII

This corporation reserves the right to amend, alter, change, add to or repeal any provisions contained in these Articles of Incorporation, in the manner now or hereafter prescribed in law, and all rights and powers conferred by these Articles of Incorporation on members, directors, and officers are granted subject to this reservation.

IN WITNESS WHEREOF, for the purpose of forming this nonprofit corporation under the laws of the State of California, we, the undersigned, constituting the incorporators and the persons hereinabove named as the first directors thereof, have executed these Articles of Incorporation this 23rd day of July, 1991.

<u>Key Felber</u>	<u>Alan Stouil</u>
<u>Richard M. Liselt</u>	<u>Jim Craft</u>
<u>Edman J. Lohmeier</u>	<u>Richard P. King</u>
<u>Thomas Wilson</u>	<u>Dyana Luit</u>
<u>Chaired Kimisco</u>	<u>Harold Schellen</u>
<u>Monroe Jackson</u>	<u>Robert B. Groulx</u>
<u>Ed Pland</u>	<u>Royce P. Young</u>
<u>Lance Wray</u>	<u>Ray H. Gallnick</u>
<u>Marcus Leonard Hughes</u>	<u>Louis F. Cech</u>
<u>Ally Green</u>	<u>M. J. [unclear]</u>
	<u>Constance Barnes</u>



DECLARATION

We are the persons whose names are subscribed below. We collectively are all of the incorporators of Butte Community College Foundation and all of the initial directors named in the Articles of Incorporation, and we all have executed these Articles of Incorporation. The foregoing Articles of Incorporation are our act and deed, joint and severally.

Executed on 10/7, 1991, at Oroville, California.

We, and each of us, declare that the foregoing is true and correct.

Yvonne Hobbie
Yvonne Hobbie, Director

Robert Bramlage
Robert Bramlage, Director

Janice Clay
Janice Clay, Director

Marvin Davidson
Marvin Davidson, Director

Jeff Stover
Jeff Stover, Director

Gerald Schuller
Gerald Schuller, Director

Richard Eiselt
Richard Eiselt, Director

Ken Baker
Ken Baker, Director

Greg Correa
Greg Correa, Director

Lowell King
Lowell King, Director

James Graff
James Graff, Director

Constance Barnes
Constance Barnes, Director

Ted Cleveland
Ted Cleveland, Director

Thomas Wilson
Thomas Wilson, Director

Ray Gollnick
Ray Gollnick, Director

Myrna Hunt
Myrna Hunt, Director

Yvonne Koehnen
Yvonne Koehnen, Director

Rowena Hoever
Rowena Hoever, Director

Claire W. Rumiano
Claire Rumiano, Director

Dean Stoullil
Dean Stoullil, Director

Margaret Hughes
Margaret Hughes, Director

Lou Cecchi
Lou Cecchi, Director

Betty Dean
Betty Dean, Director

1815122

4417940

FILED

In the office of the Secretary of State
of the State of California

CERTIFICATE OF AMENDMENT
OF
ARTICLES OF INCORPORATION
OF
BUTTE COMMUNITY COLLEGE FOUNDATION

MAY 4 1992

March Fong Eu
MARCH FONG EU, Secretary of State

Yvonne Hobbie and Constance Barnes certify that:

1. They are the president and the secretary, respectively, of BUTTE COMMUNITY COLLEGE FOUNDATION, a California corporation.
2. Article XIII is added to the articles of incorporation and reads as follows:

ARTICLE XIII

Notwithstanding any other provision of these Articles the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue law) or (b) by a corporation contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue law).

3. The foregoing amendment of articles of incorporation has been duly approved by the board of directors.
4. The corporation has no members.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge.

APR 08 1992

Yvonne Hobbie
Yvonne Hobbie, President

Constance Barnes
Constance Barnes, Secretary

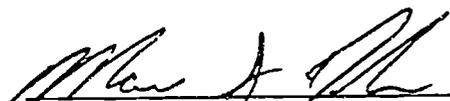


STATEMENT BY GOVERNING
BOARD MEMBERS OF APPROVAL OF
INCORPORATION OF BUTTE COMMUNITY
COLLEGE FOUNDATION
BY THE ASSOCIATION

The undersigned, being Governing Board Members of BUTTE COMMUNITY COLLEGE FOUNDATION, the unincorporated association specified in the foregoing Articles of Incorporation, state that the incorporation of said association by means of the foregoing Articles of Incorporation to which this Statement is attached has been approved by the association in accordance with its rules and procedures.



CONSTANCE BARNES, DIRECTOR



MARVIN DAVIDSON, DIRECTOR

DECLARATION

Each of the undersigned declares under penalty of perjury that the statements contained in the foregoing statement are true of his or her own knowledge and that this declaration was executed on October 29, 1991, at Chico, CA



CONSTANCE BARNES, DIRECTOR



MARVIN DAVIDSON, DIRECTOR

STATEMENT BY GOVERNING BOARD MEMBERS OF APPROVAL OF
INCORPORATION OF BUTTE COMMUNITY COLLEGE FOUNDATION

The undersigned, being Governing Board Members of Butte Community College Foundation the unincorporated association specified in the foregoing Articles of Incorporation, state that the incorporation of said association by means of the foregoing Articles of Incorporation to which this Statement is attached has been approved by the association in accordance with its rules and procedures.

C. Linda Barnes
Board Member

Robert W. Bramlage
Board Member

Margaret Desmond Hughes
Board Member

AFFIDAVIT

State of California)
County of Butte) ss.

C. Linda Barnes, Margaret Desmond Hughes and Robert W. Bramlage
being duly sworn, each for himself/herself, depose and say:

That they have read the foregoing statement and know the contents thereof.

That the matters set forth therein are true of their own knowledge.

C. Linda Barnes ✓
(Typed Name)

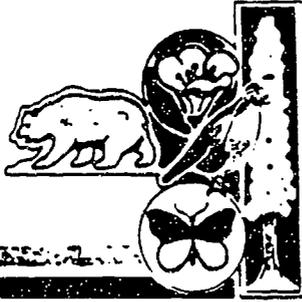
Robert W. Bramlage ✓
(Typed Name)

Margaret Desmond Hughes ✓
(Typed Name)

Subscribed and sworn to before me this 28th day of August,
1991.



Barbara M. Graves
Notary Public



State
of
California
OFFICE OF THE SECRETARY OF STATE

CORPORATION DIVISION

I, *MARCH FONG EU*, Secretary of State of the State of California, hereby certify:

That the annexed transcript has been compared with the corporate record on file in this office, of which it purports to be a copy, and that same is full, true and correct.

IN WITNESS WHEREOF, I execute
this certificate and affix the Great
Seal of the State of California this

FEB 10 1987



March Fong Eu

Secretary of State

67

1398887

ENDORSED
FILED

in the office of the Secretary of State
of the State of California

ARTICLES OF INCORPORATION
OF
CHAFFEY COLLEGE FOUNDATION

FEB 9 1987

MARCH FONG EU, Secretary of State

ARTICLE I

The name of this corporation is CHAFFEY COLLEGE
FOUNDATION.

ARTICLE II

A. This corporation is a nonprofit public benefit corporation
and is not organized for the private gain of any person. It is organized
under the Nonprofit Public Benefit Corporation Law for charitable purposes.

B. The specific and primary purposes of this corporation are to
engage in the solicitation, receipt, and administration of property and, from
time to time, to disburse such property and the income therefrom, to, or for
the benefit of, Chaffey College for cultural, educational, and community
service purposes.

ARTICLE III

The name and address in the State of California of this
corporation's ^{initial} agent for service of process is:



State of California

March Hong Tu

Secretary of State

P.O. Box 2830
Sacramento, CA 95812
Phone: (916) 445-2020

STATEMENT BY DOMESTIC NONPROFIT CORPORATION

THIS STATEMENT MUST BE FILED WITH
CALIFORNIA SECRETARY OF STATE (SECTIONS 6210, 8210, 1360 CORPORATIONS CODE)

1. DUE DATE: 5-9-87 **1398887**
CHAFFEY COLLEGE FOUNDATION

DO NOT ALTER PREPRINTED NAME. IF ITEM 1 IS BLANK. PLEASE ENTER CORPORATE NAME

DO NOT WRITE IN THIS SPACE

PLEASE READ INSTRUCTIONS ON BACK OF FORM.

PLEASE TYPE OR USE BLACK INK WHICH WOULD BE SUITABLE FOR MICROFILMING.

FEE FOR FILING THIS STATEMENT - \$2.50.

THE CORPORATION NAMED HEREIN, ORGANIZED UNDER THE LAWS OF THE STATE OF CALIFORNIA, MAKES THE FOLLOWING STATEMENT:

2. STREET ADDRESS OF PRINCIPAL OFFICE (IF NONE, COMPLETE 3-3B) 5885 Haven, <small>(DO NOT USE P.O. BOX NO.)</small>	SUITE OR ROOM	2A. Rancho Cucamonga, California <small>CITY AND STATE</small>	2B. 97101 <small>ZIP CODE</small>
3. MAILING ADDRESS (OPTIONAL) 5885 Haven	SUITE OR ROOM	3A. Rancho Cucamonga, California <small>CITY AND STATE</small>	3B. 91701 <small>ZIP CODE</small>

NAMES OF THE FOLLOWING OFFICERS ARE:

4. Paula Grigsby <small>CHIEF EXECUTIVE OFFICER</small>	4A. 5885 Haven <small>BUSINESS OR RESIDENCE ADDRESS (DO NOT USE P.O. BOX)</small>	4B. Rancho Cucamonga, CA <small>CITY AND STATE</small>	4C. 91701 <small>ZIP CODE</small>
5. Andrea Dutton <small>SECRETARY</small>	5A. 5885 Haven <small>BUSINESS OR RESIDENCE ADDRESS (DO NOT USE P.O. BOX)</small>	5B. Rancho Cucamonga, CA <small>CITY AND STATE</small>	5C. 91701 <small>ZIP CODE</small>
6. Leonard Mather <small>CHIEF FINANCIAL OFFICER</small>	6A. 5885 Haven <small>BUSINESS OR RESIDENCE ADDRESS (DO NOT USE P.O. BOX)</small>	6B. Rancho Cucamonga, CA <small>CITY AND STATE</small>	6C. 91701 <small>ZIP CODE</small>

7. AGENT FOR SERVICE OF PROCESS:

Paula Grigsby, 8480 Utica Avenue, Rancho Cucamonga, CA 91730

CALIFORNIA BUSINESS OR RESIDENCE ADDRESS IF AN INDIVIDUAL (DO NOT USE P.O. BOX) ONLY ONE AGENT CAN BE NAMED DO NOT INCLUDE ADDRESS IF AGENT IS A CORPORATION.

8. I DECLARE THAT I HAVE EXAMINED THIS STATEMENT AND TO THE BEST OF MY KNOWLEDGE AND BELIEF, IT IS TRUE, CORRECT AND COMPLETE.

4-1-87 *Chief Executive Officer* PAULA GRIGSBY *62* *Paula Grigsby* 65

DATE TITLE TYPE OR PRINT NAME OF SIGNING OFFICER OR AGENT SIGNATURE



INSTRUCTIONS FOR COMPLETING STATEMENT BY DOMESTIC NON-PROFIT CORPORATION

FILING PERIOD: All Nonprofit Corporations must file within 90 days after filing articles of incorporation. Thereafter, corporations must file annually by the end of the calendar month of the anniversary date of its incorporation, or when the agent for service of process or his / her address is changed.

FILING FEE: All Nonprofit Corporations must submit a TWO DOLLAR-FIFTY CENT (\$2.50) filing fee with this statement. (Section 12210(B) Government Code.) Check or money order should be made payable to Secretary of State. PLEASE DO NOT SEND CASH.

ITEMS 2-2B: The address to be entered is the STREET address of the corporation's principal office. Enter room or suite number and zip code. Do not use post office box number.

ITEMS 3-3B: The address to be entered is the MAILING ADDRESS for the corporation.

ITEMS 4-6C: Complete by entering the names and complete business or residence addresses of the corporation's chief executive officer (i.e., president, chairperson or other title), secretary, and chief financial officer (i.e., treasurer, chairperson or other title). No list of additional officers should be submitted. Do not use post office box numbers.

ITEM 7: Sections 6210, 8210 of the Corporations Code, makes it mandatory that domestic Nonprofit Corporations designate an agent for service of process. An agent for service of process is one who may accept papers in case of a law suit against the corporation. The agent may be an individual who is an officer or director of the corporation, or any other person. The person named as agent must be a resident of California. Only one individual may be named as agent for service of process. Or, the agent may be another corporation. However, a corporation named as agent for service of process for another corporation must have on file in this office, a certificate pursuant to Section 1505, Corporations Code. The certificate is required ONLY if a corporation is named as agent for service of process for other corporations. A CORPORATION CANNOT BE NAMED AS AGENT FOR SERVICE OF PROCESS FOR ITSELF. (For example, ABC Corporation cannot name ABC Corporation as its agent for service of process.)

If the agent is a person, enter name and complete business or residence address. If agent is another corporation, enter name of corporation only, and do not complete address portion. Only one agent for service of process is to be named.

ITEM 8: Signature of corporate officer or agent is required to complete the form. Enter title and date signed.

(NOTE) ITEM 1: Do not alter the preprinted corporate name. If corporation name is not correct, please attach note of explanation. If space is blank enter exact corporate name and number, do not include your DBA name.

FAILURE TO FILE THIS FORM BY THE DUE DATE IN ITEM 1 WILL RESULT IN THE ASSESSMENT OF A PENALTY. (Sections 6810, 8810, Corporations Code, and Section 25936, Revenue and Taxation Code.)

NOTE: Your canceled check is your receipt of filing. We suggest that you make a copy of this form before mailing, if you wish one for your files.

The California Options

It is against the law for a public, tax-supported institution to make a gift of equipment, services, or facility usage to another organization or individual not under the control of the institution's governing board. Any governing board or college administrator that, in fact, does make a gift of public funds as described above, may be held liable. Even in-kind services such as staff and/or phones, are covered by this principle.

This principle poses a great dilemma for community colleges across the nation who want to organize and help foundations through their formative years. Trustees and administrators at colleges outside of California have looked the other way during the initial organization and first years of operation.

In the early 1980s, enlightened California leadership recognized these legal and ethical problems. Because of the impact of Proposition 13, the legislature thought each community college would probably need and want its own active foundation. The legislation adopted allows a community college district to make a gift of public funds to an organization governed by an independent board of directors. However, a master agreement must be signed by both the foundation board of directors and the elected trustees. This agreement must state that foundation activities are limited to those listed in the Title V regulations for auxiliary foundations/organizations. This list includes:

- Student association or organization activities
- Loans, scholarships, grants-in-aids
- Public relations programs
- Workshops, conferences, institutes, and federal projects
- Gifts, bequests, devises, endowments, and trusts
- Bookstores
- Facilities and equipment
- Campus food and other services
- Alumni activities
- Student union programs
- Supplementary health services

The following comparison of *independent* and *auxiliary* foundations will be helpful:

Independent/No master agreement w/trustees

1. Must be incorporated in the State of California as a not-for-profit organization.
2. Must apply for and receive designation from the IRS showing that the incorporated organization qualifies as a 501(c)(3) corporation to which contributors can make tax deductible donations.
3. May have a board of directors limited only by its charter.
4. May support any program or activity that does not technically violate its charter or jeopardize its not-for-profit or tax-deductibility status.
5. Must generate revenues to cover all costs.
6. Must have an audit to meet IRS standards.
7. May hire employees or independent contractors.
8. May receive, operate, develop, or sell property and equipment. However, they may not receive campus property for development.
9. Does not have to make reports except to the State of California and the IRS.
10. Financial statements for the previous year must be on file with the Board of Trustees.

Auxiliary/Master agreement w/trustees

1. Same as independent
2. Same as independent
3. Same as independent.
4. May only support or operate those programs listed in Title 5 of the California higher education codes.
5. District may cover all or part of the costs of operating the foundation when both boards have signed a master agreement.
6. Must have an audit to meet Title 5 regulations and those of the State Department of Finance and the IRS.
7. May hire employees or independent contractors.
8. Depending on the terms of the master agreement, may receive, operate, develop, or sell property.
A typical proviso states that the college president can determine whether property should be accepted.
9. Per master agreement, may provide trustees with reports and seek board approval for foundation activities to make sure they are covered by district master insurance policy.
10. Same as the independent.

This is the process for becoming an *auxiliary foundation*:

1. The elected board of trustees must adopt regulations for governing an auxiliary foundation.
2. The adopted regulations must be reviewed and approved by the State Chancellor's office.
3. The board of trustees must negotiate and draft a Master Agreement with the directors of the college foundation.
4. The board of trustees then adopts the Master Agreement as an offer to the college foundation.
5. The foundation board of directors votes to accept and signs the Master Agreement.

If the board of trustees and the board of directors fail to enact a Master Agreement, the status of the college's foundation reverts to or remains that of an independent foundation, meaning it must raise all of the funds required to cover staff, office space, phone service, supplies, and other costs of operation.

Within a master agreement, terms could be established for the repayment of services, staff, facilities, etc., provided by the district. The district could offer to include the foundation and its board of directors under the district's liability insurance coverage, and also include the foundation in the annual audit of the district and its organizations. Both of these benefits greatly assist a foundation in attracting qualified board members and donations from the private sector.

Legally, every community college foundation in California which does not have a master agreement must raise sufficient funds to pay for its entire operation, including the cost of its office space, staff, and use of equipment.

Problems

To my knowledge, there have been few if any problems associated with the activities and operations of any auxiliary foundation. Many auxiliary foundations have both faculty and classified representatives on their boards of directors, and such interaction frequently puts an end to rumors and misunderstandings among college employees. Unfortunately, this can't be said about the operation of some independent foundations.

The most frequently cited example of abuse by a community college foundation occurred several years ago in San Diego. In that case, the independent foundation literally became a competitor with its district for a number of profitable contract education opportunities. *The foundation was more competitive because it paid its employees less than they would have received as district employees.*

At the same time, faculty positions in the district were being reduced. The district employees felt helpless in their efforts to stop these obviously counter-productive activities by the foundation. With help from their friends, a bill abolishing community college foundations found significant support within the legislature. Only a hue and cry from those attempting to organize auxiliary foundations kept this bill from becoming law.

Recently, there have been other examples of administrators and trustees making gifts of public cash, land, or property to *independent* foundations, most frequently without the knowledge of the elected board of trustees. Many of these transactions have caused serious concern among the faculty and classified staffs.

Legislation to address faculty and staff concerns about independent foundations developing campus property has been adopted. Also, foundations which support a college or its programs must file a copy of their most recent audited financial reports with the college board of trustees. In California, there continues to be some community college employee distrust of community college foundations.

CHAPTER 4.5. AUXILIARY ORGANIZATIONS

Article 1. Scope and Definitions

59250. Scope.

(a) The governing body of a community college district may establish auxiliary organizations for the purpose of providing supportive services and specialized programs for the general benefit of its college or colleges, as determined by the governing board. Such organizations shall be established and maintained in accordance with the provisions of Article 6 (commencing with Section 72670) of Chapter 6, Part 45 of the Education Code, and the regulations contained in this chapter.

(b) Other organizations which provide supportive services and specialized programs for the general benefit of colleges, which are authorized by other provisions of law, need not be established as an auxiliary organization pursuant to this chapter. If, however, an organization is not established as an auxiliary organization in accordance with the provisions of this chapter, its powers and duties will continue to be defined by the other provisions of law which provide for its establishment and operation.

(c) An auxiliary organization which was in existence on or before August 31, 1980, may continue to operate under the provisions of Article 6 (commencing with Section 72670) of Chapter 6, Part 45 of the Education Code, as it read on August 30, 1980. Such organizations, however, shall operate only in accordance with the provisions of former Article 6; and shall not, unless established and maintained in accordance with the provisions of this chapter, be vested with any additional authority or flexibility that may be provided by this chapter and the current Article 6 (commencing with Section 72670) of Chapter 6, Part 45 of the Education Code.

NOTE: Authority cited: Sections 71020, 72672, Education Code. Reference: Article 6 (commencing with Section 72670), Chapter 6, Part 45, Education Code.

HISTORY:

1. New Chapter 4.5 (Articles 1-J, Sections 59250-59276, not consecutive) filed 5-4-81; effective thirtieth day thereafter (Register 81, No. 19).

59251. Definitions.

For the purposes of this chapter, the following definitions shall be applied:

(a) Auxiliary organization: An "auxiliary organization" is an entity authorized by Section 72670 of the Education Code which is established by the governing board in accordance with the provisions of this chapter and Article 6 (commencing with Section 72670) of Chapter 6, Part 45 of the Education Code.

(b) Written agreement: A "written agreement" is an agreement between a community college district and an auxiliary organization which may implement or otherwise address the requirements of subdivision (j) of Section 59257 of this chapter.

NOTE: Authority cited: Sections 71020, 72672, Education Code. Reference: Sections 72670, 72672, Education Code.

Article 2 District Responsibilities

59255. Conditions for Establishment.

The following conditions must be met before an auxiliary organization may be established by a community college district:

(a) The district governing board must adopt implementing regulations for auxiliary organizations. Such regulations must, at least, address the subjects specified in Section 59257 of this chapter;

(b) The district's implementing regulations must be reviewed and approved by the Chancellor;

(c) The particular auxiliary organization being established may only provide recognized services or functions as specified in Section 59259;

(d) The district governing board must approve the establishment of the auxiliary organization; and

(e) The district must at such time as it recognizes an auxiliary organization, submit to the Chancellor any written agreement with an auxiliary organization, as well as the articles of incorporation, bylaws, or other governing instrument of the particular auxiliary organization.

NOTE: Authority cited: Sections 71020, 72672, Education Code. Reference: Section 72672, Education Code.

59257. Implementing Regulations.

Each district governing board wishing to establish an auxiliary organization must adopt implementing regulations, and submit such regulations to the Chancellor for approval. The implementing regulations must contain provisions which address at least the following subjects:

(a) Provisions which set forth the district's method for recognizing an auxiliary organization, which procedure must include a public hearing prior to such recognition;

(b) Provisions which limit authorized auxiliary organizations to those performing recognized functions described in Section 59259;

(c) Provisions which implement Section 72674 of the Education Code, regarding composition and meetings of boards of directors of auxiliary organizations;

(d) Provisions which implement subdivision (a) of Section 72672 of the Education Code, regarding the audit of auxiliary organizations;

(e) Provisions which implement subdivision (c) of Section 72672 of the Education Code, regarding salaries, working conditions, and benefits for full-time employees of auxiliary organizations;

(f) Provisions which implement Section 72673 of the Education Code, regarding expenditures and fund appropriations by auxiliary organizations;

(g) Provisions which establish recordkeeping responsibilities of auxiliary organizations;

(h) Provisions which establish a procedure for periodic review of each auxiliary organization by the district to insure that it is complying with Sections 72670-72682 of the Education Code, district implementing regulations, any written agreement with the district, and its articles of incorporation or bylaws; and

TITLE 5

CALIFORNIA COMMUNITY COLLEGES

§ 59257

(Regulation No. 10-4-47)

(p. 684, 123)

(i) Provisions which prohibit the district from transferring any of its funds or resources other than funds or resources derived from gifts or bequests, to any of its auxiliary organizations, when the purpose of such transfer is either to avoid laws or regulations which constrain community college districts or to provide the district with an unfair advantage with respect to the application of any state funding mechanism. Such state funding mechanisms include, but are not limited to, general apportionment funding, capital outlay funding, Extended Opportunity Programs and Services funding, and funding for programs and services for handicapped students.

(j) Provisions which shall specify the following:

(1) The function or functions which the auxiliary organization is to manage, operate or administer;

(2) A statement of the reasons for administration of the functions by the auxiliary organization instead of by the college under usual district procedures;

(3) The areas of authority and responsibility of the auxiliary organization and the college;

(4) The facilities to be made available, if any, by the district to permit the auxiliary organization to perform the functions specified in the implementing regulations or written agreement;

(5) The charge or rental to be paid to the district by the auxiliary organization for any district facilities used in connection with the performance of its function. The charge or rental specified shall not require involved methods of computation, and should be identified in sufficient time before its incurrence so that the auxiliary organization may determine to what extent it shall be liable therefor;

(6) Full reimbursement to the district for services performed by district employees under the direction of the auxiliary organization. Methods of proration where services are performed by district employees for the auxiliary organization shall be simple and equitable;

(7) A simple and equitable method of determining in advance to what extent the auxiliary organization shall be liable for indirect costs relating to federally-sponsored programs;

(8) The responsibility for maintenance and payment of operating expenses;

(9) The proposed expenditures for public relations or other purposes which would serve to augment district appropriations for operation of the college. With respect to expenditures for public relations or other purposes which would serve to augment district appropriation for the operation of the college, the auxiliary organization may expend funds in such amount and for such purposes as are approved by the board of directors of the auxiliary organization. The college president shall file with the district's chief executive officer a statement of auxiliary organizations' policies on accumulation and use of public relations funds. The statement will include the policy and procedure on solicitation of funds, source of funds, amounts, and purpose for which the funds will be used, allowable expenditures, and procedures of control;

(10) The disposition to be made of net earnings derived from the operation of facilities owned or leased by the auxiliary organization and provisions for reserves;

(11) The disposition to be made of net assets on cessation of the operations under the agreement; and

(12) Provisions which require a covenant of the auxiliary organization to maintain its existence throughout the period of the agreement and to operate in accordance with Sections 72670-72682 of the Education Code, and with the regulations contained in this chapter as well as district implementing regulations.

In addressing the requirements of this subdivision in its district implementing regulations, a district may provide for such requirements in a written agreement or agreements with an auxiliary organization. The agreement shall provide for all requirements of this subdivision which have not been addressed in the district implementing regulations.

NOTE: Authority cited: Sections 71020, 72672, Education Code. Reference: Article 6 (commencing with Section 72670), Chapter 6, Part 48, Education Code.

59259. Recognized Functions.

The functions to be undertaken by auxiliary organizations are for the purpose of providing activities which are an integral part of the community college educational programs. The following supportive services and specialized programs which may be developed and operated by auxiliary organizations have been determined by the Board of Governors to be appropriate:

- (a) Student association or organization activities;
- (b) Bookstores;
- (c) Food and campus services;
- (d) Student union programs;
- (e) Facilities and equipment;
- (f) Loans, scholarships, grants-in-aids;
- (g) Workshops, conferences, institutes, and federal projects;
- (h) Alumni activities;
- (i) Supplementary health services;
- (j) Gifts, bequests, devises, endowments and trusts; and
- (k) Public relations programs.

The Chancellor shall periodically report to the Board of Governors on the extent to which auxiliary organizations formed pursuant to this chapter are performing each of the functions recognized in this section.

NOTE: Authority cited: Sections 71020, 72672, Education Code. Reference: Sections 72670 and 72672, Education Code.

59263. Auxiliary Organizations in Good Standing.

(a) Each district which establishes one or more auxiliary organizations shall prepare and keep current a list of auxiliary organizations in good standing. All auxiliary organizations which, after periodic review in the manner specified by district implementing regulations, are found to be in compliance with applicable laws and regulations, shall be included on this list.

(b) When the chief executive officer of a district has reason to believe that a particular organization should be removed from this list, he or she shall give the board of directors of such organization reasonable notice that a conference will be held to determine whether grounds for removal do in fact exist, and representatives of said board shall be entitled to be present at such conference and to be heard. Based upon such conference, the chief executive officer shall recommend to the district governing board whether a particular organization should be removed from the list. The district governing board may, in its sole discretion, remove such an auxiliary organization from said list, and may make such other provisions consistent with law as may be appropriate with respect to an auxiliary organization not included on said list.

NOTE: Authority cited: Sections 71020, 72672, Education Code. Reference: Section 72672, Education Code.

59263. Ongoing Responsibilities.

Each district governing board which establishes one or more auxiliary organizations shall:

(a) Insure that an audit on each auxiliary organization is performed annually in the manner prescribed by subdivision (a) of Section 72672 of the Education Code; and that a copy of said audit is submitted to the Chancellor;

(b) Submit any changes in district implementing regulations to the Chancellor for approval;

(c) Submit to the Chancellor any changes made in any written agreement, articles of incorporation, bylaws or other governing instrument pertaining to any established auxiliary organization;

(d) Periodically review each auxiliary organization for compliance with Education Code Sections 72670-72682, the regulations contained in this chapter and district implementing regulations, any written agreement, and the auxiliary organization's articles of incorporation, bylaws or other governing instrument. Such review shall be conducted in accordance with the procedure specified in the district implementing regulations;

(e) Prepare and keep current a list of auxiliary organizations in good standing in the manner provided for in Section 59263. A copy of the initial list of auxiliary organizations in good standing, as well as any updated version of such list shall be forwarded to the Chancellor; and

(f) Report to the Chancellor, as may be required from time to time, on the operations of its auxiliary organizations.

NOTE: Authority cited: Sections 71020, 72672, Education Code. Reference: Article 6 (commencing with Section 72670), Chapter 6, Part 45, Education Code.

Article 3. Board of Governors and Chancellor's Office Responsibilities

59270. Procedures for Annual Audits and Financial Reporting.

The Chancellor shall have the authority to prescribe the reporting and auditing procedures for auxiliary organizations. Such procedures are contained in the document, *California Community Colleges Auxiliary—Organization Accounting and Reporting System*, which shall be maintained by the Chancellor. Districts and auxiliary organizations shall apply and comply with the provisions of this document.

NOTE: Authority cited: Sections 71020, 71091, 72672, 72673, Education Code. Reference: Sections 72672, 72673, Education Code.

59272. Review of District Implementing Regulations.

The Chancellor shall review and approve or disapprove district implementing regulations no later than 60 days after receipt. Implementing regulations which satisfactorily address the minimum contents specified in Section 59257 shall be approved. Implementing regulations which are disapproved shall be returned with a statement of reasons as to why they were rejected.

NOTE: Authority cited: Sections 71020, 72672, Education Code. Reference: Section 72672, Education Code.

59274. Retention of Documentation.

(a) The Chancellor shall:

(1) Maintain a copy of the approved implementing regulations and any approved amendments thereto submitted by community college districts;

(2) Maintain a copy of the articles of incorporation and bylaws and any amendments thereto submitted by community college districts;

(p. 684.12.6)

(Register PL No. 13-4471)

(3) Maintain a copy of each written agreement between an auxiliary organization and a college district;

(4) Maintain a copy of the annual audit of each auxiliary organization; and

(5) Maintain a copy of each district's list of organizations in good standing, and compile a statewide list of organizations in good standing.

(b) The Chancellor shall make this information accessible to interested parties, and may charge a reasonable fee to cover the actual cost of providing requested copies.

NOTE: Authority cited: Sections 71080, 72672, Education Code. Reference: Article 6 (commencing with Section 72670), Chapter 6, Part 45, Education Code.

59276. Annual Report to Legislature.

The Chancellor shall submit an annual report to the Legislature which shall describe the development and activities of the auxiliary organizations authorized by Article 6 (commencing with Section 72670) of Chapter 6, Part 45 of the Education Code. The report shall also account for the cost to the Chancellor's Office of administering the provisions of this article.

NOTE: Authority cited: Sections 71080, 72672, Education Code. Reference: Section 72681, Education Code.

Approval of Implementing Regulations for the Establishment of Three New
Nonprofit Foundations

Background

This report constitutes the District's final report of the Board on the task of establishing District auxiliary organizations. As Karen Klammer of the inter-College task force explained to the Board on March 7, 1984, auxiliary organizations are authorized by the Education Code and are entities that provide supportive services and specialized programs for the benefit of the District or the Colleges. Title 5 of the California Administrative Code, adopted by the Board of Governors of the California Community Colleges, requires each community college to adopt implementing regulations for these entities. The regulations below were presented to the Board as an informational item on March 7, 1984 and have been made available to all interested groups. They have reviewed and approved by the inter-College task force responsible for their development and approved by the District's General Counsel as to legal requirements.

The regulations are now presented for adoption. After approval by the District Board, the regulations must be reviewed and approved by the State Chancellor's Office. Based upon approvals given to other districts, the task force believes the regulations prepared below will be approved by the State Chancellor's Office with no difficulties. The task force recommends these Regulations be adopted.

REGULATIONS
OF THE
COAST COMMUNITY COLLEGE DISTRICT
FOR
AUXILIARY ORGANIZATIONS

1.1 RECOGNITION AND ESTABLISHMENT OF AUXILIARY ORGANIZATIONS

Recognition of the establishment of an auxiliary organization by the Board of Trustees pursuant to Education Code Section 72672(c) and California Administrative Code, Title 5 Sections 59255 and 59257(a) shall require:

- a. That, when an organization will serve the District, a recommendation of Board recognition be submitted to the Board of Trustees by the Chancellor; or that, when an organization will primarily serve a College, a recommendation of Board recognition be submitted to the Board of Trustees by the Chancellor on behalf of a College President.
- b. Prior to the recognition of an auxiliary organization, a public hearing on the recommendation will be held at a time, place and in the manner determined by the Board of Trustees;
- c. The approval by the Board of Trustees of the establishment of the auxiliary organization. Approval by the Board of Trustees shall include a designation of the recognized services, programs

POLICY REPORT NO. 4.17, continued

and functions and an identification of the number and category or categories of members of the Board of Directors of the auxiliary organization; and

- d. The approval of a written agreement between the District and the auxiliary organization under which one or more of the services, programs or functions described in California Administrative Code, Title 5, Section 59259 are to be performed.

1.2 RECOGNIZED SERVICES, PROGRAMS AND FUNCTIONS

Auxiliary organizations may be recognized and established for the purpose of providing supportive services and specialized programs for the benefit of the Coast Community College District. The services, programs and functions which may be undertaken by auxiliary organizations and which have been determined by the Board of Trustees and the Board of Governors to be appropriate include:

- Student association or organization activities;
- Bookstores;
- Food and campus services;
- Student union programs;
- Facilities and equipment, including parking;
- Loans, scholarships, grants-in-aid;
- Workshops, conferences, institutes and federal projects;
- Alumni activities;
- Supplementary health services;
- Gifts, bequests, devises, endowments and trusts;
- Public relations programs.

No auxiliary organization shall be authorized by the Board of Trustees to engage in any other function unless the Board of Governors amends Section 59259 of Title 5 by adding said function to the list of approved functions of auxiliary organizations.

In accordance with Education Code Section 72671 the services, programs and functions may be performed by an auxiliary organization as part of a joint powers agreement.

1.3 COMPOSITION AND SIZE OF BOARDS OF DIRECTORS

The Board of Directors of each auxiliary organization shall have the following composition:

- a. The Board of Directors of student associations or organizations shall consist primarily of students. The President or his/her representative shall attend and participate in meetings of the Board of Directors in order to advise on policy and to provide for the control and regulation required by Education Code Section 76060.
- b. Any other District-approved auxiliary organization that is established pursuant to Education Code Section 72670 et seq. shall have a Board of Directors appointed in accordance with the organization's articles of

POLICY REPORT NO. 4.17, continued

incorporation or bylaws and consisting of voting membership from one or more of the following categories:

Administration and staff
Faculty
Members of the community
Students

- c. The size of the Board of Directors of an auxiliary organization shall be at least large enough to accommodate the one or more categories from which board members are selected.
- d. Each nonprofit corporation that existed prior to the effective date of these Regulations, and that is subsequently reorganized and established as an auxiliary organization under these Regulations, may continue to be governed by the Board of Directors existing at the time of recognition.
- e. Each auxiliary organization formed pursuant to Section 72670 et seq. of the Education Code shall have the benefit of the advice and counsel of at least one attorney admitted to practice in the State of California and at least one licensed certified public accountant; however, neither the attorney nor the public accountant need be a member of the Board of Directors.

1.4 BUSINESS MEETINGS

The Board of Directors of each auxiliary organization shall conduct its business meetings in public in accordance with Section 54940 et seq. of the Government Code, and shall, during each fiscal year, hold at least one business meeting each quarter.

1.5 SALARIES, WORKING CONDITIONS AND BENEFITS OF FULL-TIME EMPLOYEES

- a. Except as otherwise provided in this Board Rule, the Board of Directors of each auxiliary organization shall, pursuant to Education Code Section 72672, provide salaries, working conditions and benefits for its full-time employees that are comparable to those provided District employees performing substantially similar services. For those full-time employees who perform services that are not substantially similar to the services performed by District employees, the salaries established shall be comparable to the salaries prevailing in other educational institutions in the area or commercial operations of like nature in the area.
- b. The Board of Directors of each auxiliary organization may provide retirement benefits different from those provided comparable District employees and may withhold retirement benefits or permanent status benefits or both from temporary employees. For the purpose of this Rule, a temporary employee is:
 - (1) An employee employed for a specific research project, workshop, institute or other special project funded by any grant, contract or gift; or

POLICY REPORT NO. 4.17, continued

- (2) An employee whose contract of employment is for a fixed term not exceeding three years.
- c. The Board of Directors of each auxiliary organization may withhold permanent status benefits from executive employees. For the purposes of this regulation, an executive employee is any management employee with responsibility for the development and execution of the auxiliary organization's policies and includes, but is not limited to, general managers, managers, directors, and the like, as determined by the Board of Directors of each auxiliary organization.
- d. Should retirement benefits be provided, they may, but need not, be provided by the Public Employees' Retirement System. Any newly created auxiliary organization is exempted from the requirement of providing retirement benefits for a period not to exceed three years from the date on which the Board of Trustees recognizes the establishment of such auxiliary organization.

1.6 EXPENDITURES AND FUND APPROPRIATION

The Board of Directors of an auxiliary organization shall approve all expenditure authorizations. Appropriations of funds for use outside of the normal business operations of the auxiliary organization shall be approved in accordance with Board of Trustee policy and further consistent regulations adopted by the Chancellor.

1.7 ACCOUNTING AND REPORTING

The Board of Directors of all auxiliary organizations, except those exempted in Section 72673 of the Education Code, shall

- a. Utilize a standard accounting and reporting system established by the Chancellor of the California Community Colleges in consultation with representatives of the Board of Governors.
- b. Implement financial standards which will assure the fiscal viability of such various auxiliary organizations. Such standards shall include proper provision for professional management, adequate working capital, adequate reserve funds for current operations, capital replacements, contingencies and adequate provisions for new business requirements.

Each District-wide auxiliary organization shall submit its programs and budgets for review at a time and in a manner specified by the Chancellor. Programs and budgets for auxiliary organizations primarily serving a College shall be submitted to that College President for review, and to the Chancellor.

Should the President determine that any program or appropriation planned by an auxiliary organization is not consistent with District or College policy, the program or appropriation shall not be implemented. Further, should a program or appropriation which has received approval, upon review be determined to be operating outside the acceptable policy of the Board of Governors, the District, or the College, then that program or appropriation shall be discontinued by direction of the President until further review is accomplished and an appropriate adjustment is made.

1.8 FUNDS

- a. All money collected by or on behalf of a student body auxiliary organization shall be deposited in trust by the chief fiscal officer of the College. All such money shall be accounted for properly and, subject to the approval of the College President or designee and the appropriate officer of said organization, be deposited or invested in any one or more of the ways specified in Sections 76063 and 76064 of the Education Code.

The chief fiscal officer of the College shall be custodian of all unexpended funds and money collected by or on behalf of a student body auxiliary organization and shall provide the necessary accounting records and controls for such funds. These funds may be expended by the custodian only upon the submission of an appropriate claim schedule by officers of said organization.

- b. Trust funds shall be used specifically for the purpose designated in the instrument creating the trust.
- c. Funds of an auxiliary organization shall be used for purposes consistent with District and College policy where applicable, and shall not be used:
 - (1) To support or oppose any candidate for public office, whether partisan or not, or to support or oppose any issue before the voters of this State or any subdivision thereof or any city, municipality, or local governmental entity of any kinds.
 - (2) To make personal loans for non-educationally related purposes, except that such loans be made when specifically authorized by a trust instrument under which the funds were received.
- d. An indemnity bond shall be obtained by an auxiliary organization for its fiscal officer who is responsible for handling funds of the auxiliary organization.
- e. Grants, bequests, trusts, donations and gifts accepted by an auxiliary organization shall be maintained in accordance with policies and regulations established by the College and the District. With respect to proposed gifts to the District, the Chancellor shall decide, after consulting with the donor, whether a donor's proposed gift

POLICY REPORT NO. 4.17, continued

should be accepted by the District or referred to any auxiliary organization. Gifts to the District or any college thereof shall be accepted under the provisions of Education Code Section 72241.

- f. Funds derived by an auxiliary organization from indirect cost payments and which are not needed to provide adequate working capital, reserve funds for current operations, capital replacements, contingencies and adequate provisions for new business requirements shall be appropriated in a manner consistent with policies established by the District; uses of such funds shall be regularly reported to the Board of Trustees through the Chancellor.
- g. No District funds or resources, other than those funds or resources derived from gifts or bequests to the District, shall be transferred by the District, or by any College within the District, to any of its auxiliary organizations for the purpose of either avoiding laws or regulations which constrain community college districts or providing the District with an unfair advantage with respect to the application of any State funding mechanism. Such State funding mechanisms include, but are not limited to, general apportionment funding, capital outlay funding, Extended Opportunity Programs and Services funding, and funding for programs and services for handicapped students.

1.9 AUTHORITY AND RESPONSIBILITY OF AUXILIARY ORGANIZATIONS

- a. Auxiliary organizations shall not offer courses for which State funding is received.
- b. All services, programs and activities that may be undertaken by an auxiliary organization shall be maintained for the general benefit of the educational program of the District and its colleges. Upon Board of Trustee approval, an auxiliary organization may assume any of the services, programs and activities listed in Board Regulations 1.2 in order:
 - (1) To provide the fiscal means and the management procedures that allow the College and/or District to carry on educationally related activities not normally funded by the State;
 - (2) To provide fiscal procedures and management systems that allow effective coordination of the auxiliary activities with the College and/or District in accordance with sound business practices.
- c. An auxiliary organization may not enter into any contract or other business arrangement involving real property, either by lease or by purchase, without the prior approval of the College President.
- d. The District shall maintain a list of all auxiliary organizations in good standing.

POLICY REPORT NO. 4.17, continued

- (1) All auxiliary organizations which, after periodic review in the manner specified by Board Regulation 1.10(c), are found to be in compliance with applicable laws and regulations shall be included in this list.
- (2) When the Chancellor has reason to believe that a particular organization should be removed from this list, he or she shall give the Board of Directors of such organization reasonable notice that a conference will be held to determine whether grounds for removal do, in fact, exist, and representatives of said board shall be entitled to be present at such conference and to be heard. Based upon such conference, the Chancellor shall decide whether a particular organization should be removed from the list. The Chancellor may remove such an auxiliary organization from said list, and may make such other provisions consistent with law as may be appropriate with respect to an auxiliary organization not included on said list. Such actions shall be reported to the Board of Trustees.

1.10 RECORD KEEPING

a. Records and Annual Audit

An auxiliary organization shall maintain adequate records and shall prepare an annual report showing its operations and financial status as may be required by the Board of Governors, District or College President.

b. Compliance Review by Chancellor

For a District-wide auxiliary organization, the Chancellor's designee shall inspect and review all auxiliary organization procedures and practices to determine compliance with policies, rules and regulations of the Board of Governors and the District, and make his/her recommendations to the Chancellor and the Board of Directors of the auxiliary organization regarding said procedures and practices. This shall be done at the end of the first complete year after approval and at least every three years thereafter. The decision of the Chancellor shall be made after he/she has invited comments from the Board of Directors of the auxiliary organization. Reports and statements shall cover all activities of the organization.

c. Compliance Review by College

For an auxiliary organization which primarily serves a single College, the President's designee shall inspect and review all procedures and policies to determine compliance with Education Code Sections 72670 through 72682 and with policies, rules and regulations of the Board of Trustees and policies of the College, and to make his/her recommendations to the President and the governing board of the auxiliary organization regarding said procedures and policies. The decision of the President on the recommendations of the President's designee shall

POLICY REPORT NO. 4.17, continued

be made after he/she has invited comments from the governing board of the auxiliary organization. This review shall also determine compliance with any written agreement with the District and with the auxiliary organization's articles of incorporation and bylaws and shall be conducted on an annual basis.

d. Audit

Each auxiliary organization shall have an annual fiscal audit of any and all funds. The audit shall be performed by a certified public accountant in accordance with procedures prescribed by the Board of Governors, as contained in the California Community College Auxiliary Organization Accounting and Reporting System. Copies of the annual audit report shall be submitted to the Board of Trustees and to the Board of Governors' Office within 30 days after it is received by the auxiliary organization. Thereafter, it shall be a public record, except as otherwise provided by law. Such audit may be conducted as part of a fiscal audit of the District itself.

Auxiliary organizations shall annually publish an audited statement of their financial condition which shall be disseminated as widely as feasible and be available to any person on request. A reasonable fee may be charged to cover the costs of providing a copy. When an auxiliary organization primarily serves a single college of the District, the auxiliary organization shall comply with this requirement by:

- (a) Publishing the audited financial statement in a campus newspaper; or
- (b) Publishing a notice in a campus newspaper indicating the on-campus location where copies of the financial statement may be obtained or reviewed; or
- (c) Publishing or noticing the audited statement in accordance with Board Regulations 1.10(a) and (b) in a campus bulletin or other appropriate medium if a campus newspaper is unavailable.

1.11 WRITTEN AGREEMENT

A written agreement between the Coast Community College District and each auxiliary organization is required for the performance by such auxiliary organization of any of the services, programs and functions listed in Board Regulation 1.2. If any auxiliary organization performs more than a single service, program or function, then the written agreement may cover any number of the functions it performs or a separate agreement may cover each function performed.

POLICY REPORT NO. 4.17, continued

The written agreement shall, among other things, provide for the following:

- (a) The services, programs, or functions the auxiliary organization is to manage, operate or administer.
- (b) A statement of the reasons for administration of the functions by the auxiliary organization instead of by District or College under usual District procedures.
- (c) The areas of authority and responsibility of the auxiliary organization and the District or College.
- (d) The facilities and services to be made available by the District or College to permit the auxiliary organization to perform services, programs or functions specified in the written agreement.
- (e) The charge or rental to be paid to the District by the auxiliary organization for the facilities used or services provided in connection with the performance of its function. The charge or rental specified shall not require involved methods of computation, and should be identified in sufficient time before it is incurred so that the organization may determine to what extent it shall be liable therefor.
- (f) Full reimbursement to the District for services performed by the District or by District employees under the direction of or in support of the auxiliary organization. Student body auxiliary organizations may be exempt from reimbursing all or any portion of the costs for such services. Methods of proration where services are performed by District employees for the organization shall be simple and equitable.
- (g) A simple but equitable method of determining in advance to what extent the organization shall be liable for indirect costs relating to federally-sponsored programs.
- (h) The responsibility for maintenance and payment of operating expenses.
- (i) A statement that, with respect to expenditures for public relations or other purposes which would serve to augment District appropriations for operation of the District, the auxiliary organization may expend funds in such amount and for such purposes as are approved by the Board of Directors of the auxiliary organization.

The Board of Directors shall file with the Chancellor a statement of such policy on accumulation and use of public relation funds for all auxiliary organizations. The statement shall include the policy and procedure on solicitation of funds, source of funds, expenditures, and procedures of control. In the case of an auxiliary organization serving a College of the District, the College President shall file such a statement with the Chancellor.

POLICY REPORT NO. 4.17, continued

- (j) The disposition to be made of net earnings derived from facilities owned or leased by the auxiliary organization, including earnings derived from facilities owned or leased by the auxiliary organization, and provisions for reserves.
- (k) The disposition to be made of net assets and liabilities on dissolution of the auxiliary organization or cessation of operations under the agreement.
- (l) The covenant of the auxiliary organization to maintain its organization and to operate in accordance with Sections 72670 through 72682 of the Education Code and with the regulations contained in Chapter 5 (commencing with Section 59250) of Division 10, Part IV of Title 5 of the California Administrative Code, as well as District Board Rules.

1.12 USE OF COLLEGE OR DISTRICT NAME

Except for student body associations organized and operating under Education Code Section 76060 et seq., no organization may use the name of the Coast Community College District or a community college of the District or otherwise represent a relationship with Coast Community College District or a College of the District except pursuant to written license of the District or unless the organization has been recognized and established as an auxiliary organization by the Board of Trustees and is in good standing with the District.

1.13 ADMINISTRATIVE AUTHORITY

The Chancellor or his/her designee shall provide and may from time to time revise procedures for the administration of these Regulations.

1.14 DEFINITIONS

a. Auxiliary Organization

The phrase "Auxiliary Organization" as used herein means the entities specified in Education Code Subsections 72670(a)-(e) and no other entities or organizations.

b. Board of Directors

The phrase "Board of Directors" as used herein means the governing board of an auxiliary organization.

c. Board of Trustees

The phrase "Board of Trustees" as used herein means the Board of Trustees of the Coast Community College District.

POLICY REPORT NO. 4.17, continued

d. Board of Governors

The phrase "Board of Governors" as used herein means the Board of Governors of the California Community Colleges.

e. Chancellor

The term "Chancellor" as used herein means the Chancellor of the Coast Community College District or designee.

f. District

The term "District" as used herein means the Coast Community College District.

11/20/85 - 11/20/85
RECEIVED

NOV 7 1985

Coast Comm. Coll. Dist.
Chancellor's Office

MASTER AGREEMENT
BY AND BETWEEN THE
COAST COMMUNITY COLLEGE DISTRICT
AND
THE COASTLINE COMMUNITY COLLEGE FOUNDATION

This agreement is made and entered into this sixth day of November 1985, by and between the Coast Community College District, hereinafter referred to as "District," on behalf of the Coastline Community College, hereinafter collectively referred to as College," and the Coastline Community College Foundation hereinafter referred to as "Foundation," an auxiliary organization established and operated as an integral part of the District.

I. PURPOSE

Administration by the Foundation of the functions and activities described herein, instead of administration by and through the College under the usual District procedure, is deemed to be in the public interest in accomplishing these functions and activities than would be possible under usual governmental budgetary, purchasing and other fiscal procedures.

II. AREAS OF SERVICE

The Foundation, through amendments to this agreement, may administer functions or activities defined in Section 59259 of Title 5, California Administrative Code. Other services may be provided if first approved by the Board of Governors of the California Community Colleges.

III. USE OF FACILITIES

The Foundation may occupy, operate, and use College facilities and property separately or jointly with the College as identified by amendments to the agreement.

The Foundation shall use the facilities and property only for those services and functions that are consistent with the policies, rules, and regulations, which have been or may be adopted by the Board of Trustees of the Coast Community College District.

The right to use any of the College facilities or equipment included in this agreement or amendments shall cease upon written notice by the President that the facilities are needed by the College.

IV. REIMBURSEMENT FOR SERVICES AND FACILITIES

The Foundation shall, by prior agreement, reimburse the College for expenditures incurred by the College as a result of the activities of the Foundation. The College shall invoice the Foundation for such expenditures, indicating items charged and method of determining costs.

The cost of District employees on loan or providing professional services to the Foundation shall be reimbursed by the Foundation as identified in amendments to this agreement.

The Foundation may provide services to the District for which the College shall reimburse the Foundation. Such service areas shall be identified in amendments to this agreement.

Accounting and recordkeeping services provided to the Foundation shall be reimbursed by the Foundation.

The independent CPA firm retained to audit the College will also audit the Foundation, with the costs of that additional service paid by the Foundation.

V. COVENANT

During the term of this agreement, the Foundation agrees to maintain its existence and to operate in accordance with Sections 72670-72682 of the California Education Code and with the regulations of Sections 59250-59276 of the California Administrative Code, Title 5, as well as the Coast Community College District Implementing Regulations.

VI. SIGNS, FIXTURES AND EQUIPMENT

During the term of this agreement, the Foundation shall have the right to place and attach fixtures, signs, and equipment in or upon facilities as authorized by the College President in writing as to number, size, and location. Fixtures, signs or equipment so erected, placed or attached by the Foundation shall be and remain the property of the Foundation and be removed therefrom by the Foundation upon the termination of this agreement.

VII. RIGHT OF ENTRY

It is understood and agreed that at any time the College and its agents shall have the right to enter described facilities or any part thereof for the purpose of examination or supervision.

VIII. INDIRECT COSTS

If the Foundation administers a federally-sponsored program, it shall reimburse the College for indirect costs associated

with the performance of services by the College for the Foundation relating to the federally-sponsored project. Such reimbursement will take into consideration the District's federal indirect cost rate and the approved indirect cost allocation, if any, of the federal program award.

IX. DISPENSATION OF EARNINGS

Income generated by the Foundation in excess of costs and provisions for equipment, maintenance, reserves, and working capital shall be used to benefit the College. Capital provisions shall be established by the Board of Directors of the Foundation to insure fulfillment by the Foundation of this agreement.

X. DISTRIBUTION OF ASSETS UPON CESSATION

Upon cessation of operations of the Foundation under this agreement, unless extended or renewed, the net assets of the Foundation resulting or arising from this agreement shall be either transferred to the College or expended for the benefit of the College.

XI. PUBLIC RELATIONS

With respect to expenditures for public relations or other purposes which would serve to augment District appropriations for the operation of the College, the Foundation may expend funds in such amount and for such purposes as are approved by the Board of Directors of the Foundation. The Foundation shall file with the District Chancellor, through the College President a statement of its policy on accumulation and use of public relations funds. The statement will include the policy and procedure on solicitation of funds, source of funds, purposes for which the funds will be used, allowable expenditures, and procedures of control.

XII. THIRD PARTY AGREEMENTS BY FOUNDATION

The Foundation shall not enter into any contract that would obligate designated College facilities or equipment without the prior approval of the College President.

XIII. INSURANCE, INDEMNIFICATION, AND RESTORATION

The Foundation shall be included in the District's insurance policies for all of its regular functions. When special events are sponsored by the Foundation, separate insurance coverage may be required by the District.

The Foundation agrees to indemnify, defend, and save harmless the District, the College, their officers, agents, and employees from any and all loss, damage, or liability that may be suffered or incurred by the District, the College, their officers, agents and employees, caused by, arising out

of, or in any way connected with the use of the described facilities by the foundation in connection with this agreement.

Upon termination of this agreement, District shall have the option to require Foundation, at Foundation's own expense and risk, to restore the facilities as nearly as possible to the condition existing prior to the execution of the agreement. But if the Foundation shall fail to do so within ninety (90) days after District exercises said option, District may restore the property at the risk of Foundation and all costs and expenses of such removal or restoration shall be paid by Foundation upon demand of District. District shall have the right to exercise this option within thirty (30) days after the expiration of this agreement, but not thereafter.

XIV. REAL PROPERTY

The Foundation shall not enter into any transaction concerning real property without the prior approval of the College President.

XV. NONASSIGNABILITY

This agreement is not assignable by the Foundation, either in whole or in part, nor shall the Foundation permit anyone else to use the described facilities or any part thereof without written permission of the College President.

XVI. TERMS OF AGREEMENT

This agreement is for the term beginning on the sixth day of November 1985, and ending on the first day of January 2010, unless sooner terminated as herein provided. This agreement may be terminated by either party giving sixty (60) days written notice, subject to the provisions of this agreement entitled Distribution of Assets Upon Cessation.

The Foundation must remain in good standing with the District. Otherwise, this agreement will immediately terminate and the Foundation will terminate any contracts with third parties and meet the provisions of this agreement entitled Distribution of Assets Upon Cessation.

NOTICES

All notices herein required to be given, or which may be given by either party to the other, shall be deemed to have been fully given when made in writing and received by the Foundation's Executive Director or the District Chancellor.

Notice to the Foundation shall be addressed as follows:

Executive Director
Coastline Community College Foundation
11460 Warner Avenue
P. O. Box 8210
Fountain Valley, CA 92708

Notice to the District shall be addressed as follows:

Coast Community College District
1370 Adams Avenue
Costa Mesa, CA 92626

AMENDMENT TO MASTER AGREEMENT FOR THE USE OF FACILITIES

The Foundation may occupy, operate, and use those College facilities as determined by the College President.

TERM OF THIS AMENDMENT

This Amendment shall provide for the stated purpose and the use of facilities for the Foundation to operate for three years, commencing November 6, 1985, through November 6, 1988. Unless a successor amendment to the Master Contract is agreed to by the District and the Foundation, the performance by the Foundation shall cease and all facilities will automatically revert to the College.

IN WITNESS WHEREOF, this agreement has been executed in quadruplicate by the parties hereto as of the date first above written.

COAST COMMUNITY COLLEGE DISTRICT

COASTLINE COMMUNITY COLLEGE FOUNDATION

By 

David A. Brownell
Chancellor

By 

Shirley A. Symonds
Secretary of the Coastline
Community College Foundation

AMENDMENT TO MASTER AGREEMENT
BY AND BETWEEN THE
COAST COMMUNITY COLLEGE DISTRICT
AND
COASTLINE COMMUNITY COLLEGE FOUNDATION

This amendment is made and entered into this twenty-sixth day of June, 1991, by and between the Coast Community College District, hereinafter referred to as the "District," on behalf of Coastline Community College, hereafter referred as "College," and the Coastline Community College Foundation, hereinafter referred to as "Foundation."

PURPOSE

The purpose of this amendment is to establish the relationship between the College and the Foundation for the use of college facilities and to designate District paid personnel support for the Foundation.

RELATIONSHIP

The relationship between the College and the Foundation is for the Foundation solicitation and administration of loans, scholarships, grants, contracts, gifts, bequests, devises, endowments and trusts, on behalf of the College. The Foundation may also develop alumni activities, workshops, conferences, institutes, and federal projects, which relate to the initial purpose as stated above.

USE OF FACILITIES

The Foundation may occupy, operate, and use those College facilities as determined by the College President.

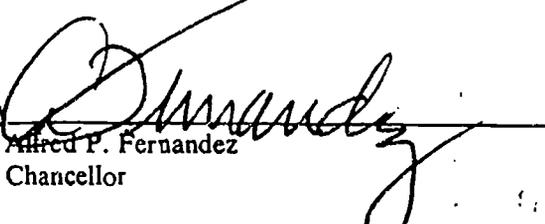
TERM OF THIS AMENDMENT

This Amendment shall provide for the stated purpose, use of facilities, and District paid personnel support, for one year commencing July 1, 1991, through June 30, 1992. Unless a successor amendment to the Master Agreement is agreed to by the District and the Foundation, the performance by the Foundation shall cease and all facilities occupied, operated, and used by the Foundation will automatically revert to the College.

IN WITNESS WHEREOF, this amendment has been executed by the parties hereto as of the date first written above.

COAST COMMUNITY COLLEGE DISTRICT

By


Alfred P. Fernandez
Chancellor

COASTLINE COLLEGE FOUNDATION

By


Edith M. Lee

Board Development

Warning! The first board of directors of a new community college foundation tends to be weak. This condition results from failure to initially recruit and develop highly effective and productive volunteers. Community colleges closely associated with a single community have better luck the first time around. For most other new foundations, the first set of directors is limited in fundraising skills and lacking in desire.

Reasons usually cited for this negative condition:

1. College staff perception that a community college foundation board lacks sufficient prestige to attract the best leaders and fundraisers in the community.
2. Infrequent contact by the college staff with the best potential board members.
3. Historically, fundraising has not been viewed as a major role for community college presidents. They concentrate their efforts on maintaining enrollments and lobbying for state funding. Until recently, fundraising was rarely mentioned in the job description for a community college president.
4. College officials starting a foundation limit their board recruitment for the original board to those the staff knows personally.
5. To keep peace in the college family, the board is overloaded with college employees. They generally view themselves as advocates for their programs and constituencies, not as fundraisers. Therefore, when an executive director is finally chosen, he or she usually faces the difficult prospect of having to improve the quality of the board of directors.

Most community college foundation board members are recruited without being asked to generate a financial contribution to the foundation. That's mistake #1! Regardless of whether a potential board member is the president of the college or the CEO of a local Fortune 500 company, each person asked to serve on the board of directors must be willing to generate a minimum financial commitment. Typically, each board member agrees to generate \$1,000 in contributions. That does not mean he or she will personally donate \$1,000. It does mean that, through his or her company, or through special events and other fundraising activities, each person will chair or serve on a committee for an activity which generates \$1,000 per committee member. Individuals unwilling to make the minimum financial commitment should probably not be elected to the board. Many other charitable organizations ask for a \$5,000 commitment from their board members.

Next is the contribution of time. Yes, potential board members should be requested to regularly attend board meetings. Their attendance will be greatly enhanced if the board establishes meeting dates and times for an entire year. An example might be 4:00 to 6:00 p.m. on the third Tuesday of each month from September through June. Board members should attend regularly scheduled board meetings and agree to serve on at least one committee. Many boards complete much of the actual work at the committee level.

Where does a new community college foundation find its most productive board members? One strategy advocated by some consultants is to look at potential donors. Cultivate candidates identified as leaders within their social or professional groups who are comfortable raising funds. *Remember, people give to people.*

Remember also that over 80 percent of all donations to community college foundations come from individuals, not from companies, corporations, or private foundations. That is not to say that some large gifts can't be obtained from these sources. However, many college staff members believe that most contributions to the foundation will come from the charitable giving of the business community.

Strategies for Developing a New Board of Directors

The ideal situation occurs when the college has the luxury of establishing a new board of directors. The college staff must identify and recruit the right chairperson. A candidate may be more willing to serve if he or she knows that social and professional colleagues can be brought on as board members.

Let's review some reasons people join boards:

1. Friends ask them to serve
2. Business relationships offer opportunities
3. People respond to the sense of being needed
4. They have a desire to belong
5. It is a company requirement
6. Chance for recognition and prestige

Board membership also results from people needing to give something back to the community, the need for their special knowledge and skills, and the importance of the cause.

Criteria for Board Members

They must:

- Be highly regarded in the community and/or the college service area
- Have recognized leadership abilities
- Be secure in their own profession or have established financial strength
- Be knowledgeable of the college mission and goals
- Understand the role of a Foundation board member
- Be able to make new friends
- Be willing to ask for a donation
- Be able to act as representative of the college in a variety of settings within the community

Personal Characteristics

Your community college foundation board should reflect the demographics of your college service area. However, it sometimes takes additional time to find the right person to meet your criteria:

1. Interest in the college and its students
2. Leadership skills
3. Ability to work with others
4. Willingness to generate funds
5. Available time
6. Communication skills
7. Influence in the community
8. Integrity

BOARD DEVELOPMENT

The development of a productive, fully functioning nonprofit board of directors should be seen as a continuum that starts with the recruitment of each new board member. Opportunities for development should continue throughout the individual's term on the board and hopefully culminate in a life-long association with the organization after retirement from the board. Board development is a full-time activity. An active, committed, and successful board does not just happen; it is the result of day-to-day effort, the investment of staff and volunteer time, and work.

Your college foundation needs a board of directors to provide: 1) a broad base of resources; 2) credibility; 3) public relations and fund raising; and 4) to satisfy legal requirements.

When developing both the structure and the constituency of your board, keep in mind the special mission of your college, its unique style and programs, and the individual personalities of key college administrators, foundation staff, and other board members.

RECRUITMENT. Recruitment begins with an active nominating committee. A "proactive" nominating committee is constantly searching for new board members. Recruitment is never a last minute search to fill vacancies about to occur. A nominating committee cannot begin its search until the foundation has determined the areas of expertise and skills needed on the board and the "spheres of influence" that need to be broached. A constantly updated card file on "potential board members" is recommended. An exceptionally proactive nominating committee will scan the business section of newspapers to target personnel of new organizations or corporations planning to locate in the community.

Once a board candidate is identified, be sure to have mechanisms in place to "lock" him or her into your organization until a board vacancy occurs. Consider developing a "front-end" category of board membership. One example is an "Associate Board Member" category in which members are invited, but not required, to attend all board meetings and events. They receive all board mailings, and become acquainted with the staff and other board members. Once a board vacancy occurs, Associate Board Members are educated and ready to move into full, active board membership.

THE INITIAL CALL. Never make a recruitment call alone. It's too tempting to make all kinds of promises, or downplay the requirements of board membership just to get the candidate to agree to serve. Remember, once recruited, the candidate will do exactly what he/she promised when recruited. If you say you just need their name on your letterhead, that's exactly what you will get!

The best combination of people to make the call includes someone who either knows the candidate personally or has some connection with the candidate, accompanied by a staff or board member who knows the college and the programs well. The PRIMARY recruiter does not have to be a board or staff member. It may be some other prestigious person likely to influence your candidate. The best recruiter is someone "they can't say no to." This recruiting technique is called "The Clout Route."

The primary recruiter needs to know basic information about your college and the requirements of board membership in terms of time, commitment, and financial support. It also helps if the recruiter is a great salesperson. The staff or board member is along to answer technical or detailed questions.

Tell the candidate why he/she has been targeted for board membership. If you need specific skills or experience represented on your board, be direct about it. If you need access to a specific population or community, and your candidate has influence with that group, tell your candidate. It is very flattering to be targeted as a leader in your particular "sphere of influence" and as a person who can provide access.

While you start at the top, you may have to settle for less. For example, if a chief executive indicates interest in your organization and would like to appoint someone else in the corporation to represent them on the board, jump at the chance! Frequently, this second-in-command type will have more time available to you and have just as much influence in terms of distribution of charitable dollars.

Some nonprofits target the "rising stars" in a business or industry. Frequently, only the chief executive in a corporation is asked to serve on nonprofit boards, while a young, executive in the company is dying for a "cause" in which to become involved. If community involvement is part of the image needed to rise in the corporate ranks, this person can have a dual reason for performing as an exemplary board member. Finally, when this person rises to the top of the corporation, he/she is already committed to your college.

THE ROLE OF MARKETING AND PUBLIC RELATIONS IN BOARD RECRUITMENT. Your college's public relations program will have significant impact on your ability to recruit the board members you want. The more often your college name appears in the local newspaper and is mentioned on the radio, the easier your recruitment task will be. The public has to know what your college is doing, the impact you are having on students, and the importance of your programs to the community. If your image is of "being on the leading edge," with impact and influence in your community, board recruitment will be easy.

Foundation staff should also plan a public relations campaign around their board members. Issue press releases concerning board appointments, board elections, annual meetings, and luncheons. When large donations are received, have the donor present the check to a board member with a photographer present. Send the photograph to local newspapers along with a story on how the donation is to be used and how students will benefit. The story can also be used in the student newspaper or your own newsletter. Remember, your board members are volunteers, and should be given recognition whenever possible.

BOARD ORIENTATION. It is the job of the foundation director and the board president to provide new board members with the information and education to operate effectively. New board members should be provided with a binder of materials that acquaints them with the purpose and goals, history, staffing, programs, and financing of the organization.

Don't rely on the new board members to read the materials. Schedule an orientation session away from offices and ringing telephones. The director of the foundation, the board president and other members of the board can participate. The orientation session accomplishes several goals: 1) it provides the opportunity for board members to review the materials, make sure they understand it, and ask questions; 2) it provides the opportunity for board members to get to know one another and begin a working relationship; and 3) it provides the same opportunity for new board members and staff.

BOARD TRAINING. Provide ongoing, in-service training for your board members, and don't assume knowledge because they have served on boards before. Part of each board meeting (15 minutes or so) can be used to train and update board members concerning your programs and activities. Consider sending the appropriate board committee chair along with a staff member to workshops. For example, the chair of your finance committee might benefit from attending a workshop on financial management for nonprofit organizations along with your staff financial manager. Every board can benefit from a fund-raising workshop early in the board year. This is one area where the entire board can become involved. Select a specific list of board responsibilities to include in your orientation materials, then use this list to plan appropriate training activities.

RETIREMENT TIME. Most boards are structured so that a portion of the board memberships expire each year. Many have three year board terms with one-third expiring each year, thus insuring continuity. Bylaws should contain a clause limiting the number of term renewals, even if a board member has served in an exemplary manner. New board members bring in new ideas, new perspectives on old problems, and new energy. You must make room for new members by making "board retirement" appealing, while retaining these retired board members as a resource and an asset for your college.

First, make sure that whatever you call your retirement group, it is an honored position. Maintain contact with retired board members by issuing special invitations to annual meetings and events, and make sure they are acknowledged at these events. They should receive routine mailings and have an open invitation to attend any board functions. It should be clear that this group has the "perks" of board membership without the day-to-day responsibilities.

The retirement group is comprised of your fully trained, fully educated supporters. If they are nearing career retirement, they may have even more time to devote to your college. Assuming they have been consistent donors to your college, they are a prime target group for your Planned Giving Program.

A SUCCESSFUL BOARD EXPERIENCE. It is no accident that most of your board members will be over age 45. Individuals with successful careers frequently see board membership as a way of contributing back to their community. Your board members identify with your goals and have determined that your organization is an important part of the community. They will feel that their board experience is successful if you have: 1) clearly defined their roles and responsibilities; 2) facilitated their ability (through training and education if necessary) to fulfill those roles and responsibilities effectively; and 3) given them credit for being an important part of the organization and a part of the organization's success. Nothing motivates board members more than a sense of time well spent and a sense of accomplishment.

SOURCE: The Community College Foundation
Sacramento, California

THE ROLE OF THE BOARD OF DIRECTORS

The primary responsibility of the Board of Directors is to govern the corporation consistent with Federal and State laws and the Articles of Incorporation and Bylaws. Operationally, the Board of Directors sits as a corporate oversight body and provides general direction for the organization through the development of policy. The Board of Directors is not involved in the normal ongoing operations or administration of the organization. The Board employs an Executive Director to implement its policies and administer services and programs. The Board of Directors' responsibilities and duties can be divided into four general areas: Administration, Planning, Resource Development, and Public Information. The following is a description of each with some specific duties listed.

I. ADMINISTRATION

Administrative responsibilities are primarily directed at compliance with law and maintaining effective operations.

A. Executive Director

Duties include:

1. Establishing, maintaining, and complying with a formal contract with the Executive Director.
2. Supervising and evaluating the Executive Director's performance.
3. Providing guidance and policy direction to the Executive Director.
4. Setting Executive Director's compensation and benefits.

B. Corporate Bylaws and Articles of Incorporation

Duties include:

1. Periodic review.
2. Amendment as necessary.

C. Board of Directors

Duties include:

1. Orientation of new Board members appointed by the Board of Governors, California Community Colleges.
2. Nominate and elect the officers of the corporation annually.
3. Establish and appoint committees of the Board.
4. Meet on a regular basis to transact business.
5. Maintain Board communications and cooperation.

I. ADMINISTRATION (Continued)**D. Fiscal**

Duties include:

1. Approve an annual operating budget for the corporation and any subsequent revisions.
2. Approve an annual financial audit.
3. Periodic review of financial status.

E. Foundation Employees

Duties include:

1. Approve Foundation Personnel Policies.

F. Grants and Contracts

Duties include:

1. Approve all contracts.

II. PLANNING

Planning responsibilities are directed at setting the short and long term direction of the corporation consistent with corporate purpose and status as a nonprofit public benefit organization.

Duties include:

1. Approve an annual plan for the Foundation.
2. Review information regarding Foundation programs and services.
3. Authorize the establishment of new programs and services or major modification to existing programs and services.

III. RESOURCE DEVELOPMENT

Resource development responsibilities are directed specifically at ensuring that the Foundation has adequate resources to operate effectively.

A. Private Funds

Duties include:

1. Assist in the identification and solicitation of corporate and individual support for the Foundation.
2. Assist in development activities.
3. Appear on behalf of the Foundation to support requests for funds.

III. RESOURCE DEVELOPMENT (Continued)

B. Public Funds

Duties include:

- 1. Advise the Executive Director of available sources of public support.
- 2. Assist the Executive Director with obtaining public funds.

IV. PUBLIC INFORMATION

Duties include:

- 1. Assist in identifying resources useful to developing and conducting an effective public information program.
- 2. Provide funds, where appropriate, to support public information programs.
- 3. Provide direct support via the board or committees for public information programs.

SOURCE: The Community College Foundation
Sacramento, California

2. There is a relationship between attendance and ownership.
3. There is a relationship between size and function.
4. Given a large board, committees and good committee work are of great importance in developing a sense of ownership.
5. "Representativeness" is useful only when the other goals of board constituencies are achieved.
6. There must be a balance between staff and volunteer input and involvement.
7. Board members must clearly understand their role in policy development and execution.

FOUNDATION BOARD OF DIRECTORS

Central Concept

The Board of Directors of any institution is responsible for the establishment of overall goals and basic policy, for insuring that adequate resources are available to carry out its directions and policies and monitoring the achievement of the goals.

Specific Functions of the Board

1. Formulate and approve long-range goals. Actively participate in the formulation and final authorization of the organization's long-range direction. approve or delegate approval of annual objectives and priorities established to achieve long-range direction. Approve or delegate approval of annual objectives and priorities established to achieve long-range goals.
2. Formulate and adopt policies and operating procedures.
3. Select, employ, and provide periodic performance appraisals, provide for salary review, and if necessary, dismiss the chief executive.
4. Develop financial resources for achieving goals. the organization's financial development strategy must be formulated and board members must actively participate in generating the necessary funding.
5. Adopt and monitor the organization's operating and fiscal management procedures.
6. Monitor the achievement of goals and objectives. The board must keep itself informed and insure the kind of evaluation, measurement, and performance reporting necessary to assess the achievement of goals and objectives.
7. Perform its legal responsibilities. The board must act for the corporation as set forth in the articles of incorporation and bylaws.
8. Protect the assets of the organization.
9. Form linkages with other community organizations, both public and private, to meet needs that are greater than those that can be met by the organization acting alone.
10. Interpret the organization to the community.

Tenets

1. There is a relationship between involvement, knowledge, and therefore ownership and frequency of meetings.

The Role of the Board

By Andrew Swanson



“Give, get, or get off!” How often have you heard that one? Too simplistic? Of course it is, for while seeing to it that the organization has sufficient funds is a vital board responsibility, board members have several other equally important responsibilities.

Typically there are eight fundamental areas for which any governing board of directors is responsible. There will be other responsibilities which relate to specific fields of service, but these eight may be regarded as universal.

- (1) Achieving the stated purpose and objectives of the organization.
- (2) Making policies and plans. Only the board of directors can make final policy decisions, and most of the organization's plans will require the board's approval.
- (3) Raising and managing the organization's funds. It is the board's responsibility to see to it that there is enough money to achieve the purpose (regardless of who does the actual raising of funds) and that those funds are then prudently managed and expended.
- (4) Employing the staff. While the board is not involved in actual hiring below the level of executive director, it does approve personnel policies and salary scales and functions as a grievance committee.

Andrew Swanson is president of Community Services Consultants, :P.O. Box 4744, Rumford, Rhode Island 02916), a consulting firm created to assist all types of nonprofit organizations. He is the author of *Building a Better Board: A Guide to Effective Leadership*, as well as a number of other books and monographs. Mr. Swanson has over 30 years of active involvement with a wide variety of community service organizations at the committee, board, and officer level.

- 5) Appropriately supervising and annually evaluating the performance of the executive director.
- 6) Appointing committees. No board can deal in detail with all of the issues on which it must make decisions. Thus, there must be a well thought out family of committees to which the board can delegate issues for study, review, evaluation, and, finally, for recommendation.

7) Holding property. Whatever the organization owns, leases, or has free use of, the board is ultimately responsible for the well being of that property, be it land and buildings, investment portfolio, or equipment.

8) Leadership development. The quality of the board of directors is the ultimate determinant as to the success of the organization. Ongoing leadership development is a must for any board to assure quality of leadership in the future.

Be honest with yourself now. Had I given this list to you in quiz form, would you have thought of all eight? My experience in many board workshops suggests

that few boards will name them all. Yet every board is responsible, morally as well as legally, for every item on this list.

As stated earlier, there will be other responsibilities which relate to your specific field of service. Being responsible to see that the organization's clients or constituents are properly served or cared for, or interpreting the organization's mission and work to the community, are but two possible examples. Think hard about your field of service and name some others.

Living up to these responsibilities comes right back to that old familiar word *commitment*. Board service is a commitment, and when new members are sought for the board, they must be asked for commitment. You can be certain that those with the necessary, albeit latent, commitment are out there. After all, this country's strong tradition of voluntary service goes right back to its roots. But it does take time to find committed board members, and, for this reason, your leadership development must be ongoing. I will have more to say about this vital board activity in my next column.

CHAFFEY COLLEGE FOUNDATION
March 1990

**WHAT IS MY RESPONSIBILITY
AS A BOARD MEMBER?**

(Brief Job Description)

1. Regular attendance at board meetings is the first responsibility of a board member.
 - Asking discerning questions, constructively participating in deliberations, and voting according to your convictions.
 - Assuming leadership of board groups and events as requested.
2. Assume a major (leadership) responsibility on at least one committee and a supportive role on another.
 - Working in an area where your skill and background would be of value to the committee—assisting in more detailed study of the committee's commission of work.
3. Assist in getting donations and/or personally donating according to your own means to the financing of the organization and the projects it supports.
4. Willingness and ability to act as interpreter of the college and the foundation at public events and/or within your own networks and by attending foundation events and selected college functions.
5. With other members of the board and with staff, make sure that the budget, policies, procedures, and program efforts are consistent with the objectives of the organization.

GOLDEN WEST COLLEGE FOUNDATION
BOARD SURVEY

NAME _____

DATE _____

1. What do you perceive the role of the Board of Directors to be?
2. Why are you involved with the Foundation?
3. How do you perceive the GWC Foundation in comparison to other community college foundations?
4. What would you consider to be the most urgent area of concern for the Foundation?
5. How would you like to see the board's efforts utilized?
6. Do you feel your role as a board member is meaningful?
7. How do you feel about the Foundation's board of directors?
8. Do you think the board is effective?
9. How would you change the board structurally?
10. Do you feel the board is responsible for the Foundation's income?
11. In your judgement, what is the Foundation's greatest strength?
12. Weakness?
13. If it were left entirely to you, what changes would you make in the Foundation's operation?

Board Survey
Page 2

14. Where would you like to see the Foundation in five years?
15. What do you consider to be the first step in moving forward as far as the board is concerned?
16. Who do you admire the most among the business people of Orange County?
17. If we launched a gifts' campaign requiring a leadership team of top-level business people in our community, who would you choose to see involved to insure success?
18. Of all possible participants who might be involved in a gifts campaign effort, who has the leadership characteristics of influence, affluence, credibility and respect that could lead the effort to a successful conclusion?
19. If we launched a gifts campaign, could the Foundation count on you for a special gift?

(If no) Why not?
20. (If yes) Would you take a look at the sheet of categories and gift levels and tell me which reflects your sense of what you might do if we had a gifts campaign?

Category _____ = \$ _____
21. Hypothetically, would you be willing to talk with a few of your friends and/or business associates about supporting the Foundation if there was a campaign?
22. Do you know of anyone else that fits the leadership criteria that would be willing to participate in this survey?

ASSESS YOUR BOARD

(BOARD LEADERSHIP CHECKLIST AND WORKSHEET)

ACTIVITY	YES	NO	SUGGESTIONS FOR IMPROVEMENT
1. Board operates under a clear and up-to-date set of bylaws with which all members are familiar.	()	()	_____
2. Board has an elected Executive Committee which reports fully to the board on all actions taken.	()	()	_____
3. Board has standing committees which meet regularly and report back.	()	()	_____
4. 80% of board members attend meeting.	()	()	_____
5. Every board member serves on at least one committee.	()	()	_____
6. Board has diversity of experience, skills, ethnic, racial, male-female and age groups.	()	()	_____
7. Nominating Committee uses established criteria to recruit board members based on the objectives of the organization.	()	()	_____
8. Newly elected board members are fully oriented to what is expected.	()	()	_____
9. Board includes in each meeting some educational or interpretation time.	()	()	_____
10. Board members are elected for a specific term.	()	()	_____
11. Board has completed both long-range and short-range planning.	()	()	_____
12. Board meets at least 9 times yearly.	()	()	_____
13. Board receives their agenda in advance.	()	()	_____
14. Staff participates in committee and board meetings as appropriate.	()	()	_____
15. There is an orderly procedure for decision-making at board meetings.	()	()	_____
16. Board conducts an annual review of its work and operating procedures.	()	()	_____
17. Board reviews, approves, and monitors the budget. Members understand the reports.	()	()	_____
18. Board has formal executive appraisal method.	()	()	_____
19. there is a trustful and harmonious relationship between board and staff.	()	()	_____
20. Board members receive all appropriate information (positive and negative) necessary to make policy decisions.	()	()	_____
21. Board discussions are free with full participation and respect for divergent opinions.	()	()	_____
22. All board members contribute annually to the fund raising campaign.	()	()	_____
23. All board members provide some leadership to the annual campaign.	()	()	_____
24. Board works with other organizations in the community and is familiar with their goals and activities.	()	()	_____

CORPORATIONS CODE

§ 5239

§ 5239. Personal liability of volunteer director or officer for negligence

(a) There shall be no personal liability to a third party for monetary damages on the part of a volunteer director or volunteer executive committee officer of a nonprofit corporation subject to this part, caused by the director's or officer's negligent act or omission in the performance of that person's duties as a director or officer, if all of the following conditions are met:

(1) The act or omission was within the scope of the director's or executive committee officer's duties.

(2) The act or omission was performed in good faith.

(3) The act or omission was not reckless, wanton, intentional, or grossly negligent.

(4) Damages caused by the act or omission are covered pursuant to a liability insurance policy issued to the corporation, either in the form of a general liability policy or a director's and officer's liability policy, or personally to the director or executive committee officer. In the event that the damages are not covered by a liability insurance policy, the volunteer director or volunteer executive committee officer shall not be personally liable for the damages if the board of directors of the corporation and the person had made all reasonable efforts in good faith to obtain available liability insurance.

(b) "Volunteer" means the rendering of services without compensation. "Compensation" means remuneration whether by way of salary, fee, or other consideration for services rendered. However, the payment of per diem, mileage, or other reimbursement expenses to a director or executive committee officer does not affect that person's status as a volunteer within the meaning of this section.

(c) "Executive committee officer" means the president, vice president, secretary, or treasurer of a corporation who assists in establishing the policy of the corporation.

(d) Nothing in this section shall limit the liability of the corporation for any damages caused by acts or omissions of the volunteer director or volunteer executive committee officer.

(e) This section does not eliminate or limit the liability of a director or officer for any of the following:

(1) As provided in Section 5238 or 5237.

(2) In any action or proceeding brought by the Attorney General.

(f) Nothing in this section creates a duty of care or basis of liability for damage or injury caused by the acts or omissions of a director or officer.

(g) This section is only applicable to causes of action based upon acts or omissions occurring on or after January 1, 1988.

(Added by Stats.1987, c. 1204, § 1. Amended by Stats.1988, c. 1204, § 5.)

Historical Note

Application of Stats.1987, c. 1204, §§ 1, 2 to 21, and
Historical Note under C.C.P. § 877.5.

Section 6 of Stats.1987, c. 1204, provides:

"This act shall become operative only if Assembly Bills
nos. 1530, 1909, 1912, and 2416 (Stats.1987, c. 1202, 1203,
and 1204) are enacted."

Modifications in text are indicated by underlines; deletions by ~~del.~~

**CHAFFEY COLLEGE FOUNDATION
BOARD OF DIRECTORS
INFORMATION FORM**

List this exactly the way you want it on the foundation letterhead.

Name _____ Business Title _____
(if applicable)

Business Address

Business Telephone

FAX Number

Car Phone (if applicable)

--- Okay to
share with
--- others

Home Address

--- Yes No

Home Phone

Spouse's Name

Spouse's Business Address

Is there a secretary or other staff member that we might contact regarding scheduling of appointments or meetings, if necessary? Yes No

Name _____ Phone Number () _____

Please send foundation materials to my:

Home Address

Business Address

Spouse's Business Address

Are there specific areas of the college in which you are particularly interested? (i.e., the arts, theatre, re-opening of the Planetarium, sciences, health, technology, etc.)

Are there any areas of the college in which you have a particular concern or interest or would like additional information?

Comments:

Signature _____

Date _____

Please list other businesses, or community affiliations or networks in which you are now or have been active in this area:

Organization

Capacity/Office

Terms of Service

Please list other fund raising or grant writing organization with which you are currently affiliated.

Organization

Capacity/Office

Terms of Service

FNDN 4/11/90

117

112

Board Profile Grid

	Term Expires 19____	Term Expires 19____	Term Expires 19____
Knowledge of—			
Human Problems in Urban Areas			
Human Problems in Rural Areas			
Human Resources			
Financial Resources			
Available Community Services			
Expertise In—			
Legal Affairs			
Personnel Management			
Financial Management			
Fund Raising			
Service Development			
Public Community Relations			
Field of Planning			
Social Services			
The Nursing Field			
The Medical Field			
Health Delivery Field			
Public Safety			
Education			
Influence Within—			
The Power Group			
The Business Financial Community			
The Agricultural Community			
Labor Organizations			
Ethnic Minority Groups			
The Media			
The Government			
Related Organizations			
Male			
Female			
Under 21 Years			
21-29 Years			
30-39 Years			
40-59 Years			
60-69 Years			
Over 70 Years			

BOARD CANDIDATE RECOMMENDATION

Name _____ Title _____

Address _____ Phone _____

Type of Business _____

Leadership
Qualities _____

Community
Activities _____

Special Expertise _____

Why you would recommend this candidate _____

Submitted by: _____ Date _____

* * * * *

The criteria for recruiting members for the Board of Directors is:

Influence, affluence, visibility, loyalty, generosity and knowledge.

BUTTE COLLEGE FOUNDATION

BOARD OF DIRECTORS JOB DESCRIPTION

The Board of Directors of the Butte College Foundation will implement the mission of the Foundation to raise supplemental funding to enhance and support scholarships, programs, services developmental needs and public understanding of the Butte Community College District.

Each member should be willing to make a financial contribution annually to the program of their choice. (No minimum, but 100% participation is expected.)

Each member should show a willingness toward giving their time to further the goals of the Foundation.

BOARD RESPONSIBILITIES

Determining the Foundation Mission and setting policies for its operation and to establish its general course from year to year.

Establishing fiscal policy, including budget and financial controls.

Providing adequate resources for the activities of the organization through direct financial contributions and a commitment to fundraising.

Developing and maintaining a communication link to the community.

Ensuring state and federal laws and the provisions of the organization's Bylaws and the law are being followed.

Authorizing programs and evaluating results of the organizations operations.

DIRECTOR'S ROLE

1. Attendance at four (4) board meetings per year.
2. Support the Foundation's program events with attendance and/or ticket purchase.
3. Willingness to provide public speaking opportunities for Foundation Directors or staff.
4. Willingness to present one scholarship award during the May/June high school awards program.
5. Provide leadership to the Foundation by being involved as an officer or serving on one or more committees.

6. Provide annual updated list of persons or corporations who can be contacted for support of Foundation programs.
7. Willingness to sign personal solicitation letters and/or make necessary solicitations in support of the Foundation's programs.
8. Be reasonably well informed about Butte College, and as appropriate, represent the college and our Foundation as an Ambassador of Goodwill to external constituencies.

TERM OF SERVICE

In accordance with the Butte College Foundation Bylaws, each board member serves a three (3) year renewable term (Article II, Section 2.03).

9/91

121

116.

IRVINE VALLEY COLLEGE FOUNDATION
BOARD MEMBER DATA SHEET

Name: _____

Home Address: _____

Home Phone: _____

Birthday: _____

Position Title: _____

Work Address: _____

Work Phone: _____

Spouse: _____

Spouse's Birthday: _____ Your Anniversary: _____

Children's Name(s) & Ages: _____

What types of things bring you great satisfaction?

- | | |
|------------------------------------|--|
| <input type="checkbox"/> Sports | <input type="checkbox"/> Family |
| <input type="checkbox"/> The Arts | <input type="checkbox"/> Accomplishments (personal & family) |
| <input type="checkbox"/> Academics | <input type="checkbox"/> Service to Others |
| <input type="checkbox"/> Other | |

What activities, actions, or things give you cause for concern? _____

Comments: _____

IRVINE VALLEY COLLEGE FOUNDATION BOARD MEMBER NOMINATION FORM

Please complete and return to the Membership Committee, Irvine Valley College
Foundation, 5500 Irvine Center Drive, Irvine, CA 92720

Name of Nominee _____ Date _____

Home Address _____

Work Address _____

Telephone: Home _____ Work _____ FAX _____

Nominee's Position or Title _____

Employer _____

What skills or abilities would this nominee bring to the foundation _____

Nominee's area(s) of expertise _____

What are the nominee's other volunteer activities _____

Does the nominee have any past relationship with IVC _____

123

118.

**COLLEGE of the DESERT
FOUNDATION**

**BOARD OF DIRECTORS
BIOGRAPHICAL SKETCH**

Name _____ Name of Spouse _____

Residence/Mailing Address _____

Business Name _____

Business Address _____

Home Phone _____ Business Phone _____

Summer Address _____

Phone _____

SCHOOL AFFILIATIONS:

BUSINESS AFFILIATIONS (past and present):

PERSONAL HISTORY: (optional)

Date and place of birth _____

Anniversary date _____

Children _____

Hobbies _____

ADDITIONAL INFORMATION WE SHOULD KNOW:

125

120

CITRUS COLLEGE FOUNDATION

Director Nomination Form

Name of nominee _____

Home address _____

Home phone number (_____) _____

Business phone number (_____) _____

How long has this person lived in the community? _____

What philanthropic or community services groups does this person belong to?

What special talent, skills, or expertise does this person have that may be of help to the Foundation?

Why would this person be a good director for the Foundation?

Please check the areas of interest this person has:

- | | | |
|---|--|---|
| <input type="checkbox"/> performing arts | <input type="checkbox"/> instrumental music | <input type="checkbox"/> art |
| <input type="checkbox"/> athletics | <input type="checkbox"/> child care | <input type="checkbox"/> scholarship |
| <input type="checkbox"/> finance/investment | <input type="checkbox"/> special events | <input type="checkbox"/> computers |
| <input type="checkbox"/> disabled persons | <input type="checkbox"/> building renovation | <input type="checkbox"/> other
_____ |

PLEASE RATE THE NOMINEE IN THESE CATEGORIES:

5 excellent 4 good 3 unknown or n/a 2 fair 1 OK

1. How well is this person known throughout the community?

5 4 3 2 1

2. How well is this person known within a specific circle of friends?

Indicate circle: (i.e. athletics, politics, church, service clubs, etc.)

5 4 3 2 1

3. To what degree does this person have any relationship, directly or indirectly, to Citrus College?

5 4 3 2 1

4. To what degree does this person support public education either financially or politically?

5 4 3 2 1

5. To what degree does this person have the ability to seek out friends for Citrus College?

5 4 3 2 1

6. To what degree does this person have the ability to raise funds for Citrus?

5 4 3 2 1

7. To what degree does this person give financial support to charitable causes?

5 4 3 2 1

Additional comments:

Your name: _____

Date: _____

Please return this form to the Foundation Office. Thank you. nom.frm

1

127

127

NAPA VALLEY COLLEGE FOUNDATION
BOARD CANDIDATE RECOMMENDATION

NAME _____

ADDRESS _____ Phone _____

TYPE OF BUSINESS: _____

TITLE: _____

LEADERSHIP QUALITIES: _____

COMMUNITY ACTIVITIES: _____

SPECIAL EXPERTISE: _____

WHY YOU WOULD RECOMMEND THIS CANDIDATE: _____

SUBMITTED BY _____ DATE _____

The criteria for recruiting members for the Board of Directors is: **Influence, affluence, visibility, loyalty, generosity, and knowledge.**

**NAPA VALLEY COLLEGE FOUNDATION
PROSPECTIVE MEMBER BIOGRAPHY**

NAME _____
(First) (Last) (Middle Initial)

1. ADDRESS INFORMATION

A. Home Address: _____

B. Business Address: _____

Home Phone: _____

Business Phone: _____

2. BUSINESS/PROFESSIONAL INFORMATION

A. Please Check One: _____ Active _____ Retired (If retired position held.
You may attach an additional sheet describing career history, if you wish.)

B. Employer: _____

C. Type of Business: _____

D. Title/Position: _____

E. Years with this Employer: _____

IV. BUSINESS AND COMMUNITY AFFILIATIONS

A. Are you now, or have you ever been an officer or director of any businesses, corporations or partnerships apart from your primary business? (Please list organization, title and approximate dates. Attach additional sheet if necessary.)

B. Are you now, or have you ever been a trustee, director or volunteer for any non-profit organization, foundation, college, university or museum? (Please list organization, title and approximate dates.)

C. What professional, civic or fraternal memberships do you hold?
(Organization, title and approximate dates.)

D. Do you have relatives associated with Napa Valley College?

**** You may attach a resume, if you wish ****

THANK YOU FOR YOUR TIME AND COOPERATION

1992 BOARD NOMINATIONS

January

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

February

1 PROSPECT FORM DISTRIBUTED TO BOARD MEMBERS

March

1 RETURN FORMS OR MAIL TO FOUNDATION OFFICE

April

1 CONTACTS FROM INDIVIDUAL BOARD MEMBERS
LETTER FROM PRESIDENT TO THOSE TO BE CONTACTED
COMMITTEE CONSIDERS NAMES
SLATE PREPARED
CHAIRMAN TALLIES INTERESTED PEOPLE

May

1 SLATE PRESENTED AT ANNUAL MEETING
CONGRATULATORY LETTERS TO NEW BOARD MEMBERS
THANK YOU LETTERS TO THOSE WHO DECLINE

July

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

February

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29

August

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

March

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

September

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

April

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

October

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

May

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

November

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

June

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

December

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

125

SIERRA COLLEGE FOUNDATION
BOARD OF DIRECTORS
BIOGRAPHICAL INFORMATION FORM

Name _____ Business Title _____

Business Address _____

Business Telephone _____

FAX Number _____

Car Phone (if applicable) _____

Home Address/phone _____

Spouse's Name _____

Spouse's Business Address _____

Is there a secretary or other staff member that we might contact
regarding scheduling of appointments or meetings, if necessary?
yes _____ no _____

Name _____ Phone Number () _____

Please send Foundation materials to my: Home Address _____
Business _____

Are there specific areas of the College in which you are
particularly interested? (i.e., the arts, theater, agriculture,
business, physical education, sciences, health, computers, etc.)

Are there any areas of the College in which you would like
additional information? _____

Comments: _____

Please list other businesses, community affiliations, or networks in this area in which you are now or have been active:

<u>Organization</u>	<u>Capacity/Office</u>	<u>Terms of Service</u>

Please list awards or honors from organizations with which you are currently affiliated.

<u>Organization</u>	<u>Award/Honor</u>	<u>Terms of Service</u>

jmb
1/6/92



Telephone Questionnaire/script

As a member of the Nominating Committee, I'd like to become better acquainted as well as discuss the responsibilities of Board membership.

Did you receive the letter from Randy Yost? Let me review some specifics:

-the tenure of office is three years

-there are four meetings per year-Feb., May (annual meeting), August, Nov. on the second Monday of the month.

-we offer many committees - Finance, Marketing, Scholarship, Annual Fund, Business Development, Capital Campaign, Planned Giving, Corporate Giving, Special Events (golf Tournament, dinner dance, Kids College, appreciation awards).

-there are some time commitments - attending Board meetings and committee meetings, plus attendance and assistance at events.

-there are financial commitments - participating at events and influencing others to participate or consider tax deductible contributions annually.

If you are interested in nomination, I'd like to mail you an informational form which I'd like you to complete and return.

May I verify:

Correct spelling of name and preferred name (nickname):

Home address:

Business address and telephone:

Type of business:

Title of position in company:

133

NOMINATING COMMITTEE - Existing BOARD

128

PROSPECT FORM

In order to continue growth, the Foundation looks to current Board members to provide information on new Board prospects. Please fill in those you wish to be considered. The Nominating Committee requests prompt return of this form in order to contact your prospects.

PROSPECT	ADDRESS	DO YOU WISH TO CONTACT?
1. _____	Business _____ Residence _____	_____
2. _____	Business _____ Residence _____	_____
3. _____	Business _____ Residence _____	_____
4. _____	Business _____ Residence _____	_____
5. _____	Business _____ Residence _____	_____
6. _____	Business _____ Residence _____	_____
7. _____	Business _____ Residence _____	_____
8. _____	Business _____ Residence _____	_____
9. _____	Business _____ Residence _____	_____
10. _____	Business _____ Residence _____	_____
11. _____	Business _____ Residence _____	_____
12. _____	Business _____ Residence _____	_____

Signed _____ Telephone _____
Address _____ Date _____

PURPOSE OF THE COASTLINE COMMUNITY COLLEGE FOUNDATION

"The primary purpose of this corporation (Foundation) shall be to assist Coastline Community College in achieving and maintaining a high-quality program of public education and community participation (with Coastline Community College the recipient of contributions from the public), to raise funds, and to make contributions to educational and community programs of the Coast Community College District."

The Foundation shall also inform the public about proposed legislation which will affect the college or its students.

IMPLEMENTATION STRATEGY

- I. With the exception of Coastline's president who serves on the Foundation board for his or her tenure, *each board member is to serve a three-year term.*
- II. During this term, *board members are expected to :*
 - a. *Attend most board meetings.* Board meetings are scheduled for the third Tuesday of September, November, *December, January, February, March, April, May, and June. The *December board meeting is usually a social event sponsored by the Foundation board of directors. The Board does not meet in July, August, and December.
 - b. *Serve on one or more of the following committees, which may have several subcommittees:* 1) Fundraising 2) Public Relations 3) Finance & Planning.
- III. *Each year, the board member commits to generate \$1,000* for the Foundation by one or more of the following methods:
 - a. Working on CCC Foundation fundraising or special events and activities
 - b. Obtaining cash contributions from corporations and/or private foundations
 - c. Arranging in-kind contributions of equipment and/or services needed by the Foundation
 - d. Making personal cash donations
 - e. Establishing a five-figure gift through wills, trusts, or insurance

**Coastline Community College
Foundation
Pledge of Board Commitment**

- ▶ I understand that my role as a board member of the Coastline Community College Foundation is to generate \$1,000 in cash or identified in-kind gifts to assist the students and programs of Coastline Community College.

- ▶ I would like to serve on the following committee: _____
_____, and I have a special interest in serving
on a sub-committee to : _____.

- ▶ I will attempt to attend all board meetings and committee meetings.

Name

Date

COASTLINE COMMUNITY COLLEGE FOUNDATION
COMMITTEES FOR 1992-93

The Public Relations Committee plans and carries out the "friendraising" activities of the Foundation. This may include subcommittees on friendraising events, donor cultivation, potential board member cultivation, meetings, newsletters and other communications, as well as issues of concern to the Foundation. A subcommittee of this committee is the Advocacy Committee.

The Fundraising Committee approves the annual fundraising plan of each affiliate and program supported by the Foundation, calendars all events in consultation with the Foundation staff, assigns a member to assist and track each approved fundraising activity conducted under the auspices of the Foundation, analyzes the effectiveness of each fundraising activity, and markets and publicizes each fundraising activity of the Foundation and the College.

The Finance and Planning Committee is charged with maintaining the operation of the Foundation, with more successful results each year. It identifies critical skills and knowledge that need to be added to the Board of Directors, seeks potential board members with the needed qualities, conducts orientation sessions for new Board members, plans the annual board retreat, develops short term and long term plans, reviews the resources of the Foundation staff, evaluates the effectiveness of the organizational structure, and its operational procedures, keeps abreast of external developments that could impact the Foundation's operations. This committee prepares the annual budget, monitors expenditures, reviews audit reports, establishes fiscal policies, determines investment strategies, makes recommendations on accepting or rejecting gifts of property or services, and makes sure all filings are completed on time to local, state and federal government agencies.

1/dw <fndtn> bylaws.rev 9/7/92

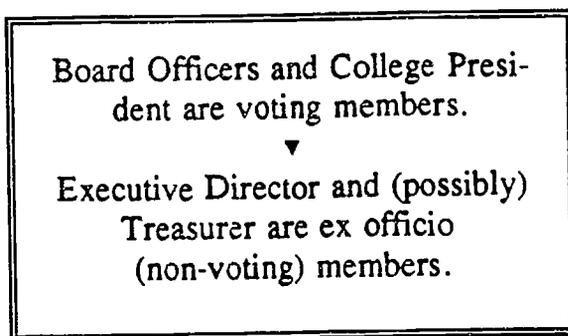
Board Organization

What is a model organizational structure for a community college foundation? Anything that works! Few community college foundations have developed strong traditional methods guaranteed to work. This means that the Executive Director and the volunteer president of the board will create the foundation organization chart. As the people filling these positions change, so will the structure of the foundation. Following this commentary are several examples of foundation structures which have worked successfully.

Suggestions for an effective foundation structure:

1. Authorize the Executive Committee to handle most of the nitty-gritty details, particularly those requiring legal action.
2. Charge the vice presidents with overseeing the work of the committees.
3. Keep the committee structure of the foundation simple and make sure every board member serves on at least one committee.

Executive Committee



<i>Fundraising Comm.</i>	<i>Administrative Comm.</i>	<i>Friendraising Comm.</i>
Chaired by Vice Pres.	Chaired by Vice Pres.	Chaired by Vice Pres.

What is the optimal size for a board of directors of a community college foundation? Within California, foundation boards range in size from seven to fifty members.

How frequently does the board meet? Some meet monthly, many meet eight times a year, more meet bi-monthly or quarterly. When the full board meets less frequently it usually indicates that the committees meet regularly and the Executive Committee really runs the foundation.

Recently, many charities report great difficulty in attracting top fundraising board members because of some volunteers' unwillingness to commit the required time.

Most community college foundations operate with limited staff and must depend on the work of volunteers. This requires extensive committee work and more meetings. The staff must make maximum use of the limited time of the volunteers.

Remember, the foundation board of directors, its committee members, and staff must function as a productive team. Your organization structure should reflect a team concept. Praise and recognize individual board members whenever possible. This recognition can be quite simple. For example, send a flier with family and professional news tidbits along with the agenda for each board meeting.

BOARD COMMITTEES & RESPONSIBILITIES

Executive Committee:

The Executive Committee is empowered by the Board to conduct required Foundation business in the interim between Board meetings with full legal power and authority. Exceptions include those actions requiring full Board approval as specified in the Foundation bylaws.

Resource Development Committee:

This committee is responsible for assisting in the identification and direct solicitation of both public and private sources of support for the Foundation. Committee members may appear on behalf of the Foundation and assist in a variety of development activities.

Public Information:

Identifies resources and provides direct support for public information/public relations programs promoting the California Community Colleges.

Scholarship/Staff Diversity:

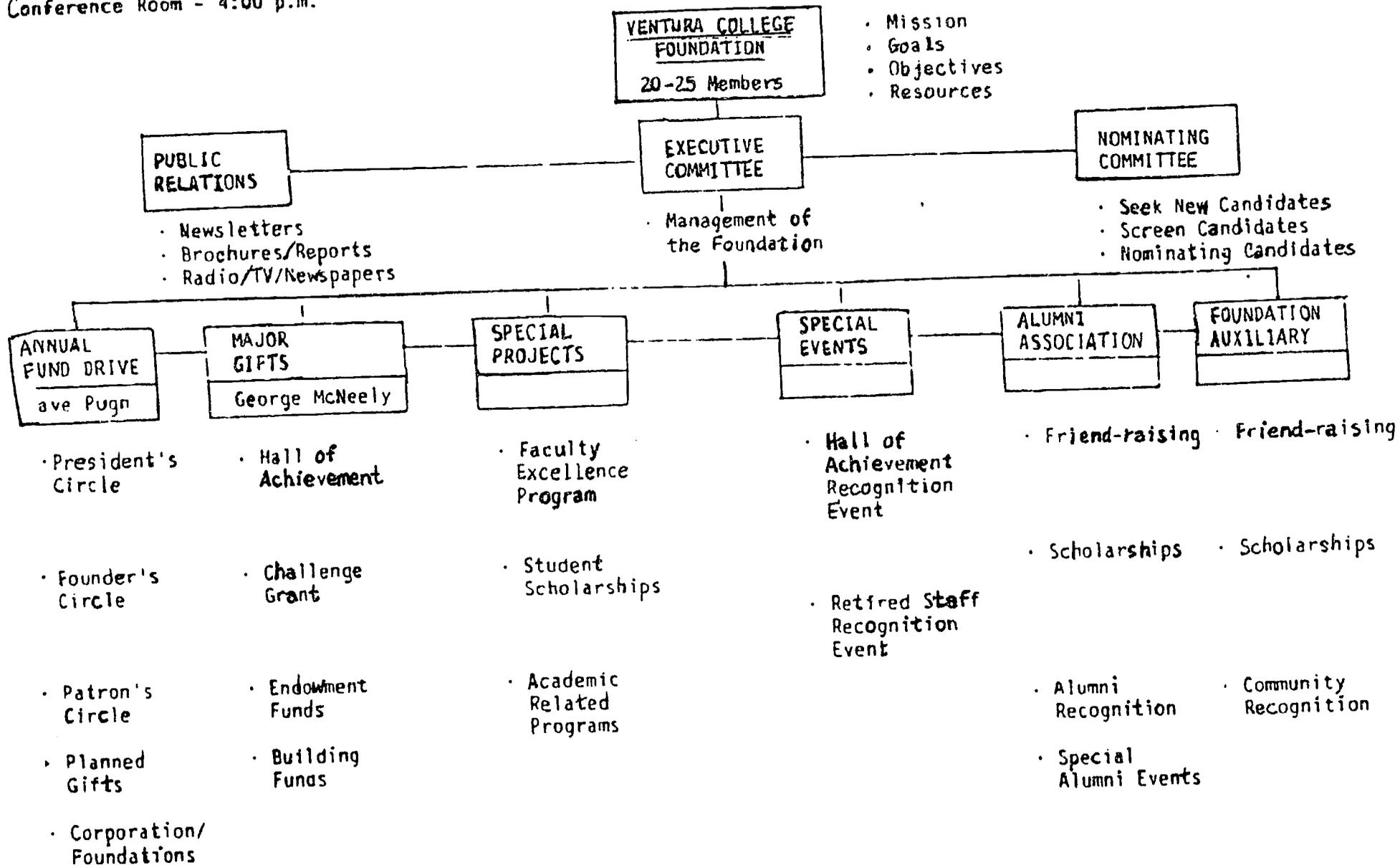
Provide leadership in the development of scholarship and staff diversity programs in support of the California Community College System. Identify and secure the resources to promote and recognize the rich diversity and excellence of community college students and staff.

Economic Development Projects:

Develop The Community College Foundation projects, provide leadership support, and identify and solicit resources in support of approved economic development projects.

Source: Community College Foundation.

Conference Room - 4:00 p.m.



CHAFFEY COLLEGE FOUNDATION
Committee Reorganization
 April 2, 1990

PROPOSAL:

It is proposed that we reorganize the foundation into five standing committees under which all current and future foundation activities can fall. As a new activity develops or is proposed, it will be referred to the appropriate committee for action and follow-up. The standing committees might form subcommittees or task forces as needed. The Development Committee would have four standing subcommittees. It is hoped that many of the subcommittee or task force functions be performed under board leadership but staffed by individuals who are either on the advisory council or not directly associated with the foundation.

It is further proposed that each board member be asked to take over the active leadership or co-leadership of one committee and serve as a member on at least one other committee. Committee leadership and membership would be appointed at the prerogative of the president with the consent of the person being appointed.

PROPOSED COMMITTEES:

1. **Executive Committee** (Five members plus executive director)

Purpose:

To handle the on-going business of the foundation, and to provide direction for the board of directors and advisory council.

Scope of Work:

Meets regularly 6 to 10 times per year, particularly in the months when the full board does not meet, sets the agenda for the full board meetings, oversees the work of the foundation committees, and acts on administrative and financial matters in the name of the board

Member Profile:

This committee shall consist of the four elected foundation officers, a member-at-large, and the executive director.

2. **Personnel/Nominating Committee** (Three or four board members)

Purpose:

Responsible for recruiting and nominating board and advisory council members; revises the bylaws when needed and handles staffing issues if required.

Scope:

Recruitment of board and advisory council members is an ongoing function. Board and officer nominations are an annual process unless vacancies occur mid-year. Bylaws and personnel actions will occur, as and if needed.

Member Profile:

Helpful if members had high community visibility and were well net-worked. Under-represented areas (i.e. Fontana and Chino) need to be included

3. **Finance Committee** (Two or three individuals)

Purpose:

To review and monitor the Foundation's finances and financial transactions.

Scope of work:

Reviews financial reports, develops financial policies and procedures, monitors the budget, develops and implements investment strategies (when applicable).

Member Profile:

Committee is chaired by the Foundation's treasurer. Other members should have a background and interest in finance, investing, financial planning, accounting or banking.

4. **Adjunct and Cooperative Programs** (Two-member committee plus task forces)

Purpose:

To communicate the activities of the Foundation's adjunct and community liaison activities to the foundation board and others. Current liaison and outreach activities include the West Valley Alliance for Progress, the Inland Business Network, Friends of the Wignall Museum/Gallery, and Planetarium operations. Proposed liaison functions include the development of both a Chino and Fontana friends organization and development of the Alumni Association.

Scope of Work:

Comprised of only two individuals whose purpose is to facilitate communication. The membership of the subcommittees or task forces would be comprised almost exclusively of advisory council members or community representatives. The chair of this committee might also function as chair of the advisory council.

Member Profile:

Members of the subcommittees or task forces associated with this committee should be individuals who have a specific interest in the activity or area being developed. Committee members should have a willingness to recruit other representatives from the community to serve on the committees and task forces necessary to get the job done.

5. **Development Committee** (Five to seven members)

Purpose:

To coordinate all fund-raising done by the foundation.

Scope of Work:

Coordinate the activities of sub-committees focused on the annual fund, business solicitations, special events, cultivate major donors, as well as individuals who may be interested in deferred and planned giving, and the Planetarium. Eventually, a capital campaign will also be developed. In many ways, this is the most important and most demanding committee of the foundation. (1989/90 goal: \$120,000)

Member Profile:

All board members and advisory council members are expected to serve on a development subcommittee or task force. Each board member will be expected to develop lists of potential donors, to assist in personally contacting major donors, and to participate as members of a team on visits to solicit major donations from key individuals. The committee per se will consist of the chairs of the various sub-committees plus one or two members at large.

Development Sub-committees:

a. **Special Events Sub-Committee** (size varies with need)

Purpose:

Responsible for planning and coordinating the annual president's banquet. Also responsible for making recommendations on the handling of other events (i.e., golf tournament or other special functions) if/as they arise.

Scope of Work:

Plans and implements a major annual event, including the solicitation of sponsorships or donations to cover the event; recruits advisory council or community members to participate in the planning of special events and in the staffing of committees or task forces for other events if/when the need arises; handles the 1990 alumni reunion; athletic booster functions (awards ceremonies, banquets, etc.). Committee meets sporadically as needed; activities may involve extensive work during certain times of the year and little or no committee meetings or work at other times of the year. (1989/90 goal: \$10,000)

Member Profile:

Members of this committee should have interest and/or experience in event coordination; should be interested in acting as a host or hostess at events; should have community contacts where networks of individuals or organizations are interested in participating in, or supporting, special events.

b. Major Gifts Sub-Committee (President's Roundtable)
(Five to seven members)

Purpose:

To develop and solicit President's Roundtable and major (\$1,000 or greater) gifts to the foundation.

Scope of Work:

Donor identification and cultivation, supply leads for planned/deferred giving and, eventually, for a capital campaign, support board members in personal solicitations.

Member Profile:

Board members with high profiles who would have credibility with potential major donors.

c. Business Partners Sub-Committee (Five to seven members)

Purpose:

To develop and implement a fund-raising campaign aimed at business, including soliciting President's Roundtable members from businesses.

Scope of Work:

Develop written materials, working with full board support, develop lists of business leaders to be solicited and meet with key business leaders to ask for donations. (1989/90 goal: \$50,000)

Member Profile:

Persons with extensive business contacts and/or credibility with the business community

d. Annual Fund Sub-Committee (Three to five members)

Purpose:

Develop and run a comprehensive annual fund mail campaign.

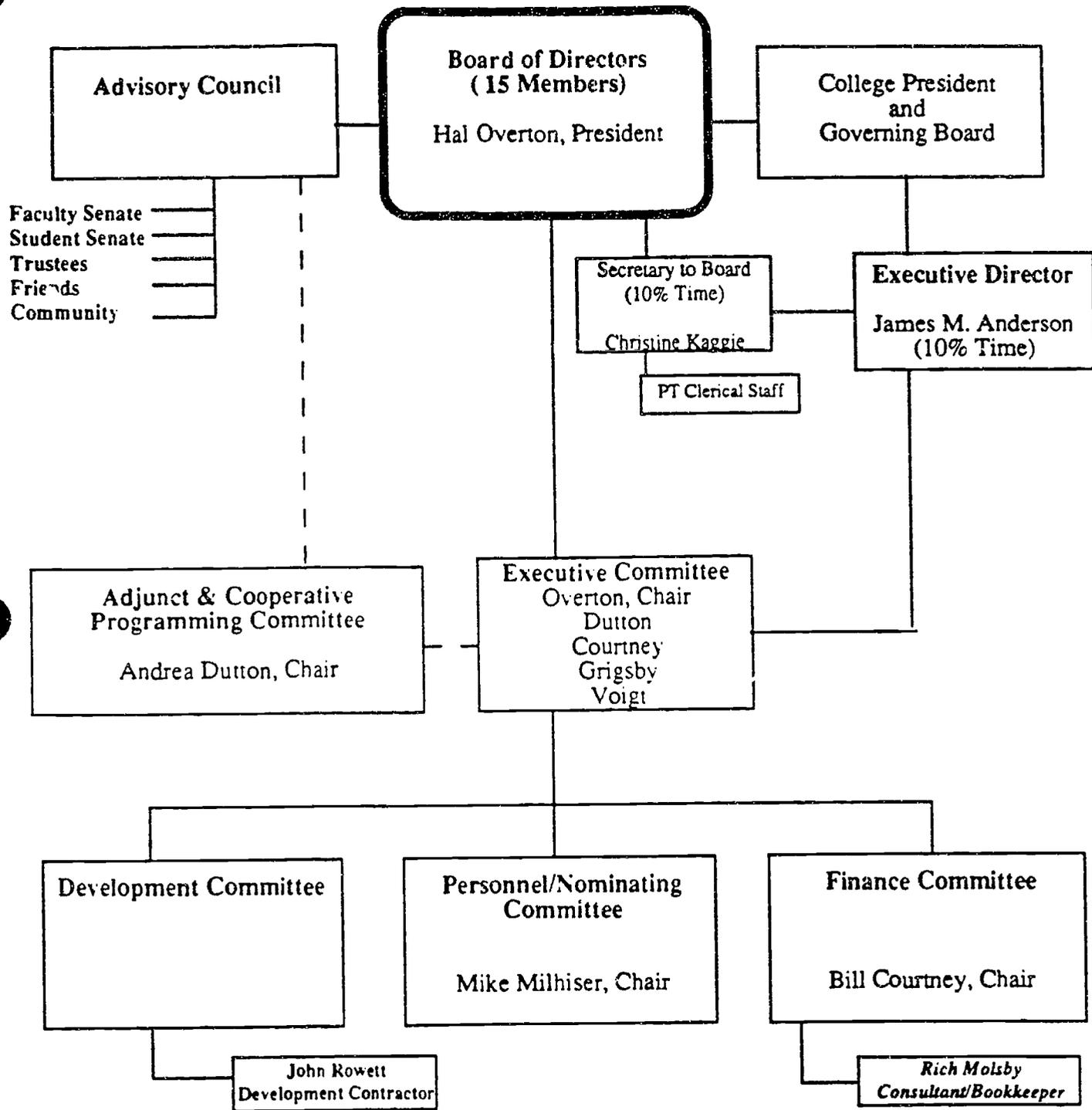
Scope of Work:

Design focus of medium range campaign (2-3 years), design and write materials for 2 or 3 mailings per year, periodically review results of mailings and donor patterns, identify patterns that may lead to major donors. (1989/90 goal: \$35,000)

Member Profile:

Campaign experience and/or experience or interest in developing written materials and campaign strategies.

April 1990

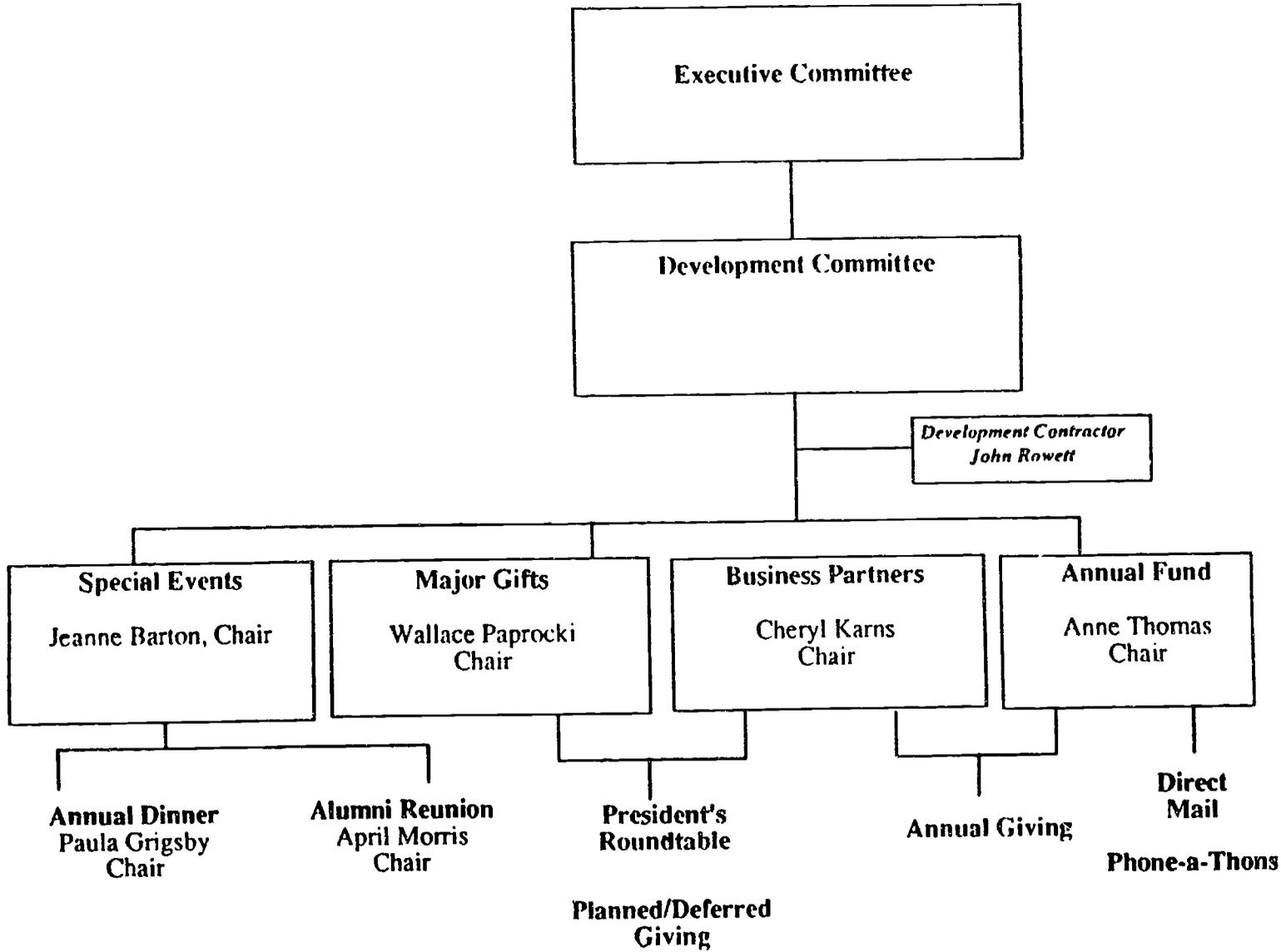


Four Standing Subcommittees:

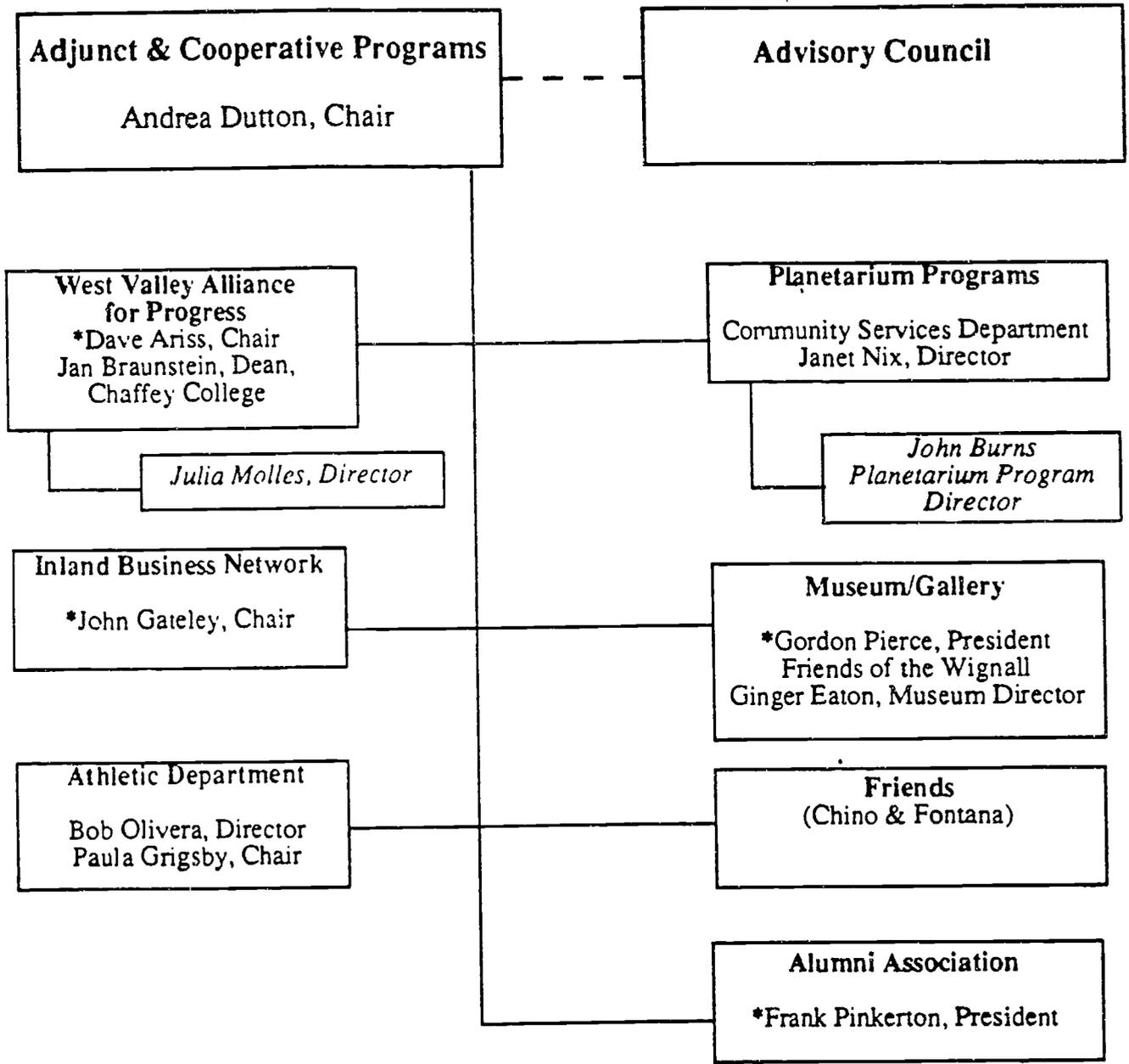
- Special Events
- Major Gifts
- Business Partners
- Annual Fund

4/16/90

Chaffey College Foundation
Development Committee and Subcommittees
 April 1990



Chaffey College Foundation
Adjunct and Cooperative Programs
April 1990



* = Advisory Council Member

4/13/90



THE ROLE OF THE BOARD OF DIRECTORS

The primary responsibility of the Board of Directors is to govern the corporation consistent with Federal and State laws and the Articles of Incorporation and Bylaws. Operationally, the Board of Directors exists as a corporate oversight body and provides general direction for the organization through the development of policy. The Board of Directors is not involved in the normal ongoing operations or administration of the organization. The Board employs an Executive Director to implement its policies and administer services and programs. The Board of Directors' responsibilities and duties can be divided into four general areas: Administration, Planning, Resource Development, and Public Information. The following is a description of each with some specific duties listed.

I. ADMINISTRATION

Administrative responsibilities are primarily directed at compliance with law and maintaining effective operations.

A. Executive Director

Duties include:

1. Establishing, maintaining, and complying with a formal contract with the Executive Director.
2. Supervising and evaluating the Executive Director's performance.
3. Formulate and adopt policy and operational procedures to the Executive Director.
4. Setting Executive Director's compensation and benefits.

B. Corporate Bylaws and Articles of Incorporation

Duties include:

1. Periodic review.
2. Amendment as necessary.

C. Board of Directors

Duties include:

1. Orientation of new Board members.
2. Nominate and elect the officers of the corporation as per bylaws.
3. Meet on a regular basis to transact business.
4. Establish and appoint committees of the Board.
5. Maintain Board communications and cooperation.

I. ADMINISTRATION (continued)

D. Fiscal

Duties include:

1. Approve an annual operating budget for the corporation and any subsequent revisions.
2. Approve an annual financial audit.
3. Periodic review of financial status to protect the assets of the organization.
4. Adopt and monitor operating and fiscal management procedures.

E. Foundation Employees

Duties include:

1. Approve Foundation Personnel Policies.

F. Grants and Contracts

Duties include:

1. Approve all contracts.

II. PLANNING

Planning responsibilities are directed at setting the short and long term direction of the corporation consistent with corporate purpose and status as a nonprofit public benefit organization.

Duties include:

1. Approve an annual plan for the Foundation.
2. Review information regarding Foundation programs and services.
3. Authorize the establishment of new programs and services or major modification to existing programs and services.
4. Monitor the achievement of goals and objectives.

III. RESOURCE DEVELOPMENT

Resource development responsibilities are directed specifically at ensuring that the Foundation has adequate resources to operate effectively.

A. Private Funds

Duties include:

1. Assist in the identification and solicitation of corporate and individual support for the Foundation.

2. Assist in development activities.

3. Appear on behalf of the Foundation to support requests for funds.

B. PUBLIC FUNDS

Duties Include:

1. Advise the Executive Director of available sources of public support.

2. Assist the Executive Director with obtaining public funds.

IV. PUBLIC INFORMATION

Duties include:

1. Assist in identifying resources useful to developing and conducting an effective public information program.

2. Provide funds, where appropriate, to support public information programs.

3. Provide direct support via the Board or committees for public information programs.

4. Form linkages with other community organizations (both public and private) to meet needs that are greater than those that can be met by the organization acting alone.

V. BASIC TENETS FOR BOARD OPERATION

1. There is a relationship between involvement, knowledge, and therefore ownership and frequency of meetings.

2. There is a relationship between attendance and ownership.

3. There is a relationship between size and function.

4. Given a large board, committees and good committee work are of great importance in developing a sense of ownership.

5. "Representativeness" is useful only when the other goals of board constituencies are achieved.

6. There must be a balance between staff and volunteer input and involvement.

7. Board members must clearly understand their role in policy development and execution.

GOLDEN WEST COLLEGE

JOB DESCRIPTIONS

TITLE: Chair of the Board

PURPOSE: Provide leadership to the board in carrying out the financial and administrative responsibilities to fulfill the mission of Golden West College

RESPONSIBILITIES:

1. Chairs board meetings
2. Oversees the planning and goal-setting process for the Foundation
3. Supervises the organizing of the annual campaign and works closely with board leadership to identify, evaluate and solicit funding prospects
4. Meets twice monthly with the executive director to keep informed on issues related to the Foundation
5. Appoints Investment Committee and monitors the fiscal policy development and financial management of the Foundation
6. Appoints committees as necessary and serves as ex-officio member
7. Serves as the official spokesperson to the public on all matters

TERM OF OFFICE: One Year Term

REPORTS TO: Board of Directors

STAFF ADVISOR: Executive Director, Foundation

QUALIFICATIONS:

1. Recognized community leader
2. Demonstrated ability to operate a business
3. Commitment to the mission of Golden West College Foundation
4. Willingness to contribute time and financial resources
5. Willingness to solicit funds and recruit leadership

GOLDEN WEST COLLEGE FOUNDATION
JOB DESCRIPTION

TITLE: Treasurer

PURPOSE: Oversee the financial operation of the Golden West
College Foundation

RESPONSIBILITIES:

1. Chair the Investment and Finance Committee
2. Implements the responsibilities of the Investment and Finance Committee
3. Meets as necessary with the executive director to review and monitor Foundations's financial activity

MEETING ATTENDANCE: Six meetings annually

REPORTS TO: Board of Directors

STAFF ADVISOR: Executive Director, Foundation

QUALIFICATIONS:

1. Expertise in investments
2. Financial management ability
3. Willingness to learn Golden West College Foundation's accounting system
4. Willingness to commit time and financial resources

GOLDEN WEST COLLEGE FOUNDATION

JOB DESCRIPTION

TITLE: Priorities and Allocation Committee

PURPOSE: Proposes annual and long-term goals and objectives of the Foundation based on college needs as identified by the Golden West College President, reviews requests for Foundation grants and to create campus projects

RESPONSIBILITIES:

1. Meet annually with the Golden West College President to review college priorities and determine the activities/projects to be funded through the Foundation.
2. Evaluate (for Board review/approval) requests for grants to organize support groups and campus initiated projects requesting to have funds managed by the Foundation.
3. Make recommendations in preparing the goals and objectives for the annual plan.
4. Evaluates completed programs funded by the Foundation

MEETING ATTENDANCE: As necessary

REPORTS TO: Board of Directors

STAFF ADVISOR: Executive Director, Foundation

QUALIFICATIONS:

1. Understanding of the Golden West College Foundation mission and goals
2. Demonstrated ability to operate a business
3. Willingness to contribute time and financial resources
4. Ability to relate to innovative and creative concepts

GOLDEN WEST COLLEGE FOUNDATION

JOB DESCRIPTION

TITLE: Annual Campaign Committee

PURPOSE: To organize and implement the annual solicitation of gifts from individuals, businesses and community organizations.

RESPONSIBILITIES:

1. Works with the board on the identification, evaluation and solicitation of funding prospects
2. Works closely with the Priorities and Allocations Committee to understand college needs and the funding requirements

MEETING ATTENDANCE: As necessary

REPORTS TO: Board of Directors

STAFF ADVISOR: Executive Director, Foundation

QUALIFICATIONS:

1. A commitment to the Golden West College Foundation and its goals and the ability to provide direction and input for the planning and implementation of a fundraising program
2. Commitment to the mission of Golden West College Foundation
3. A community leader
4. Willing to commit time and financial resources

GOLDEN WEST COLLEGE FOUNDATION
JOB DESCRIPTION

TITLE: Planned Giving Committee

PURPOSE: To promote and solicit planned gifts (bequests)

RESPONSIBILITIES:

1. Develop a strategy to identify and cultivate potential donors
2. Respond to inquiries from planned giving prospects
3. Establish and maintain contact with appropriate lawyers, C.P.A.'s, trust officers, and other estate planning professionals
4. Arrange to have the Golden West College Foundation board informed of planned giving opportunities and ask their assistance for promoting it
5. Recommend process for promoting planned giving

MEETING ATTENDANCE: 3 meetings annually

REPORTS TO: Board of Directors

STAFF ADVISOR: Executive Director, Foundation

QUALIFICATIONS:

1. Knowledge of estate planning
2. Commitment to the mission of Golden West College Foundation
3. A community leader
4. Willing to commit time and financial resources

GOLDEN WEST COLLEGE FOUNDATION
JOB DESCRIPTION

TITLE: Public Affairs Committee

PURPOSE: To promote the Golden West College Foundation and its activities to the community and on the campus through appropriate linkages

RESPONSIBILITIES:

1. Provide input into the annual plan to increase the visibility and image of Golden West College Foundation
2. Advise the staff and board on securing maximum publicity for Golden West College Foundation programs and activities
3. Provide technical assistance in the development of printed and electronic material for Golden West College Foundation
4. Assist in planning and implementation of the annual dinner meeting

MEETING ATTENDANCE: As necessary

REPORTS TO: Board of Directors

STAFF ADVISOR: Executive Director, Foundation

QUALIFICATIONS:

1. Knowledge of the Foundation's mission, philosophy, and policies on advertising
2. Knowledge of marketing and public relations principles
3. Commitment to the mission of Golden West College Foundation
4. Willingness to contribute time and financial resources

GOLDEN WEST COLLEGE FOUNDATION

JOB DESCRIPTION

TITLE: Vice Chair of the Board

PURPOSE: Assists the Chair by managing Foundation responsibilities in the areas of priorities, planning, and allocations

RESPONSIBILITIES:

1. Chairs board meetings in the absence of Chair of the Board
2. Oversees the annual planning and goal-setting process for the Foundation, matching college needs with Foundation plans
3. Meets twice monthly with the Executive Director to be informed on issues related to the Foundation
4. Appoints the Priorities and Allocation Committee and chair, serving as ex-officio member
5. Initiates evaluation process for programs funded by the Foundation
6. Assists with planning and implementing new board member orientation
7. Plans the annual meeting

TERM OF OFFICE: One Year

REPORTS TO: Board of Directors

STAFF ADVISOR: Executive Director, Foundation

QUALIFICATIONS:

1. Recognized community leader
2. Demonstrated management ability
3. Commitment to the mission of GWC Foundation
4. Willingness to contribute time and financial resources
5. Willingness to solicit funds and recruit leadership

GOLDEN WEST COLLEGE FOUNDATION

JOB DESCRIPTION

TITLE: Board Development Committee

PURPOSE: To advise the board on matters pertaining to board development; oversees the development of the board through recruitment, new member orientation, and monitoring of board member performance

RESPONSIBILITIES:

1. Establish a new board member recruitment goal
2. Identify, evaluate, and prioritize candidates for the board according to the established criteria for new board members
3. Plan a recruitment strategy and assist in the recruitment visitation as appropriate
4. Nominate candidates and officers for formal election to the board
5. Host new board member orientation session(s)
6. Periodically reviews board member performance to determine continued affiliation
7. Monitors board structure for effectively achieving the Foundation's mission

MEETING ATTENDANCE: Four to six meetings annually

REPORTS TO: Board of Directors

STAFF ADVISOR: Executive Director, Foundation

QUALIFICATIONS:

1. Recognized community leader
2. Knowledge of the individuals in the community who possess the leadership criteria for board membership
3. A commitment to the mission of Golden West College Foundation and willingness to promote the college and foundation to the community
4. Willingness to contribute time and financial resources
5. Willingness to solicit funds and recruit leadership to Golden West College Foundation

GOLDEN WEST COLLEGE FOUNDATION

JOB DESCRIPTION

TITLE: Investment and Finance Committee

PURPOSE: Oversees the Foundation's assets and financial activity, following board established policies

RESPONSIBILITIES:

1. Prepares and implements the board approved investment policy with day to day monitoring of investments by a designated authority
2. Insures that funds are managed and expended in keeping with donor's intent
3. Meets quarterly with the executive director to review financial reports and to monitor the internal accounting system
4. Keeps the board informed on the Foundation's financial activities
5. Reviews the annual audit and management letter, implementing recommendations
6. Annually reviews all Foundation contracts and makes recommendations to the board

MEETING ATTENDANCE: Six meetings annually

REPORTS TO: Board Chair

STAFF ADVISOR: Executive Director, Foundation

QUALIFICATIONS:

1. Expertise in investments
2. Financial management ability
3. Willingness to learn and understand a foundation's financial operation
4. Willingness to commit time and financial resources

The Better Board's Role

Each year thousands of bright, competent, and enthusiastic individuals from many areas and walks of life come together to form the boards of directors within the association community. These gathered forces exhibit extraordinary talent and commitment. The purpose of the members of these boards is universal: to work with like-minded colleagues to shape the world in which they live.

And each year association staffs express optimism that the incoming board of directors will understand their good intentions and become a partner in fulfilling the association's mission.

Despite this enthusiasm and optimism, however, the year often ends with disgruntled board or staff members and an unspoken, uneasy feeling that more could have been accomplished if only.

How power struggles begin

Consider this scenario: As a newly elected board member of the Association for the Advancement of Ideas, you attend the board orientation and retreat. During the sessions, everyone nods enthusiastically as they discuss the board-staff partnership and the board's governance role. You and your fellow board members pay careful attention to the notion that your role is to set policy, while the staff serves as full partners in carrying out the work of AAI. Everyone concludes they are part of the best association leadership team ever assembled.

Then, two weeks later, the power struggles begin.

It starts when one board member receives a complaint from a member about a budget allocation issue. He calls several other board members to discuss concerns about the staff's activities. Via the grapevine, the chief staff executive and the chief elected officer hear of the problem and learn that a small group of board members has become disgruntled because its idea for funding a new project is not being implemented.

At the next board meeting, a heated debate ensues over how something should be done instead of whether it should be done at all. You spend more time discussing who has the authority to make the decision about funding a new project than discussing the project itself. Soon a rumor starts circulating that staff has too much power, and a few people begin asking, "Who runs this association anyway?"

Zero in on key responsibilities, relationships, and outcomes—and create an environment of organizational excellence.

When AAI's annual meeting opens, a coalition of members brings to the floor a motion requiring approval of the budget by the entire membership. These members say the association's leadership does not understand their needs or how to allocate funds appropriately. A small group of board members appears to be fanning this flame of discontent. You and your fellow board members spend a good deal of the annual meeting locked in a power struggle instead of discussing and addressing the common interests of the members. What went wrong?

Understanding group responsibility

If this scenario is in any way familiar, take heart. You and your board are not alone. Although associations offer an opportunity for like-minded people to work together, they also present a complex and challenging set of dynamics.

Only a commitment on the part of board members and staff members alike to strengthen the capacity for group excellence can overcome this challenge. We dream of bringing personal qualities and ideas to the leadership of our associations, yet often we do not fully understand the nature of group process, partnership relationships, and the role of information within our organizations.

No secret formula

Essential elements. The essential elements of successful boards are neither secret nor complex. Success involves understanding what's important and creating the opportunity for the important things to be done correctly.

First and foremost, the association leadership experience is a group experience, a group responsibility. It is not a forum for excelling individually or for putting forward individual agendas.

Self-evaluation. A group experience is successful when expectations are clearly defined and agreed to by all parties. One way a board can accomplish this clarity of purpose is by conducting an annual board self-evaluation process.

Whether conducted internally as part of a regular board meeting or facilitated by an outside consultant, this evaluation

Checklist for Organizational Excellence

Effective boards of directors share these characteristics, which make the difference for organizational excellence and team satisfaction.

- Focus on the outcome. Where is the organization going, and how will we know when we get there?
- Invest in a healthy and dynamic relationship with the chief staff officer.
- Set direction, policy, and strategy; do not develop detailed plans or engage in or redo committee work.
- Share the responsibility for encouraging each leader to contribute unique talents and abilities based on the organization's needs.
- Create an environment of mutual

respect and cooperation, manifest in truthfulness and forthrightness.

- Invest in two-way communication with stakeholders.
- Learn to hear and understand one another.
- View service as a group experience, not an individual opportunity.
- Invest in regular, simple, and straightforward self-evaluations to create awareness, establish sensitivity, and promote commitment to effective behavior. Even a board composed of "sophisticated, organizationally experienced policy makers" needs to know how well it is employing its collective knowledge.

Symptoms of Board Dysfunction

Answering yes to one or more of the following questions may signal a need to focus attention on group process and communication.

1. Do you experience low production or team output?
2. Do you hear complaints from within the team?
3. Is there conflict or hostility among team members?
4. Is there confusion about assignments or unclear relationships among people?
5. Is there a lack of clear goals or commitment to goals?
6. Are you experiencing a lack of

innovation, risk taking, imagination, or initiative?

7. Do participants leave meetings feeling disgruntled?
8. Are people afraid to speak up, not listening to each other, or not talking together in the appropriate settings?
9. Is there distrust among leaders and members or among members?
10. Are decisions made that people do not understand?
11. Are decisions made that people do not support?
12. Do people feel that good work is not recognized or rewarded?

examines relationships among chief staff officer, board members, and association members. It also examines the success of the board's planning policy, and oversight responsibilities and how the group's leadership qualities come into play on various issues. (See sidebar "Board Self-Evaluation Process," for an example of an evaluation instrument.)

Focusing on outcomes

Definition of success. Successful boards of directors develop a clear description of what will constitute success for the organization. This means continually describing how the world will be different because the organization exists. Examples may be broad: "The association will be successful when the majority of

Board Self-Evaluation Process

Whether you use this sample instrument or another, creating knowledge from the tabulation is the goal. After you've selected your responses to these items, which represent only a sampling of an evaluation instrument, see the "Interpreting the Self-Evaluation" sidebar.

How accurately do these statements describe your board? Answer on a scale of one to six, with one being equal to "not at all like us" and six being equal to "very much like us."

Oversight and direction

- | | | | | | | |
|---|---|---|---|---|---|---|
| 6 | 5 | 4 | 3 | 2 | 1 | We participate in board meetings where the majority of the agenda and board time focuses on direction setting and the development of policy and strategy |
| 6 | 5 | 4 | 3 | 2 | 1 | We maintain sound fiscal policy and practices and realistically face the financial ability of the organization to support its program of work |
| 6 | 5 | 4 | 3 | 2 | 1 | We are committed to strategically planning for the long-term future of the organization, consider this a regular activity of the board, and weigh all decisions in terms of what is best for those served by the organization |

Chief staff officer

- | | | | | | | |
|---|---|---|---|---|---|--|
| 6 | 5 | 4 | 3 | 2 | 1 | We have mutually agreed upon (in writing, if appropriate) a definition of success for the organization, and we have provided the resources and authority necessary to achieve expectations |
| 6 | 5 | 4 | 3 | 2 | 1 | We have provided the chief staff officer with a clear statement of the personal qualities and performance expectations against which he or she will be measured periodically, and we have agreed to a process for providing feedback as plans are being executed |
| 6 | 5 | 4 | 3 | 2 | 1 | We provide opportunities, encouragement, and resources for the professional growth and development of the chief staff officer and staff |
| 6 | 5 | 4 | 3 | 2 | 1 | We discuss immediately any items that are controversial to either board members or the chief staff officer |

Board meetings

- | | | | | | | |
|---|---|---|---|---|---|--|
| 6 | 5 | 4 | 3 | 2 | 1 | We honor the established procedures for board meetings, providing ample time for interested parties to be heard but preventing one individual or group from dominating discussions ▶ |
|---|---|---|---|---|---|--|

the public understands the importance of a certain thing." Or they may be specific: "Success means a 10 percent annual increase in membership."

This activity should not be relegated to a once-a-year retreat or added to an agenda that has a few extra hours available. Defining success is an ongoing process that looks long and far into the future of the organization, taking into account information about member needs and common interests, emerging external realities, and internal organizational capacities. *On this essential consensus all else depends.*

Opportunity through agreement. If board members do not agree where the organization is going, their efforts become fragmented and lead to decisions made out of the context of the whole association. When this happens, an association's board members and staff members feel the need to protect turf, members become disgruntled or indifferent, budget allocation arguments are rampant, and thousands of dollars are spent in useless activity.

When an association board of directors agrees where the organization is going, every volunteer and staff member has the opportunity to contribute to this future direction. Such agreement also frees the board to carry out effectively its primary corporate functions: approving goals, making sure the desired outcomes are achieved, and seeing that the necessary resources are available and used efficiently.

Effective consensus. In an association with professional staff, focusing on these responsibilities means the board members invest their time at the highest level of direction setting, policy setting, and strategy development. Detailed discussions of how something will be done do not consume leaders' valuable time, nor do board members actually do themselves something that would be better done by others.

Productive policy and strategy discussions require a continual stream of information on which to base sound decisions for the future. Associations can gather this information through formal research, focus groups, and frequent communica-

tion among leaders and members via correspondence, group dialogues, or one-to-one discussions

Mutual commitment to clear outcomes generates the synergy on which effective consensus is built. Consensus does not mean a compromise—"let's take a little bit of my idea and a little bit of your idea"—that reflects the lowest common denominator on which everyone agrees. Instead, consensus means "Yes, I can live with this solution right now, because it seems to best meet the organization's needs."

Relationship with the chief staff officer

Partnership with staff. A chief staff officer working with a board of directors that has not defined organizational success might as well be holding a ticking clock connected to a bomb. Only after an organization has defined its direction can it develop a meaningful relationship with its chief staff officer. The definition of success forms the basis of an effective board-staff partnership.

Many organizations find it helpful to think of the chief elected officer and the chief staff officer as partners who jointly fulfill the role of chief executive officer. This corporate image often helps dispel unproductive concerns about the appropriate role of staff and volunteers and allows the two leaders to work out a division of labor that provides the organization with the leadership required to excel.

Conditions of success. Maintaining a healthy and productive partnership between the board and the chief staff officer requires a clear statement of expectations (what will success look like?), an ongoing forum for feedback regarding concerns and important issues, and a climate of mutual respect and trust acknowledging that all parties are committed to achieving the organization's vision of success.

For the board of directors, this partnership implies investing time and resources to clarify expectations and provide feedback and making a commitment to communicate and discuss concerns and problems in a truthful and forthright manner.

Board Self-Evaluation Process, continued

- | | | | | | | |
|---|---|---|---|---|---|---|
| 6 | 5 | 4 | 3 | 2 | 1 | We seek ways to support all elected leaders and fellow board members in the successful execution of leadership duties. We seek to recognize individuals' strengths and provide opportunities for the organization to benefit from them. |
| 6 | 5 | 4 | 3 | 2 | 1 | We make decisions based on data available and support the organization's commitment to collecting the information needed for sound decision making. |
| 6 | 5 | 4 | 3 | 2 | 1 | We seek and respect the opinion or recommendation of staff when considering a decision and ensure that board committees and other work groups receive the proper authority and resources to complete their assignments. We do not redo the work of committees or work groups. |
| 6 | 5 | 4 | 3 | 2 | 1 | We give adequate time and attention to controversial items, act with deliberate speed on urgent matters, and present decisions of the board without bias. |

Stakeholder relationships

(Stakeholder refers to parties—members as well as outside parties—interested in or able to affect the organization's ability to accomplish its purpose.)

- | | | | | | | |
|---|---|---|---|---|---|--|
| 6 | 5 | 4 | 3 | 2 | 1 | We actively foster a clear understanding of the organization, its direction, and its leadership decisions among the stakeholders; we actively foster open lines of communication between leaders and stakeholders. |
| 6 | 5 | 4 | 3 | 2 | 1 | We seek to be fully informed of stakeholder attitudes and the special-interest groups seeking to influence the organization and are fully prepared to represent the interests of the organization. |
| 6 | 5 | 4 | 3 | 2 | 1 | We act responsibly in channeling concerns, complaints, and criticisms of the organization through the chief staff officer; we speak thoughtfully in the face of unjust criticism of others. |

Personal qualities

- | | | | | | | |
|---|---|---|---|---|---|---|
| 6 | 5 | 4 | 3 | 2 | 1 | We demonstrate an ability to think independently, rely on fact rather than prejudice, and hear, understand, and consider all sides of a controversial question. |
| 6 | 5 | 4 | 3 | 2 | 1 | We show respect for the intentions and interests of others and for group decisions cooperatively reached. |
| 6 | 5 | 4 | 3 | 2 | 1 | We have a willingness to devote the necessary time to fulfilling the responsibilities of a board member as outlined in the organization's written position description. |

Board meetings

Atmosphere of openness. Board meetings in successful associations with pro-

fessional staff focus on direction setting, policy setting, and strategic thinking. They do not focus on developing how-to

plans, redoing committee recommendations, or hearing previously published reports so that the spotlight may shine on a board or staff member.

Successful board meetings have an atmosphere of openness that values diversity of opinion and thinking. This tone depends not only on the leadership demonstrated by the chief elected officer and staff leaders but also on each board member's commitment to expressing thoughtful and candid viewpoints.

Shared responsibility. Although association leadership is a group—rather than individual—experience, deployment of individual talents toward meeting group goals is critical. Effective elected and staff leaders look for ways to assist board members in contributing their unique talents toward the accomplishment of shared organizational goals.

This equation for success has two factors, and both must have equal value. Not long ago, a chief elected leader was heard to mumble after a grueling leadership day: "I wonder what I can do to make this a more satisfying experience for our board members?" A pragmatic fellow leader responded, "I can assure you none of the board members will lose any sleep over how to help you have a more successful leadership year."

In successful organizations, *everyone* shares the responsibility for helping one another contribute effectively.

Stakeholder relationships

A stakeholder is anyone who has a right to influence the decisions of the organization or is in a position to significantly affect the outcome of a decision. In associations, stakeholders include the members and sometimes others from a wider community.

Maintaining effective stakeholder relationships means fostering a clear understanding of the organization, its direction, and its leadership decisions. It means keeping lines of communication open between leaders and members as well as among the members themselves.

Facilitating consensus. In some cases, the most effective strategy is not to make a leadership decision at all. Instead, you can assist stakeholders with differing

Interpreting the Self-Evaluation

To make sense of responses to the self-evaluation, identify patterns in the ratings rather than calculate the average. For example, you'll lose valuable information by averaging a 1.0 rating and a 5.0 rating into a 3.0 rating on one item. Instead, look at how the ratings cluster. Five response patterns commonly occur:

1. **POLARIZED:** May suggest very different understandings of what is involved, or the item may be a "symbol" for a deeper values conflict on the board. Response: Clarify and confront the real issue.

6	5	4	3	2	1
xx					xx
xx					xx

2. **DISTRIBUTED:** May suggest a lack of understanding about what the item means or involves. Response: Educate the board.

6	5	4	3	2	1
x		x		x	
	x		x		x

3. **CONSENSUS OF STRENGTH:** May suggest general agreement on a strength of the board. Response: Congratulate and preserve. (Note: The loner's views need to be clarified and understood.)

6	5	4	3	2	1
x	x			x	
xx	x				

4. **CONSENSUS OF NEED:** May suggest general agreement on a weakness of the board. Response: Diagnose and develop specific strategies to remediate.

6	5	4	3	2	1
	x			x	x
				xx	xx

5. **CENTRAL TENDENCY:** May suggest lack of importance or satisfaction with performance, with an acknowledgment of room for improvement. Response: Identify strengths and "soft spots", maintain and build on strengths.

6	5	4	3	2	1
	x	x	x		
		xx	xx		

At different times, different elements of board performance may have more or less significance to the organization. If the association's condition is characterized by an unstable and unpredictable external environment and internal confusion or conflict, items related to group-process competency will be especially critical. If the association's condition is characterized by a relative stability and predictability and internal agreement and cooperation, items related to functional competency will deserve special attention.

ASSOCIATION
MANAGEMENT
P R E S S



Executive Leadership in Nonprofit Organizations: New Strategies for Shaping Executive-Board Dynamics

by Robert D. Herman & Richard D. Heimovics
Jossey-Bass

This book, based on extensive studies of chief executives in nonprofit organizations, reveals the skills and leadership strategies that distinguish the most successful nonprofit leaders. The authors describe the strategic links effective CEOs forge with their boards, and offer practical advice on how executives can work together with boards to achieve their common purpose -- the fulfillment of the organization's mission.

1991 ISBN 1-5542-334-5/152 Pages
Hardcover/Catalog #210150
Member: \$22.95; Nonmember: \$27.50

To place your order, call us at (202) 626-2748 or fax your order to (202) 108-9631.

Board role

needs or opinions to work out the solution themselves

If, for example, two groups of members disagree about a public policy position, you may help them develop consensus among themselves, rather than impose a decision. By assisting the parties in reaching consensus, you build understanding and develop a solution both groups can accept. Too often a leadership decision alienates one group while pleasing another.

Two-way listening. Critical to stakeholder relationships is the manner in which two-way communication occurs. It is not effective to ask only for feedback or criticism from constituents. Nor is it effective to simply market and defend leadership decisions.

Communication is an interactive process in which all parties take the time to hear and understand one another—acknowledging that all opinions, no matter how diverse, are valid—and then seek an acceptable alternative. Often, in our anxiety to be heard, we forget to hear what others are really saying. Too many organizational decisions have been based more on the misunderstanding than the understanding among people.

Effective board members invest time and resources to develop excellent listening and communication skills through formal training. They also stay fully informed on the views of members and the wider community by investing ample time and resources in focus groups, correspondence with stakeholders, and group forums.

Representative of the whole. Although board members may represent different groups and bring special-interest perspectives to the board table, each one must take on the role of a decision maker and leader of the organization as a whole.

This principle seems so fundamental it may be dismissed as silly—until parochial concerns of a member subgroup or loyalty to a particular committee or program drives a board member's behavior. Solely because of support from a vocal committee chair, for example, a board may approve a budget item that has no bearing on the achievement of organizational goals.

The role of respect

Because association leadership is group experience, it requires respect for the opinions and needs of others. Only in an environment of mutual respect, where all viewpoints are truly heard and honored, will people consistently express their most important and truthful thoughts.

This does not mean that board members continually praise one another. It does mean they bring a richness of opinions and perspectives to the table and build on those collective ideas to create the best decision.

Effective boards of directors value the opinions of each board member and staff member, seeking to understand those opinions clearly and acknowledging their good intent. Showing this respect requires time and energy. It also implies a willingness to accept decisions the group arrives at cooperatively.

One sign that direction-, policy-, and strategy-setting take place in a respectful environment, with ample time for expression of diverse viewpoints, is when the agenda allows no time to discuss details, such as the color or design of a brochure or the system for processing membership applications.

The road to excellence

When a board of directors focuses on outcomes, invests in dynamic and healthy relationships with the chief staff officer, sticks to setting direction and policies based on members' documented needs and desires, and operates in an environment of mutual respect and cooperation, it is well on the way to achieving excellence.

Then, and only then, is an association able to shape the world of its members. ■

Glenn Techer, is president and chief executive officer of Techer Consultants, Trenton, New Jersey. Marybeth Fidler, a senior partner in Techer Consultants, heads the firm's Los Angeles office. Both have experience as chief staff and chief elected leaders and serve as instructors' ASAE's Symposium for Chief Elected Officers and Chief Staff Executives.

By T. J. SCHMITZ, CAE, AND LESLIE A. COLLINS, CAE

The Policymakers

Key board positions take the lead.

Whether to construct a new association headquarters is a decision to be made by the board of directors. Designing office layout and selecting appropriate furnishings, however, is the responsibility of the paid professional management of the association. Involving the board of directors in the day-to-day operations of an association consumes the valuable time and resources of an effective board.

Establishing a strategic plan, setting policy, hiring a chief staff executive and determining annual goals are the top priorities of a board of directors responsible for leading the association. Sitting through a half-hour debate to determine the next convention theme is not what most board members desire from their involvement in the association.

Management guru Peter F. Drucker states that nonprofits "lack the bottom line that a business has. They must, therefore, have a clear mission that translates into operational goals and that provides guides for effective action." Intelligent, highly motivated, and already overcommitted board members are eager to fulfill the mission of the association. But if volunteer leaders don't see how they directly affect the association they will not maintain their involvement and support.

Since volunteer leadership is ever changing in an association, the strategic plan helps maintain continuity of purpose. The plan focuses on objectives to accomplish the association's mission. You need to monitor progress, so include a strategic plan status report at every board meeting, and review the plan yearly.

Specific duties. In addition to implementing and reviewing the strategic plan board members

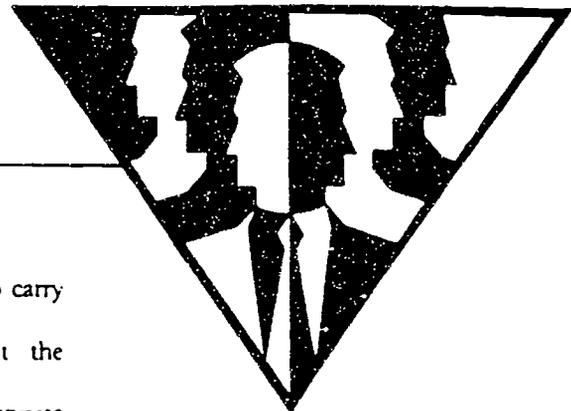
- employ a chief staff executive to carry out policy.
- adopt programs to carry out the association's mission.
- provide the executive with appropriate resources to carry out the programs adopted and evaluate the executive based upon performance.
- establish personal goals and objectives for their length of service.
- prepare for each board meeting by carefully studying the agenda and supporting materials.
- attend the entire board meeting.
- participate effectively in the board meeting by voicing their opinions.
- support board actions publicly even if they have reservations about the decision.
- evaluate and follow up on actions taken at a board meeting.
- fulfill any assignments as committee members, board liaisons, or representatives of the association, and
- support the association financially, as appropriate.

These responsibilities apply to board members equally. Board members simply make these commitments if they wish to serve.

While the specific roles of volunteer officers may vary according to the bylaws of the association, the following descriptions of key elected positions apply to most associations.

Chief elected officer: president or chair

Commitment and personal leadership style are the driving forces that a president or board chair brings to an association during his or her term. The chief elected officer is the communication link to the board, general membership, and industry or profession.



Specific duties. As board chair, the chief elected officer

- ensures that the association follows its strategic plan.
- serves as the principal advocate of the association's mission.
- presides at meetings of the organization, including board, executive committee, and general membership meetings.
- designates the chair and appoints members of each association committee and task force.
- serves as an ex-officio member of all committees.
- prepares an agenda for each board and executive committee meeting, in collaboration with the chief staff executive.
- serves as liaison, when appropriate, with affiliated organizations.
- keeps board members fully informed on the association's condition and operations, and
- works with the association's chief staff executive to see that basic policies and programs that will further association goals and objectives are planned and presented to the board.

President-elect or chair-elect

The president-elect functions as a president-in-training. The president-elect supports the current president, works toward organizational goals, provides continuity, and begins to formulate plans for his or her term.

Specific duties. The president-elect or chair-elect

- assumes the responsibilities of the president in his or her absence. ▶

BOARD PRIMER

- makes recommendations to the president for committee appointments,
- attends board and executive committee meetings, and
- accepts responsibilities delegated by the president.

The president-elect may have other duties as well. Associations often use the president-elect to chair the strategic planning committee. He or she may also spearhead a new program or project.

Vice president or vice chair

In an association without a president-elect position, the vice president assumes many of those responsibilities. Some associations have several vice presidents overseeing large internal or external programs of the association.

Specific duties. Vice presidents or vice chairs

- help the president and/or president-elect in his or her duties,
- work with the executive committee to ensure planning and implementation of association goals,
- attend board and executive committee meetings, and
- accept responsibilities delegated by the president or president-elect.

Treasurer

The treasurer acts as a source of financial information for the association. In collaboration with the chief staff executive, the treasurer informs the board of the ongoing financial picture. He or she represents the financial interests of the membership and anticipates the association's future financial needs, in keeping with the strategic plan.

Specific duties. The treasurer

- works with the chief staff executive and/or the chief financial officer to prepare a budget and present it to the finance committee and the board of directors for approval,
- informs board members of the association's financial status at board and executive committee meetings,
- informs the membership of financial matters at general business meetings,
- monitors financial policies and programs, and
- helps the president ensure that adequate resources are available to fund association programs.

Secretary

The role of the secretary depends on the association's size. Smaller associations

may need the secretary to take minutes at board and executive committee meetings. In larger organizations, the secretary verifies that the minutes prepared by staff are accurate. The secretary attests to corporate documents.

Officers and directors of an association provide the leadership necessary to accomplish the mission of the association. These volunteers are elected to represent the general membership and must always be responsible to their constituency. Filling one's fiduciary responsibility as a member of the board of directors becomes preeminent in this litigious society. Having fun should also be a part of the board's responsibility.

Margaret Mead observed, "If you look closely, you will see that anything that embodies our deepest commitment—the way human life should be lived and cared for depends on some form, often many forms, of volunteerism." For board members and officers, this statement is a way of life.

T. J. Schmitz, CAE, is chief executive officer and Leslie A. Collins, CAE, is director of finance and operations of Tau Kappa Epsilon Fraternity, Indianapolis.

Contributing to a Committee

A member's guide to the group process.

The role a committee member plays is an important one. The success of the committee depends on the contributions made by each of its members.

Consider the following suggestions as you approach your role in committee participation.

- Study the agenda carefully before you come to the committee meeting. Be sure to ask for clarification of any items you believe are unclear.
- Stick to the agenda during the meeting.

Bring up new business only at the appropriate time.

- Determine the exact purpose of the meeting and decide in advance how and what you will contribute to it.
- Keep your replies short and to the point.
- Speak in a voice everyone can hear. Wait until you have the attention of all committee members before you begin your remarks. The presiding officer should ensure that the desirable atmosphere exists.
- Speak to the entire group.



- Repeat remarks if you think they weren't heard.
- If your remarks are lengthy or involved, sum them up at the end of your discussion.

- Don't hesitate to comment, criticize constructively, or disagree. Know your subject and ask for support from members who believe as you do
- If you disagree with the speaker, make your comments at the proper time
- If you have a comment, ask for the floor rather than joining in aimless group discussion. If what you have to say is a

genuine contribution and really does make a difference, don't let it get lost in confused conversation

- There may be dissenters on some subjects. Ask them to summarize their convictions in a direct statement. This permits a more thorough examination of an idea that could be highly constructive when completely understood

- Hurdled motions usually don't receive the consideration they deserve. It's better to table them until the next meeting, when they can be discussed in detail, than to pass motions you might regret later

Source: *Getting Involved: The Challenge of Committee Participation*, © 1980 ASAE

BY KATHY E. GILL, CAE

Parliamentary Procedure

A few rules help keep order.

Have you ever attended a meeting where discussion dragged on and on and on . . . to the point where frustration impaired the group's ability to get anything accomplished? Although the lack of a meeting agenda can lead to such a situation, the more likely cause is ineffective use of parliamentary procedure.

Before you spend another frustrating hour in an unproductive meeting, take a few moments to become familiar with parliamentary procedure and use your new insight to make all the meetings you attend more efficient.

Who needs parliamentary procedure?

Some groups avoid parliamentary procedure because they think it's too complex. Others assume they need a professional parliamentarian. Both assumptions are wrong.

Anyone who belongs to an organization should understand the basic principles of parliamentary procedure. Used correctly, it can help groups

- transact business efficiently,
- protect individual rights,
- maintain order,
- preserve a spirit of harmony, and
- help the organization accomplish its goals.

How strictly an association adheres to

Robert's Rules of Order depends largely upon group size and formality, how well group members understand parliamentary procedure, and the degree of formality that group members agree is important. A good rule of thumb is that the size of the group and degree of formality should increase together.

Basic principles

1. Establish a quorum. The power of any meeting is in the hands of the members present at the meeting. A quorum is the number of people who must be present to take legal action on business matters and is essential to conducting association business meetings. The quorum is usually stipulated in the association's bylaws, and before any business is discussed the chair should establish for the record that a quorum exists.

2. All members have equal rights. These include the right to make motions, debate, and vote. You need a two-thirds vote to deprive members of basic rights, such as closing or limiting debate and closing nominations. No member may be forced to vote; silence gives consent.

Most motions require only a simple majority for passage. If a higher percentage is required, the chair or parliamentarian should tell the group before the vote.

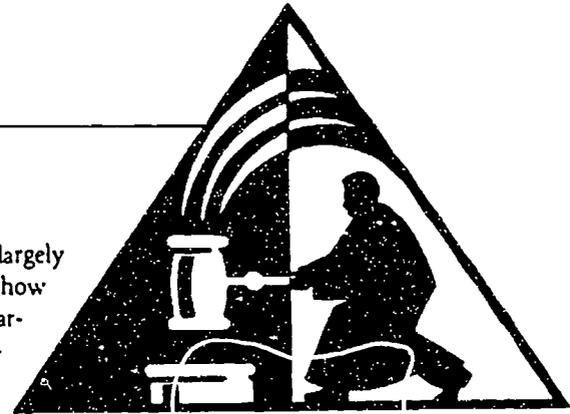
3. Debate, decorum, and order. Only

one main motion—one subject—may be considered at a time, and only one person may speak at a time. These basic premises help a group focus its attention on a specific issue or action. Anyone who wishes to make a motion should first be recognized by the chair and preface the motion with the words, "I move that . . ."

If someone wishes to second the motion, that person does not have to wait to be recognized but merely calls out, "I second the motion." The requirement of a second ensures that at least two people want to discuss an issue. Without a second, the motion dies, and the chair should move on to the next subject on the agenda.

After the motion has been made and seconded, the chair restates the motion, which is termed a *main motion*. Discussion begins. To ensure order, and that only one person speaks at a time, the chair recognizes members before they may speak. The chair should follow these principles in recognizing speakers.

- Show preference to the person who made the motion



- Show preference to members who have not yet spoken and to those in the group who seldom speak. This principle prevents outspoken members from dominating the discussion

- Alternate between members who support and oppose the motion, assuming the chair knows the opinions of the various members.

- Prevent discussion from degenerating into a heated exchange between two members. The rules of parliamentary procedure dictate that all remarks be directed to the chair. If members begin arguing, the chair must quickly remind the group to direct all remarks to the chair.

- Confine discussion to the motion. Discussion not relevant to the main motion is out of order and the chair should stop such remarks immediately.

4. Amendments. The purpose of an amendment is to *change a motion already under consideration*. If a member thinks the right topic is being discussed but wants to modify the wording of the motion, he or she calls for an amendment. Technically, a motion may be amended, and the amendment to the motion may be amended, but no further amendments may be made.

Amendments are motions, and as such, they require a second and full debate. During discussion of the main

motion, any member who is recognized by the chair may propose an amendment by stating, "I move to amend the motion by" adding, deleting, or changing words in the main motion. If the amendment receives a second, discussion then shifts to the amendment, not the main motion.

When amendments are proposed, discussion and voting occur in reverse order. After the discussion has run its course, the chair asks, "Are you ready to vote on the amendment?" If the amendment passes, the chair restates the main motion—or the amended amendment, which adds a step in the process—to reflect the new language. More discussion of the main motion as amended is permitted before the chair calls for the vote.

5. Closing debate. A member who wishes to end debate may interrupt discussion and say, "I move the previous question." Variations that are accepted more informally include, "I call the previous question," or simply, "I call the question."

This motion requires a second and must receive a two-thirds majority vote, as it is an infringement on individual rights. Should it receive a two-thirds majority, the chair then states, "The previous question has been called. All those in favor of the motion to . . ." Thus, closing debate requires two votes.

Points to recognize

Use the rules of parliamentary procedure to get things done, not gum up the works. Parliamentary procedure began in the English Parliament; to be useful for most groups, it should be close to the original, formal process.

Try to complete action on a brief, routine report during the committee report section of the agenda. However, action on involved and time-consuming committee reports may be more appropriately placed under new business. This helps keep the meeting moving.

Parliamentary procedure ensures that the group hears and discusses minority viewpoints. However, once the group takes action on a motion, the entire group should support it. Group unity is essential for effectiveness.

The sole purpose of parliamentary procedure is to provide a flexible, comfortable way to conduct group business. The next time you are at a meeting that has lost its focus, ask yourself, "What subject you are supposed to be discussing? Then take responsibility for bringing the group back to the topic at hand. Who knows, your next elected office might be parliamentarian."

Kathy E. Gill, CAE, is public affairs director for the Northwest Pulp and Paper Association, Bellevue, Washington.

By JOHN W. JOHNSON, CAE

Ready for the Board Meeting

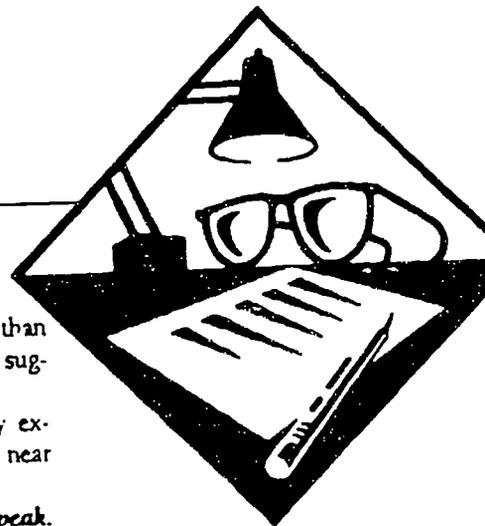
Sixteen tips for making a difference.

Effective board leadership is one of the keys to successful association management, and association executives get all kinds of advice about how to work with their elected boards. Rarely, however, do we read lists of suggestions for directors who want to do more than just go through the motions. Based on my observations and experiences working

with hundreds of directors for more than three decades, I offer the following suggestions for making a difference:

1. Attend every meeting. The only excuses for being absent are death and near death.

2. Don't feel that you have to speak. You really don't unless you feel strongly about something.



3. *Read at least a summary of Robert's Rules of Order.* These rules govern how most business meetings are conducted. Failure to understand the most commonly made motions will label you immediately as a director who doesn't care.

4. *Read the board meeting minutes.* You'll be surprised at what was talked about when your mind was elsewhere.

5. *Read all the materials sent to you prior to the board meeting.* Don't try to read them on the plane or by staying one page ahead during the meeting.

6. *Try to come to every board meeting with at least one new idea that will improve your organization.* Your idea can relate to an item already on the agenda or it can be taken up under new business. Perhaps you have an idea for an education project, such as creating a coloring book for children to learn about your industry's products, or a suggestion for making meetings more effective, such as directing each committee to name a "to-the-point" officer responsible for keeping the group focused on the issue at hand. Remember last year's wild idea is frequently this year's new program. For example, in 1965 the American Collectors Association, Inc., Minneapolis took what was then a wild idea—setting up a specialized computer data processing service for members—and created a successful program that operated for years.

7. *Telephone your association's executive at least two or three times a year to see if he or she has any problems you might help with.* As a director, you may have a perspective on the details of your trade or business that your executive does not have. Perhaps you can help him or her spot pending legislation that could affect areas of the industry in ways that aren't immediately apparent. Or you could give feedback about meeting planning because you know what others in your profession would find convenient. For example, an association of small business owners might not want to plan a breakfast meeting if the members must open their shops in the morning.

8. *Don't get involved in the day-to-day*

*Long-winded,
meandering motions
confuse the issue
and the board.*

*At worst, such
motions put everyone
to sleep.*

administration of the association and its staff. Your job is to come up with new ideas and to set policy. The staff's job is to carry it out.

9. *Periodically record a short message to the members you represent.* Update the membership about progress on issues they have referred to the board, and inform them of other business taken up at recent meetings.

10. *Respect the views of your fellow board members.* A board is a team, usually of members who have all proven the effectiveness of their individual decision-making. You may be a star in your own business, but on the board you are just one in a constellation. If you want others to consider your views, you must also be willing to listen to and consider theirs. If you must disagree with the prevailing opinion, show respect by giving reasons for your position. Support your own opinion rather than denigrating the opinion of others.

11. *Respect the diligent efforts put into recommendations by the staff and committee members.* Before the meeting, make sure that staff and committee members know how and when to submit recommendations. Thank them for their submissions; assure them, if appropriate, that the board will consider their recommendations, and get back to them promptly with a report of the outcome. Whether their recommendations result in mo-

tions that pass or fail, or simply in a discussion that leads to other issues, tell staff and committee members how the board used their input and give them reasons for your decisions.

12. *Approach the decision-making process with a positive attitude, yet consider the devil's advocate perspective.*

Suppose a director suggests that your organization employ Clint Eastwood as a celebrity spokesperson for the optometrists' profession. Don't start out with, "We could never afford that guy." Find out what the director is hoping to accomplish by hiring a celebrity spokesperson and explore the idea. A can-do attitude doesn't mean that you shouldn't look at possible drawbacks. At some point it may be appropriate to mention that Dirty Harry never seems to wear glasses.

13. *Speak clearly and state your position or motion in a direct, concise manner.* Long-winded, meandering motions confuse the issue and the board. At worst, such motions put everyone to sleep or, if passed, they are expressed so poorly that no one understands what action was intended. At best, they waste everyone's time because they require so much clarification.

14. *Arrive on time for meetings and return promptly after breaks.*

15. *Don't carry on side conversations.* You can attend only one meeting at a time.

16. *Remember that you represent a group of people.* Try to base decisions on the best interest of the group, not on your individual preference. Talk with members beforehand to find out what they see as problems and get their ideas for solutions. If there's a significant split on an issue between several camps, find out what each group wants the most and is willing to concede so that you can work on a compromise at the meeting. Your decisions must take into account the organization as a whole. ■

John W. Johnson, CAE, is executive vice president of the American Collectors Association, Inc., Minneapolis.

Leadership 1993 L-41



OFFICER RESPONSIBILITIES

PRESIDENT:

- Preside at meetings
- Prepares agenda with staff for board meetings
- Serve as Chair for the Executive Committee
- Ex-Officio member on all board committees
- Responsible for orientation of all new board members
- Signs checks as necessary

VICE PRESIDENT:

- Presides in the absence of the President
- Serves on the Executive Committee
- Monitors programs and activities of the Foundation
- Signs checks as necessary

SECRETARY:

- Serves on the Executive Committee
- Signs official copy of the minutes
- Sends minutes to all board members after each meeting
- Signs checks as necessary

TREASURER:

- Serves on Executive Committee
- Approves Annual Operating Budget as developed by staff and presents the budget to the board
- Approves and presents monthly financial statements prepared by the staff to the board
- Serves on the Finance and Investment Committee
- Signs checks as necessary

1313 Twelfth Avenue, San Diego, CA 92101 (619) 230-2556

Personnel

After consulting with the college president, the foundation board of directors must make its first critical decision. Who is going to serve as the executive director of the foundation?

Strategies for naming an executive director:

1. Add the foundation responsibilities to the job description of the Resource Development Director. This frequently occurs when a foundation is first being established.
2. Reassign a long-term college administrator to become the foundation's CEO.
3. Reach outside the college staff and hire a person with fundraising experience, usually one who has worked for a local charity or hospital.
4. Hire a professional fundraising consultant or fundraising team as an independent contractor.

The Executive Director

The duties and responsibilities of a foundation executive director are generally the same across the nation. However, many foundation CEOs also have other college duties. The foundation may be designated from 20 percent to 50 percent of their entire job descriptions. The reduced amount of time for foundation work does not mean these directors are less qualified. It does mean they may be less successful in obtaining private sector funding than their peers who spend 100 percent of their time on foundation work. Some independent contractors working less than 100 percent for one foundation have been quite successful in raising funds. Many of these professionals enjoy the freedom of *not* being employees. Since 1988, many California community colleges foundations have recruited their executive directors from hospitals and major charities.

Despite the differences in time commitment, the duties of the executive director remain the same. It is generally recommended that the executive director report directly to the president for their foundation responsibilities. If this relationship does not exist, the volunteer board of directors and/or donors will have little confidence in what the executive director recommends. The executive director should be a member of the highest planning and policy-making group within the college. She or he can then be relied on to accurately advise volunteer and donor efforts to best meet the needs of the college.

Responsibilities of the Executive Director

The executive director is the CEO of the foundation and, as such, must:

- Provide staff assistance to the fundraising efforts of the foundation board of directors
- Keep the official minute book of the corporation
- Keep records of all donations
- Acknowledge all donations
- Prepare and distribute agendas, minutes, committee reports, and amended bylaws
- Keep the official copy of the current set of foundation bylaws
- Seek and research prospective donors and board members
- Make sure all state and federal reports are filed on time
- Communicate college staff requests to the board of directors
- Communicate foundation board actions and activities to the college staff
- Make sure foundation policies and procedures are being followed
- Sign purchase orders, checks, and maintain at least an informal accounting ledger of income and expenses in the unrestricted accounts.

For the nine years I served as an athletic director, it seemed kickers on the football team and pole-vaulters on the track team were the strangest ducks I encountered. They appeared to have their own brand of karma. Resource development officers are cut from the same cloth, and if they are not, CEOs should be concerned. Here's a typical profile of successful development officers:

1. *They must like to compete.* If not, they should be moved into the classroom.
2. *They must be visionaries.* They must be able to take a simple idea or goal and expand it into a full project.
3. *They must be planners.* They must be able to develop a workable plan to reach project objectives within a fundable budget.
4. *They usually cheer for and enjoy being underdogs.* This ability gives them that extra push, commitment, and loyalty to the institution. Simply put, they appreciate the opportunity to go into battle for donations on behalf of your college against the giants in the rest of the academic and charity worlds.
5. *Many times they are loners.* They really need time to think and they need uninterrupted time to write. They are much more effective one-on-one in a small group rather than in a large, formal setting. Perhaps they would make good CEOs.

The document samples in this section include excellent job descriptions and the results of a recent National Council for Resource Development (NCRD) study on the typical duties of a senior resource development officer.

Hiring someone to handle the day-to-day clerical activities of the foundation may be *more* critical than selecting an executive director. At a minimum, this person must install a donor records system and prepare lists of donor prospects. With this person in place, the foundation can function to IRS and independent auditor standards. Finally, this individual, working with the foundation treasurer, will work out a system for depositing donations and preparing forms and checks for distribution.

Some foundations integrate cash handling and accounting functions with those of the college business office. Other foundations virtually copy existing college policies for disbursing petty cash and payments based on purchase orders.

The most vital concerns of college presidents and foundation board members involve realistic expectations for foundation personnel. Let's look at the expectations CEOs might have of development officers working strictly with foundations:

Everyone must recognize one basic fact: Contributions to cover the cost of staff are the most difficult to obtain. People donate to assist programs and students, not staff. They want their contributions to be used to construct buildings, buy new equipment, or establish scholarships, not to fund staff fringe benefits.

Keeping this in mind, within five years, a full-time executive director might be able to generate enough income to directly pay half of his or her own salary, from fees, interest, commission income, and other non-donor sources. What this means is that the foundation board of directors must set a fundraising goal which includes funds for staff salaries. Now you can see why the California option is so appealing and why foundation responsibilities are added to the duties of the resource development director or another administrator.

Corporate donors and private foundations often require information on the percentage of a foundation's budget which is devoted to the cost of fundraising. This percentage usually includes the cost of salaries. So for the first few years, the cost of fundraising may exceed 50 percent, which is completely unacceptable to many donors. A fundraising cost of twenty cents on the dollar is considered realistic.

It takes time to cultivate donors. There is a donor learning/trusting curve which begins with a small donation of less than \$100. If donors are properly recognized and kept informed, well-targeted donors might increase their contributions to \$500 or \$1,000 in three to five years. It usually takes at least five years for a donor to develop the

necessary trust to make a planned or major gift. Too frequent a foundation staff turnover rate discourages planned giving except by retired college employees.

For the first three years, CEOs must view these positions as primarily *friendraising*/ public relations positions with little or no expectation of a return on a college investment. In urban areas where community identity is more difficult to establish, it may take five years. Yes, that's longer than the average tenure of most college presidents!

President Peter McDougal at Santa Barbara City College tells CEOs it takes nearly three years of regular cultivation activities before the foundation can successfully ask an individual for a gift of more than \$1,000 or to serve as a member of their foundation board. Santa Barbara's foundation now generates over four million dollars a year. Its success results from years of hard work, including the excellent personal involvement of President McDougal in the community's social structure. Nationally, the capital campaigns of too many community colleges *fail* because they have not taken adequate time to cultivate their potential donors. There are eight people on the Santa Barbara foundation staff, which considers itself ready to conduct a capital campaign.

A logical source of funds for capital campaigns is a pool of potential planned givers. These potential donors should receive the attention of a foundation staff member. But if planned giving is a CEO's specific expectation, he or she must be prepared to defend the staff development person from constant criticism. To land a planned giver is one thing, to keep a planned giver is something else. The largest planned gifts to most community colleges come from former staff members, particularly faculty. Have the CEO and development officer researched their college's pool of potential donors? That would be a good and inexpensive use of CEO and foundation staff time. That potential planned giving pool already knows the college's mission, whom the college serves, and what the college needs. There are probably also a few still on the college staff who can provide you with hours of research on these prospects.

Now the downside: Foundation staff members cultivating planned givers will be expected to spend considerable time away from the office developing close friendships with these donor prospects. Even after the donors have signed the papers and you have made the public announcement, staff members will be seen at country clubs playing golf during the work day, having long lunches in shopping malls, and attending many cultural and social events. So the CEO will have to be prepared to defend staff members against criticism by the faculty and trustees. If CEOs are not ready to do this then they shouldn't launch a major planned giving program.

Sometimes this works: Ask a trustee what he or she would expect in return if he or she were asked to donate the assets of a lifetime amounting to over a quarter of a million dollars. Generally, the trustee will respond "a lot!," and that helps the trustee to

understand the unique activities of a foundation staff member assigned to planned giving.

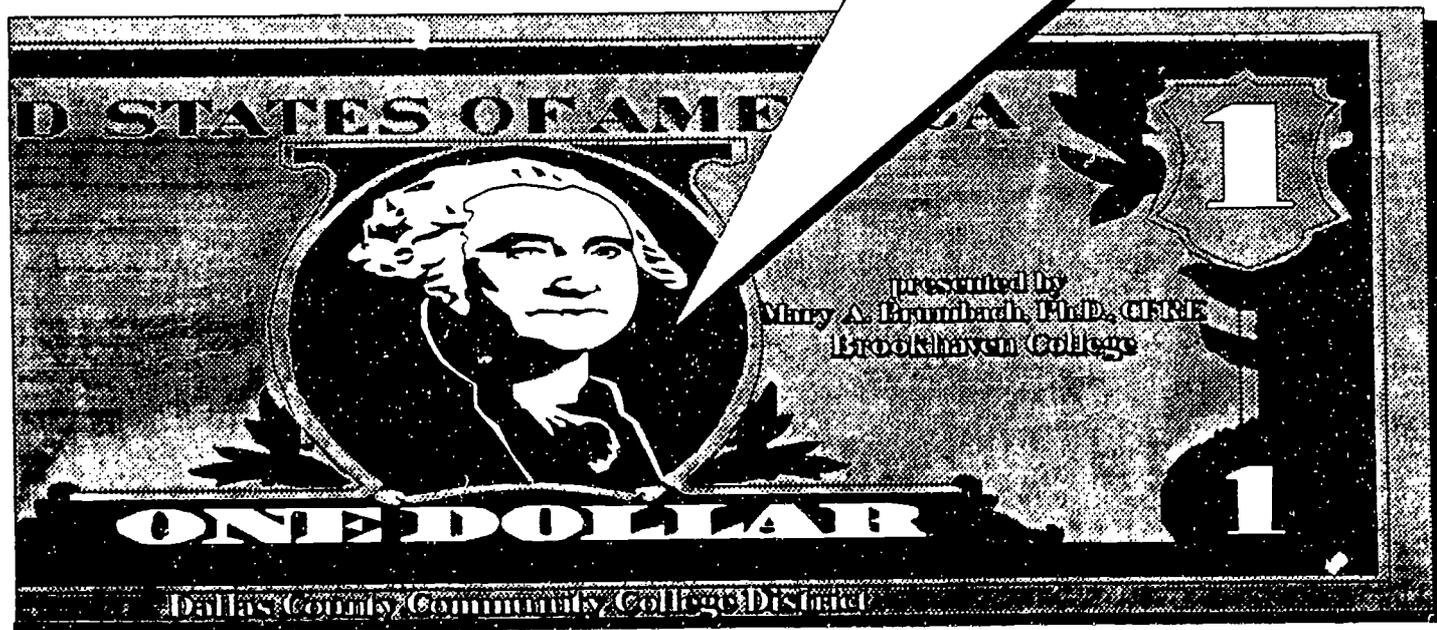
Nationally, it takes an average of 3.4 years before the planned gift matures—that means the donor dies. Community college planned givers seem to be the healthiest sons of guns in the world! With the luck of some development officers, their planned givers will move to Florida, fall in love with Edison Community College, and change their wills!

If CEOs do only three things, they should be these:

1. Clearly communicate realistic expectations of the resource development office to the college staff and volunteers.
2. Be sensitive to the development officer's need for time to think and write without interruption.
3. Make sure the development office staff has *institution-wide support and the CEO's support* for what they are doing. Together, they will generate many external dollars.

Chief Resource Development Officer

a job analysis conducted for the
National Council for Resource Development



Position Description: The chief resource development officer of a community college reports directly to the president, generally is a member of the president's cabinet who influences college goals and directions, has responsibility for both public and private funding, may supervise a staff, and may have additional responsibilities in planning and forecasting.

The Analysis Process: During the NCRD National Conference in December, 1992, a DACUM* chart was created by eight panelists under the direction of two facilitators:

Dr. Mary A. Brumbach, CFRE, and Mrs. Linda H. Lee, M.A., both of Brookhaven College, Dallas County Community College District. The panelists, as "expert workers", followed a shortened DACUM process which included determination of major duty categories and identification of tasks for each duty. Duties were developed as a panel, and after an initial task list, remaining task statements were written by teams of two panelists. Further refinements of the duty and task statements were completed by the

**Develop a Curriculum. For more information, see attached article.*

Chief Resource Development Officer



panelists in a group process before the conclusion of the five hour DACUM. Subsequently, the draft chart was reviewed by the panelists for final editing, including separation into four major categories and consolidation of one group of tasks into another duty.

The eight panelists were: David Canine, Richland College, Texas; Bruce Peterson, Snow College, Utah; Clark Townsend, Green River Community College, Washington; Gail Carberry, Springfield Technical College, Massachusetts; Ed Duffy, York Technical College, South Carolina; Joan Treis, Milwaukee Area Technical College, Wisconsin; Carolyn Musser, New York City Technical College, New York; and Chris Butler, Metropolitan Community Colleges, Missouri.

Validation Process: From the ranks of advanced development officers, panelists recommended a pool of validators for the chart. The validators' assignment required review of each task for degree of importance and degree of frequency. Specifically, each of the 35 validators responded to the questions "how important is this task to your job" and "how frequently do you perform this task?" on a scale of 1-5 with 5 being most important.

Ratings Process:

The 16,800 individual ratings were averaged through a weighted scale for each of the 240 tasks. As an example, a task may have received :

15 / 5's = 75 points

6 / 4's = 24 points

9 / 3's = 27 points

3 / 2's = 6 points

2 / 1's = 2 points

Total: 35 ratings = 134 points

Average: $134 / 35 = 3.83$

Ratings were computed for importance and frequency for each task, over 3,360 individual calculations. It is not unusual for a task to receive a high importance rating (4.0+) and not be performed frequently. Also, frequency ratings can be high for tasks assigned a lesser degree of importance.

187

186

176

Initial Observations:

1. A Chief Resource Development Officer has 31 duties and 240 tasks. There are four categories of duties: I. **Institutional** (4); II. **Fundraising** (13); **Management** (13); and IV. **Personal and Professional** (1).

2. The highest importance ratings (4.60+) for tasks were clustered in the following duties:

- H. Cultivate funding sources**
- K. Establish and maintain credibility**
- N. Develop proposals**
- R. Organize and manage the foundation**
- V. Motivate key institutional personnel**

3. The highest frequency ratings (4.0+) were also found in N and R.

4. The highest score in the chart is for task N-7: "*Transmit Proposal*" with an I rating of 4.77 and an F rating of 4.47. The second highest score is for V-1: "*Analyze the mission of the college and goals of the president*" (4.74/4.09) followed closely by V-3. "*Match mission, goals of president, and motivation of key personnel to funding opportunities*" (4.57/3.94).

5. The lowest scores for tasks are located in **P. Facilitate partnerships and economic development** and in **Q. Acquire non-cash contributions**.

6. There is an interesting comparison to be drawn between **F. Identify public sources of funding** and **G. Identify corporate/foundation sources of funding**. Public funding ranges from 4.50-3.12 (with all scores except one at 4.0 or higher) while corporate/foundations ranges from 4.22-2.61 with only two scores above the 4.0 level.

7. High values are placed throughout the position on gathering information through consultation and discussions with colleagues. The position relies heavily on accurate data that is localized. In whatever duty area, the tasks of accurately forecasting outcomes and impacts as well as helping to shape vision and mission of the college are seen as critical functions. There is also a pronounced internal and external advocacy role in and for the institution, with the leadership and with colleagues, with donors, and with the business world.

8. Information on strategies, innovations, tactics, new funding sources, new models, educational practices etc. is a constant thread. This is a "learning position" at all times and in all arenas.

191

180

178

CHIEF RESOURCE DEVELOPMENT OFFICER

Tasks																						
I Institutional Duties																						
Identify unmet institutional needs/opportunities (internal scanning)	A-1 Act in and influence institutional planning		A-2 Review institutional plan		A-3 Consult with faculty and staff (individuals and committees)		A-4 Walk around campus (observe)		A-5 Scan community college trends and exemplary practices		A-6 Read/analyze institutional and community data											
Ranking: Importance/Frequency	4.37	2.94	4.08	2.86	4.32	3.03	3.44	2.70	4.08	3.26	4.48	3.48										
Identify unmet community needs/opportunities (external scanning)	B-1 Read local news and reports		B-2 Participate in community coalitions and organizations		B-3 Initiate/act in community to gain consensus--seeking decision making		B-4 Dialogue with campus community who are dialoguing with outside		B-5 Perform surveys		B-6 Gather and read various information sources including journals & newsletters											
Ranking: Importance/Frequency	4.14	3.91	4.29	3.70	3.57	2.66	4.05	2.74	3.06	1.97	3.85	3.41										
Facilitate design of solutions	C-1 Synthesize/design		C-2 Assess institutional climate for proposed solution (change)		C-3 Participate in conferences on educational issues		C-4 Participate in fundraising conferences		C-5 Identify/use tools for problems/opportunity analysis		C-6 Facilitate meetings with people impacted by problems/proposed solutions		C-7 Build consensus on solutions with key people		C-8 Recommend strategies to CED		C-9 Speak with other people from other community colleges		C-10 Visit model programs on other campuses		C-11 Assess and report impact of solution	
Ranking: Importance/Frequency	4.15	3.31	3.68	2.85	3.44	2.32	4.18	2.74	3.45	2.47	4.14	1.77	4.37	3.51	4.31	3.51	4.00	3.40	3.17	1.80	3.53	2.18
Interpret college vision and priorities	D-1 Provide input to college vision		D-2 Integrate college vision and priorities with department/division goals		D-3 Communicate vision and priorities orally and in writing to internal and external publics		D-4 Carry vision of faculty to administration		D-5 Coalesce concerns and transmit visions through appropriate channels		D-6 Ignite passion and belief in the college mission		D-7 Make realistic assessments of scope of solutions/opportunities		D-8 Project unintentional consequences		D-9 Realign the vision with new realities					
Ranking: Importance/Frequency	4.45	2.91	4.34	3.09	4.32	3.44	3.06	1.69	3.94	2.98	4.06	3.26	4.03	3.26	3.70	2.77	4.16	2.17				

Tasks

**II
Fundraising Duties**

Identify private sources of funding	E-1 Review prior donor lists	E-2 Research publications (Dunn & Bradstreet etc.)	E-3 Talk to others--brainstorm (board members/volunteers) and other community members	E-4 Talk to other donors	E-5 Organize Rating meetings	E-6 Prioritize prospects														
Ranking: Importance/Frequency	4.15	3.75	3.73	2.35	4.48	2.89	4.16	3.44	3.50	2.40	4.26	3.28								
Identify public sources of funding	F-1 Review, select, and purchase references (books, journals, newsletters, reports, government publications, electronic data bases)	F-2 Add name to all appropriate state and local mailing lists (RFP's, bidder's conferences)	F-3 Review agency opportunities	F-4 Identify agency representation	F-5 Consult with faculty who are active in national associations	F-6 Call other community and college development officers	F-7 Prioritize funding opportunities	F-8 Identify and secure sample funded projects	F-9 Read/analyze RFP's in relation to college mission/needs	F-10 Communicate opportunities to college faculty and staff										
Ranking: Importance/Frequency	4.40	3.26	4.18	3.56	4.41	3.41	4.29	3.74	3.12	1.96	4.23	2.00	4.22	3.29	3.89	2.94	4.50	3.96	4.40	3.59
Identify corporate/foundation sources of funding	G-1 Read source journals (Teft, etc.)	G-2 Read business section--local and national	G-3 Participate in chamber, rotary, etc., functions	G-4 Read IRS reports	G-5 Establish tickler prospect profile data/files	G-6 Read social pages	G-7 Read news, financial, professional and community college publications	G-8 Interact with givers associations	G-9 Follow up on inter-personal leads	G-10 Coax personal information from discrete sources										
Ranking: Importance/Frequency	3.87	2.72	3.17	3.03	3.84	3.40	2.61	1.66	3.61	2.68	4.22	3.64	4.06	2.84	3.41	2.19	3.75	2.96	3.72	2.72

Tasks																				
Cultivate funding sources	H-1 Research the prospect		H-2 Develop cultivation plan		H-3 Prospect key people i.e.:Lunch/ one on one, phone them etc.		H-4 Listen to prospect-- refine, research, cultivation plan		H-5 Assess prospects needs		H-6 Inform prospect of institutional needs		H-7 Match prospect to institutional needs		H-8 Educate prospect on giving methods		H-9 Record information on prospect			
Ranking: Importance/Frequency	4.44	3.43	4.48	3.12	4.13	3.52	4.52	3.13	4.30	3.10	4.48	3.35	4.62	3.13	4.39	3.24	3.69	2.97		
Makes or facilitates the ASK	I-1A Develop proposal for donor of major gift		I-2A Identify appropriate people to make ask		I-3A Enlist key people to make ask		I-4A Train key people to make ask		I-5A Facilitate the meeting to make the ask		I-6A Decide if time is correct to make the ask		I-7A Determine if future meetings are needed		I-8A Make the ask		I-9 Evaluate the ask		I-10 Follow up for prospects response	
Ranking: Importance/Frequency	4.39	3.43	4.57	3.04	4.59	3.14	4.52	3.05	4.09	2.70	4.36	2.81	4.00	2.91	4.54	2.95	4.28	2.45	4.33	3.05
	4.22	3.33	4.59	3.14	4.40	3.14	4.41	2.63	4.09	2.95	3.82	3.86	4.26	2.91	4.45	2.59				
Respond to private donor requirements/requests	J-1 Assess what is needed		J-2 Research options		J-3 Answer questions															
Ranking: Importance/Frequency	4.33	3.15	3.95	3.05	4.38	3.42														
Establish and maintain credibility	K-1 Actively participate in select community initiatives		K-2 Communicate consistently and frequently with community through news releases, newsletters, annual reports, etc.		K-3 Follow through		K-4 Plan and deliver "friend- raising" activities (campus visitations, etc.)		K-5 Coach key players		K-6 Speak at public hearings (represent college)		K-7 Use appropriate social protocol		K-8 Recognize and formally thank people for helping		K-9 "Walk the talk"		K-10 Report results	
Ranking: Importance/Frequency	4.00	3.28	4.00	3.21	4.54	3.75	4.04	3.23	4.30	3.03	3.76	2.53	4.43	4.00	4.63	3.89	4.61	4.19	4.24	3.79

Tasks

Plan/coordinate special events	L-1 Determine strategic fit of event in community (research)	L-2 Hire experts	L-3 Find/train volunteers with commitment	L-4 Perform cost/benefit (break even) analyses	L-5 Schedule/monitor, and enforce pre-event time lines/expectations	L-6 Coordinate logistical details	L-7 Ascertain and cover liability issues	L-8 Prompt and prod volunteers	L-9 Tell participants purpose of event	L-10 Evaluate event in relation to event's purpose												
Ranking: Importance/Frequency	4.09	2.69	2.80	1.96	3.79	1.96	4.33	2.63	4.35	3.76	4.19	3.58	3.96	2.89	3.72	3.72	4.26	3.39	4.34	3.16		
Recognize donors	M-1 Plan strategy	M-2 Research options	M-3 Research donor preferences	M-4 Generate letters	M-5 Arrange for personal "thank you" with key people	M-6 Arrange publicity	M-7 Evaluate donation results and provide feedback to donor															
Ranking: Importance/Frequency	4.54	2.95	3.87	2.35	3.92	2.58	4.18	3.23	4.54	3.32	4.21	3.27	4.14	3.12								
Develop proposals	N-1 Identify potential proposal opportunities	N-2 Develop strategy/schedule for preparing proposal	N-3 Identify faculty/staff/volunteers who need to be involved in proposal development	N-4 Involve appropriate faculty/staff/volunteers in developing pieces of the proposal	N-5 Authorize and/or complete internal application review and approval process	N-6 Facilitate proposal preparation and final production	N-7 Transmit proposal	N-8 Prepare board agenda to accept externally awarded grant/contract funds														
Ranking: Importance/Frequency	4.44	4.06	4.59	3.61	4.47	3.44	4.27	3.56	3.94	3.88	4.66	4.27	4.77	4.47	4.15	3.48						

Tasks																				
Develop advocacy relationships	0-1A Identify legislators/sides who should be courted		0-2A Identify government agencies which should be courted		0-3A Develop relationships with appropriate congressional/legislative staff members		0-4A Provide information on/develop relationships with appropriate agency personnel		0-5A Provide information on college and potential projects to congressional/legislative staff members		0-6A Discuss potential projects with agency staff and get their feedback		0-7 Ask legislator to send letters or make phone calls to agency to facilitate proposal review as appropriate							
	0-1B Identify corporate/individual advocates		0-2B Prioritize opportunities		0-3B Establish relationships		0-4B Relate advocate to college		0-5B Relate advocate/gift to college		0-6B Follow up with advocates on a periodic basis									
Ranking Importance/Frequency	4.15	2.80	4.48	3.31	4.23	3.03	4.42	3.31	3.94	2.80	4.25	3.00	3.31	2.30						
	4.14	2.65	4.19	3.19	4.27	3.07	4.33	3.20	3.97	2.57	3.97	2.97								
Facilitate partnerships and economic development	P-1 Identify elements of economic development		P-2 Develop relationship with economic development team		P-3 Establish relationship with prospective company and agency		P-4 Identify ways college can support agency/company, etc.		P-5 Identify college goal that relates to agency or company		P-6 Research funding potential of each company and agency		P-7 Research relationship of prospect with other companies		P-8 Broker relationship with foundation board		P-9 Foster successful transition of new companies in community			
	3.75	2.70	3.79	3.21	3.69	2.66	3.57	2.55	3.37	2.62	3.59	2.52	2.88	2.04	3.20	2.36	3.46	1.96		
Acquire non-cash contributions	Q-1 Identify sources		Q-2 Inform college community		Q-3 Match with institutional needs		Q-4 Cultivate contact(s)		Q-5 Prepare request(s)		Q-6 Thank appropriately		Q-7 Maintain contact(s)							
	3.48	2.89	3.15	2.26	4.22	2.52	3.75	2.50	3.60	2.12	4.18	2.93	3.81	2.63						

200

201

183

Tasks

III Management Duties

Organize and Manage the Foundation	R-1 Organize Board decision making Process	R-2 Organize Board & committee meetings	R-3 Keep the Board informed of happenings	R-4 Research and recruit Board members	R-5 Train Board members	R-6 Assess results															
Ranking Importance/Frequency	4.62	3.00	4.45	3.80	4.42	4.00	4.48	3.81	4.38	2.52	4.05	2.70									
Manage Investments	S-1 Develop investment policy with Board	S-2A Analyze investment opportunities	S-3A Purchase investments	S-4 Select manager	S-5 Monitor results	S-6 Periodically evaluate investment methodology/ manager															
		S-2B Request Proposals	S-3B Analyze Proposals and interview finalists with board committee																		
Ranking Importance/Frequency	3.78	2.42	3.74	3.12	3.66	2.66	4.05	2.16	4.39	2.66	3.72	2.66									
		3.46	3.00	3.33	2.39																
Market/ Development Foundation	T-1 Develop marketing plan	T-2 Develop methods of delivery	T-3 Match budgets to delivery methods	T-4 Organize: Implement methodology	T-5 Assess results																
Ranking Importance/Frequency	4.19	2.66	3.90	2.48	4.05	2.86	3.82	3.10	3.85	2.57											
Manage development information systems	U-1 Identify management information needs	U-2 Design new systems as needed	U-3 Revise development information systems	U-4 Develop procedures for data input and maintenance	U-5 Assure update of donor files	U-6 Assure update of institutional research systems e.g., demographics, enrollment	U-7 Evaluate development information systems	U-8 Enter data and keep data current	U-9 Validate development data input												
Ranking Importance/Frequency	4.26	2.79	3.72	2.22	3.96	2.12	3.93	2.30	4.26	3.30	3.96	2.88	3.92	2.24	4.04	3.23	4.30	2.92			

Tasks																
Motivate key institutional personnel	V-1 Analyze mission of the college and goals of the president		V-2 Determine motivation of key institutional personnel		V-3 Match mission, goals of president, and motivation of key personnel to funding opportunities		V-4 Identify incentives and disincentives		V-5 Design and implement recognition and reward strategies		V-6 Reassess and identify next opportunity					
Ranking Importance/Frequency	4.74	4.09	4.50	4.09	4.57	3.94	4.10	3.16	3.77	2.60	4.06	3.00				
Manage office resources (excluding personnel)	W-1 Identify needs		W-2 Develop short and long range plan for development office		W-3 Develop budget		W-4 Scan budget reports monthly		W-5 Seek update on technological advancements regarding development		W-6 Purchase and install capital equipment items		W-7 Purchase office supplies and materials		W-8 Negotiate non-budgeted resources, e.g. space	
Ranking Importance/Frequency	4.34	3.81	4.64	3.55	4.50	2.94	4.24	3.32	3.97	2.63	3.80	2.45	3.24	1.93	3.76	2.00
Manage budgets	X-1 Establish/review system of budget reporting		X-2 Monitor budgets monthly; inspect expenditures; balance available problems; identify and act on problems		X-3 Establish system of communication on budget concerns		X-4 Plan for project cash flow needs		X-5 Establish procedures for project budget modifications		X-6 Assure advance communication with fund source prior to budget modification					
Ranking Importance/Frequency	4.06	2.76	3.90	3.03	3.88	2.94	4.29	2.55	3.50	2.43	3.84	2.31				
Manage people	Y-1 Identify tasks in relationship to college development plan		Y-2 Prepare and update job descriptions		Y-3 Recruit, hire personnel		Y-4 Identify and fulfill staff training needs		Y-5 Identify and provide incentives to build a team		Y-6 Staff with realistic workload and outcome expectations		Y-7 Lead regular staff meetings, share information		Y-8 Conduct individual performance reviews	
Ranking Importance/Frequency	4.47	2.54	4.25	2.60	4.49	2.42	4.06	2.70	4.18	2.81	4.22	3.03	4.12	3.39	4.29	2.64

Tasks																	
Respond to government agency requirements/requests	2-1 Establish communication procedures with agencies		2-2 Document procedures		2-3 Document communication		2-4 Evaluate communication and outcomes		2-5 Establish support team to improve effectiveness of communication								
Ranking Importance/Frequency	4.25	2.90	3.87	2.80	3.97	3.06	3.76	2.57	3.30	2.18							
Trouble shoot externally funded projects	AA-1 Establish relationship with funding agencies		AA-2 Establish grants management procedures		AA-3 Assign problems to selected personnel		AA-4 Develop system of checks and balances for college										
Ranking Importance/Frequency	4.39	3.13	4.50	3.33	4.00	2.87	3.97	2.57									
Insure regulatory compliance	BB-1 Monitor and interpret regulations		BB-2 Inform and advise CEO of regulatory mandates and liabilities		BB-3 Establish and maintain regulation library		BB-4 Establish role of development and business office regarding regulations		BB-5 Establish internal support system for regulatory information		BB-6 Establish procedures for dealing with problems		BB-7 Develop/shepherd policy adaptation process		BB-8 Consult legal counsel		
Ranking Importance/Frequency	4.36	3.30	4.38	2.75	3.55	2.15	3.91	2.63	3.81	2.92	3.93	2.35	3.66	2.39	3.64	1.84	
Negotiate agreements	CC-1 Initiate discussions with agencies/individuals regarding potential agreements		CC-2 Respond to initiatives from agencies/individuals regarding potential agreements		CC-3 Develop institutional parameters for potential agreements		CC-4 Develop agreement with cooperating agent/individual		CC-5 Secure institutional approval of agreement								
Ranking Importance/Frequency	4.06	2.79	4.03	3.03	3.97	2.88	3.94	3.00	4.06	2.97							

Tasks													
Broker knowledge with development professionals	DD-1 Establish and maintain communications with a group of peers with similar responsibilities	DD-2 Share proposal ideas with peers	DD-3 Share proposals with peers	DD-4 Identify and participate in other appropriate local and national professional organizations	DD-5 Advise and counsel newcomers to development								
Ranking Importance/Frequency	4.41	3.82	3.77	3.22	3.82	3.21	4.29	3.56	4.17	3.42			
IV: Personal/Professional Duties													
Foster personal and professional development	EE-1 Conduct personal/self-assessment	EE-2 Identify professional development opportunities	EE-3 Participate in professional development organizations, conferences, etc.	EE-4 Read professional journals and related publications	R-5 Schedule and plan vacations/personal time								
Ranking Importance/Frequency	4.22	3.09	3.94	3.03	4.27	3.10	4.06	3.35	4.21	2.64			

298

200

187

SELECTION OF RESOURCE DEVELOPMENT OFFICERS: THOUGHTS FOR TWO-YEAR COLLEGES

By Dr. Diana Cook

Introduction

Hiring effective fundraisers/development officers has become a critical need for higher education. One needs only to read the *Chronicle of Higher Education* to see the number of articles devoted to university fundraising or the growing number of ads searching for fundraisers. The *Chronicle* (Nov. 26, 1986) featured an article which discussed the competition among institutions to get top fundraising "stars" into their ranks. While the hiring of top experienced fundraisers is making headlines, it is also important to consider the fundraisers on the other end of the spectrum—entry-level aspirants to the profession.

Two-year colleges may be even more concerned with the selection of resource development officers who are entry-level. It is likely that most two-year colleges may not have the resources to compete with four-year schools to attract a fundraising "star" with considerable experience.

Where do entry-level development aspirants come from? We know that training programs which offer masters or certificate programs or even courses in educational fundraising are few and far between (Carbone, 1985). In light of the current number of universities offering training in fundraising, it is safe to assume that most entry-level personnel have not had benefit of these programs. The question, then, becomes: On what basis are entry-level development officers selected?

Purpose

In order to help shed some light on this question, a study was designed to find out the background, knowledge, skills and values of current entry-level development officers. Chief development officers' preferences when hiring a new development officer were also researched. Additionally, these characteristics were tested to determine whether they differed on the basis of sex or institution type.

Procedures

While resource development can be defined as public and private development, for the purpose of this paper resource development is defined as private sector fundraising. All of the data in this paper is based on a survey of CASE membership involved with private sector fundraising. The sample represents a total of 427 development officers from both public and private institutions with various enrollments.

Profile of Current Entry-Level Development Officers

According to the data gathered in this study, the typical entry-level development officer is a white (92.8%) female (61%) between the ages of 26 and 35 (34.4%) who holds a bachelor's degree (58.2%).

The average entry-level development officer's salary fell within the \$20,000 and \$29,000 range. The data indicated, however, that females earn less than \$20,000 in general, while men were reported as having a mean salary of between \$20,000 and \$29,000.

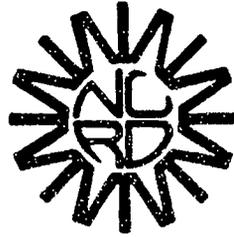
The background experience of those newly employed varied. Educational administration was an area of previous experience for over one-third (37.5%) of entry-level development officers. Public relations, teaching, and fundraising outside of education were background experiences for 12.5%, 11.3%, and 11.9%, respectively. (See Table 1)

Entry-level development officers had backgrounds in broad liberal arts (79.2%) and communications (77.1%). In terms of skills identified in these individuals, 81.7% were rated as possessing the ability to work through and with people. Presenting oneself in an attractive manner and being articulate were skills identified in 78.5% and 75.9%, respectively, of those newly hired. The most common values rated among entry-level development officers were the motivation to be successful (78.6%) and valuing honesty in dealing with co-workers and donors (76%). Valuing the importance of teamwork and loyalty to the institution were also identified in 72.4% and 69.3%, respectively, of those newly hired.

Ranking of Knowledge, Skills, and Values

The rank order of knowledge, skills, and values items as they related to preferences in hiring entry-level personnel were determined by a survey of chief development officers. Each category (knowledge, skills, and values) contained 10 items to be ranked from most preferred (1) to least preferred (10). In order to determine rank order preferences, the means of all items were analyzed.

The highest ranking knowledge items as represented by the lowest mean scores were communications, broad liberal arts, and marketing. The ability to work through and with people and the ability to motivate workers and donors were the two highest ranking skills. Good listening skills and being articulate were the third and fourth ranking skills. The values rankings were very close: 1—honesty in dealing with co-workers and donors; 2—ethical; 3—highly motivated; 4—teamwork; and 5—loyalty to the institution. (See Table 2)



Resource Paper #42
August 1989

**SELECTION OF RESOURCE DEVELOPMENT OFFICERS:
THOUGHTS FOR TWO-YEAR COLLEGES**

National Council for Resource Development

Suite 410/One Dupont Circle N.W.
Washington, D.C. 20036

Statistical Data

Statistical hypotheses were tested on a number of research questions. Questions that were tested that may be of most interest dealt with sex of the development officers and type of institution: (public/private).

In testing to see if the knowledge, skills and values of entry-level development officers differed by sex, the hypothesis was found to be non-significant. The only significant indicator of sex of the development officers was salary, in that women were found to earn significantly less than their male counterparts.

The hypotheses related to differentiating between public and private institutions were for the most part found to be non-significant. The knowledge, skills and values possessed by entry-level development officers did not significantly differ between types of institutions. Salary, however, was found to be significant in predicting the type of institution, with private institutions paying entry-level development officers significantly less than did public institutions.

Implications

Personnel selection is a subject that continues to be an area of interest. One theme that surfaces in the literature is that employers, either consciously or unconsciously, tend to hire individuals sharing their own background, attitudes, and racial characteristics (Schmidt, 1976). This theory may be supported with the findings of this research.

The data indicated that almost 50% of chief development officers had majors or associates with a broad liberal arts training (e.g., English, history, journalism, and psychology). Similarly, almost 80% of the newly hired development officers were noted as having broad liberal arts training. Racial similarities also are apparent, with approximately 96% of chief and 93% of entry-level development officers being white. (See Table 3)

The literature also suggests that employers often rely upon impressionistic rather than concrete information in making employment decisions (Kinicki & Lockwood, 1985). This may be especially true of employment practices in the field of development, where there are few training programs. Decisions may be made on a perception of the individual having the "right stuff" to be successful in the field. It may also be true that an individual hiring a new development officer may believe that he or she is arriving at a decision based on objective criteria but in fact is more heavily influenced by overall impressions. This scenario may be plausible when considering data from this research study.

The average rank for the item "ability to present self in an attractive manner" was a 8.28, indicating that this item was ranked low (10 being the lowest rank) by chief development officers in importance for hiring new personnel. However, this relative ranking may be misleading and needs to be interpreted with caution, since it appears that most entry-level development applicants are perceived as having the ability to present themselves in an attractive manner. Since this attribute already exists with the overwhelming majority (80%) of those recently hired, it can-

not be a discriminating factor; however, it may be a minimum requirement at a conscious or unconscious level.

Certainly, decisions based on impressions cannot be totally avoided, nor should they be. Perhaps the best employment decisions are based on both concrete and impressionistic judgments. To help ensure that employment judgments are not primarily based on personal impressions, the literature suggests the need for more structured interviews. It is believed that by exploring tasks related to a job and identifying the skills necessary to do that job, the chances of selecting individuals who will be effective on the job greatly increase (Fleishman, 1984; Stevens, 1981).

Conclusions

The need for fundraisers in higher education will surely increase in the years to come. Two-year colleges will certainly be in need of exploring options to allow for the most flexibility in developing programs which will become increasingly important to our nation. This growing need, coupled with the high turnover rate of development officers and limited training programs, will continue to make selection of development officers a very important issue.

If you are involved in hiring a resource development officer at your college, you may wish to assess your current selection criteria. If you have no established guidelines or wish to re-evaluate the current criteria, consider these recommendations:

- List the specific needs and philosophy of your college. Using the general categories of knowledge, skills, and values, determine what qualities are necessary in an individual in order to successfully carry out the college's mission and objectives as they relate to resource development. It is important to tailor this list to your individual college, since certain two-year colleges may have a unique need related to their philosophy/mission thus requiring a special knowledge, skill or value in an individual representing the institution.
- When interviewing, structure questions in a way that will give you insight into the candidates background as it relates to the knowledge, skills and values identified as critical to the job.
- Be consistent in the nature and structure of the interview when meeting with various candidates. This will give you a baseline for comparison when evaluating each applicant.

Remember, the literature consistently indicates that structured interviews help increase the likelihood of selecting an individual who will be effective on the job. The literature also suggests, however, that employers often rely upon impressionistic rather than concrete information in making employment decisions (Kinicki and Lockwood, 1985). Most likely, the best employment selections are based on a combination of both concrete and impressionistic judgments. In a field where very few training or degree programs exist, it is especially important to carefully weigh concrete criteria in making an employment decision.

REFERENCES

- Carbone, R. (1985, July/August). Class act. *Currents*, pp. 40-41.
- Fleishman, E. A. (1984). Systems for linking job tasks to personnel requirements. *Public Personnel Management Journal*, 13, 395-407.
- Kinicki, A.J. & Lockwood, C. (1985). The interview process: An examination of factors recruiters use in evaluating job applicants. *Journal of Vocational Behavior*, 26, 117-125.
- McCabe, R. & Skidmore, S. (1983) New concepts for community colleges in G. Vaughan, *Issues for community colleges in a new era*. (pp. 232-248). San Francisco: Jossey Bass Publishers.
- Schmidt, N. (1976). Social and situational determinants of interview decisions: Implications for the employment interview. *Personnel Psychology*, 29, 79-101.
- Shortage of top fundraisers plagues colleges; Salaries soar. (1986, November 26). *Chronicle of Higher Education*, 33(13), 23.
- Stevens, G. E. (1981, June). Selecting employees: How to make a gamble a better bet. *Management World*, pp. 8-11.
- Worth, M. J. (Ed.). (1985). Public college and university development: Fundraising at state colleges and community colleges. *Private Support of Public Higher Education* (pp. 1-12). Washington, D.C.: The Council for Advancement and Support of Education.

Table 1
Profile of Entry-Level Development Officers

Variable	Response	N	%
Year hired	0-3 years ago	180	91.8
	4-6 years ago	9	4.6
	7 or more years	6	3.1
Sex	Male	74	37.4
	Female	119	61.0
Age	Under 26 years	56	28.7
	26-35	67	34.4
	36-45	50	25.6
	Over 45 years	22	11.3
Race	White	181	92.8
	Black	13	6.7
	Other	1	0.5
Salary	Less than \$10,000	1	0.5
	\$10,000-19,999	53	27.0
	\$20,000-29,999	107	54.6
	\$30,000-39,999	21	10.7
	\$40,000 or more	14	7.1
Education	High School	3	1.5
	Bachelor's Degree	116	59.2
	Master's Degree	63	32.1
	Ph.D. or Ed.D.	11	5.6
	J.D.	3	1.5
Previous	Education/administration	63	37.5
	Education/teaching	19	11.3
	Business administration	7	4.2
	Government	6	3.6
	Public relations	21	12.5
	Fundraising outside of education	20	11.9
	Sales	10	6.0
	Banking	3	1.8
	Insurance	3	1.8
	College student-not previously employed	16	9.5

Note: The N for this study was 199, however, there was some missing data. Therefore, the frequencies as related to each item would not add up to 199 at all times.

Table 2
Mean Rankings of Knowledge, Skills, and Values
Items as Perceived in Importance by
Chief Development Officers

Item	X̄
Knowledge Items	
Broad liberal arts training	4.23
Communication	3.53
Marketing	4.59
Education/teaching	8.02
Education/administration	7.84
Fundraising techniques	5.05
Psychology	7.13
Business administration	8.10
Law	9.21
Executive secretary	10.08
Skill Items	
Proposal writing	9.23
Ability to work through & with people	4.49
Ability to motivate workers & donors	5.66
Sense of timing	9.41
Good listening skills	6.28
Articulate	6.21
Creativity	8.53
Ability to present a persuasive case	7.71
Tends to present self in an attractive manner	8.28
Organizational skills	6.65
Values Items	
Loyalty to the institution	5.63
Highly motivated to be successful	5.33
Will give up vacation days to see that the job is done	10.04
Will use any available resource to achieve a goal	9.01
Values the importance of teamwork	5.49
Values honesty in dealing with co-workers and donors	4.63
Ethical procedures must be maintained above all else	5.31
Values continued intellectual growth	8.80
Values learning more about professional fundraising	7.60
Patience	8.53

*Means reflect rankings from most preferred (1) to least preferred (10)

Table 3
PROFILE OF CHIEF DEVELOPMENT OFFICERS

Variable	Response	N	%
Sex	Male	150	77.3
	Female	44	22.7
Age	Under 30	3	1.5
	30-39	39	20.0
	40-49	86	44.1
	50-59	47	24.1
	Over 60	20	10.3
Race	White	188	96.9
	Black	6	3.1
Years of Experience in Development	Under 5 years	37	18.9
	5-9	52	26.5
	10-19	80	40.8
	20-29	22	11.2
	Over 29 years	5	2.6
Educational Attainment	Bachelor's	59	30.1
	Master's	90	45.9
	Ph.D./Ed.D.	37	18.9
	J.D.	10	5.1
Educational Major	English	26	16.1
	Social Studies	28	17.4
	Administration/Higher/Public	29	18.0
	Journalism	13	8.1
	Education	17	10.6
	Psychology	9	5.6
	Theology	7	4.3
	Law	3	1.9
	Business Admin	29	18.0

About the Author

Diana L. Cook is the Director of Development and Alumni Affairs for Multiple College Units at the University of Cincinnati, focusing on the development and comprehensive alumni relations programs in both two-year and four-year colleges.

Prior to her appointment at UC, Dr. Cook was a graduate intern at the University of Akron (Akron, Ohio) in the Division of Institutional Advancement. She also worked with the Career Planning and Placement Center and with the Office of Educational Research and Evaluation assisting faculty and doctoral candidates with dissertation and other research requirements. Also while at Akron, Dr. Cook completed her doctorate in Higher Education Administration (1988), concentrating on institutional advancement as her area of specialization. The focus of her doctoral dissertation was fundraising for higher education.

Dr. Cook has presented her development research findings, "Preliminary Construction of the Development Officers Selection Instrument (DOSI) Based on the Survey Attributes of Newly-Employed Development Officers (ANEDO)," at the Midwestern Educational Research Associations' annual meeting in Chicago, Illinois, 1988. She also was invited to present "Attributes of Recently Hired Entry-level Development Officers: Implications for Training Programs" at the 1988 annual meeting of the Ohio Academy of Science in Newark, Ohio.

Her professional affiliations include memberships in the National Council for Resource Development, Council for Advancement and Support of Education, and the Midwestern Educational Research Association.



Diana L. Cook

J O B D E S C R I P T I O N

VI.D.-1

VENTURA COLLEGE FOUNDATION, EXECUTIVE DIRECTOR

Duties and Responsibilities

The Executive Director is the administrative officer of the Foundation and is responsible for the overall development, planning and execution of the Foundation's policies, procedures, and activities as set by the Foundation Board of Directors.

1. Develop a comprehensive capital fundraising program with a minimum yearly cash amount of three times the administrative costs of the director's office and an endowment program for the Foundation with a minimum yearly goal of \$500,000.
2. Develop for review and adoption by the Foundation Board of Directors a short term (one year) and long term (five years) action plan. This plan will include projects and activities established by both the Board and the Director.
3. Prepare an annual budget for adoption by the Board of Directors.
4. Establish and maintain a financial accounting system for Foundation fiscal activities.
5. Conduct quarterly reviews of Foundation activities with the Board of Directors. The reviews will be presented to the Board orally and in written report form.
6. Develop and maintain a system for the identification of donors and potential donors for the designated support programs of the Foundation.
7. Direct the daily activities of the Foundation, including correspondence, telephone communications, and purchasing.
8. Supervise Foundation staff and make recommendations on hiring, terminating, and salary adjustments.
9. Plan and attend all meetings of the Foundation Board of Directors, preparing appropriate agendas, support materials, and minutes.
10. Plan and attend all Foundation social and support activities.
11. Develop, in concert with the college Public Information Officer, a public relations program for the Foundation commensurate with the philosophy of the college and the Foundation board. Prepare and distribute all Foundation publications and notices.
12. Act as spokesman for the Foundation at various community and civic functions as may be necessary.
13. Maintain accurate records of all gifts and donations of materials to the Foundation.
14. Perform such other duties as the college president or Board of Directors assign.

mjf
5-1-86

GOLDEN WEST COLLEGE FOUNDATION

JOB DESCRIPTION

TITLE: Director

PURPOSE: To uphold the public trust in the Golden West College Foundation by overseeing the financial and administrative integrity of the organization within the limits of California law, the Golden West College Foundation by-laws, Coast Community College District agreement, and the articles of incorporation.

RESPONSIBILITIES:

The board is vested with the legal responsibility for carrying out the mission of the Golden West College Foundation.

Specific Tasks:

1. Regularly attend board meetings
2. Nominate and elect members and officers of the board
3. Make decisions on issues, priorities, goals and objectives based on facts and relevant data
4. Manage and maintain properties and investments the Foundation possesses
5. Formulate and implement annual operating objectives and long-range strategies.
6. Make a generous and proportionate contribution to the Foundation as well as solicit funds from others in the annual campaign
7. Promote and interpret the mission/goals and objectives of Golden West College to increase public awareness and generate support through the Foundation
8. Monitor and evaluate the effectiveness of the Foundation's progress toward achieving stated goals

TERM OF OFFICE: One, Two, or Three Year Term, as Elected

MEETING ATTENDANCE:

Average of 6 board meetings a year
Average of 4-6 committee meetings a year
Ad hoc (committee meetings as needed)

REPORTS TO: Board chair

STAFF ADVISOR: Executive Director, Foundation

ANNOUNCEMENT OF VACANCY

RESOURCE DEVELOPMENT OFFICER

THE POSITION

The Resource Development Officer is responsible for developing and planning policies, procedures, and activities required to acquire community support and resources for Napa Valley College and for meeting objectives of Title III project. The person filling this position will work closely with the President of the college, Title III Coordinator, and the Napa Valley College Foundation.

PRIMARY DUTIES AND RESPONSIBILITIES

- * Develop and coordinate a resource development program which includes business associates program, alumni organization, annual fund, and deferred giving.
- * Develop methods to identify donors among corporations, foundations, alumni, college employees, and individuals in the community.
- * Assist in formulating long-range and annual goals and objectives for the foundation which tie to college goals and objectives.
- * Develop ways to interpret and communicate the goals, functions, and needs of the college to the foundation, business community, media, public, and prospective donors.
- * Develop materials and proposals to donors and donor prospects, gift recognition/acknowledgement materials, appeal letters, and other materials.
- * Develop and coordinate training programs for foundation volunteers and college personnel as needed.
- * Plan and assist with special programs and events and participate in college and community activities to promote and develop resources for the college.
- * Coordinate, train, and supervise staff and volunteers.
- * Participate in and provide leadership for foundation and college committees.
- * Develop annual and long-term plans in conjunction with budget development and program management, write funding proposals, prepare required reports and ensure compliance with requirements and regulations of funding sources.
- * Represent the college and foundation at local, regional, and state-wide meetings.

QUALIFICATIONS

MINIMUM REQUIREMENTS

- * Earned bachelor's degree from an accredited college or university.
- * Minimum one year successful experience in fund-raising from private sector donors. Demonstrated experience working with individuals with diverse cultural backgrounds.

DESIRABLE QUALIFICATIONS

- * Demonstrated ability to recruit, train, and supervise volunteers.
- * Demonstrated ability to direct the development of a community college foundation and to work with the community college in establishing fund-raising goals and plans.
- * Demonstrated knowledge of and ability to organize fundamental fund-raising programs, activities, and events.
- * Demonstrated knowledge of and ability to manage computerized donor record-keeping system.
- * Demonstrated ability to communicate effectively.
- * Two year's experience in the management or administration of a community college foundation is also desirable.

TERMS OF EMPLOYMENT

Classified administrative position, temporary, 3/4 time, twelve-months, contingent on categorical funding with possibility of refunding (Title III, federal). Salary October 1991 - September 1992 is \$2440./month. Excellent fringe benefits, including vacation days and 18 paid holidays per year.

FILING DEADLINE

September 20, 1991, 5:00 p.m.

APPLICATION PROCEDURES

Interested applicants must submit:

1. Letter of interest addressing qualifications for the position
2. Completed Napa Valley College Classified Application form
3. Current detailed resume
4. Official or student copies of academic transcripts
5. Three letters of reference or confidential placement file
6. The names, addresses, and telephone numbers of all current and former supervisors for the past ten years.
7. One page statement on the three most important strategies to a successful fund raising campaign.

It is the applicant's responsibility to ensure that all application materials reach the Human Resources Office by 5:00 p.m. on the filing deadline. Postmarks are not acceptable. Resumes will not be accepted in place of the application. Applications received after the deadline will eliminate your candidacy. All application materials become the property of Napa Valley College and will not be returned.

All applications will be reviewed by a qualifications appraisal committee. A limited number of the most highly qualified applicants, as determined by the committee, will be invited to an interview at their own expense.

Applicant materials are made available to members of the qualifications appraisal and interview committees on a confidential basis. The Board of Trustees will appoint.

APPLICATIONS AND INQUIRIES SHOULD BE SENT TO

Catherine L. Briles, Personnel Technician
Human Resources Office
Napa Valley College
2277 Napa-Vallejo Highway
Napa, CA 94558
Telephone (707) 253-3366

NAPA VALLEY COLLEGE IS AN
EQUAL EMPLOYMENT OPPORTUNITY/AFFIRMATIVE ACTION EMPLOYER
AND A DRUG-FREE WORKPLACE.

Title 8, USC, Section 1324-A requires verification of eligibility for employment in the United States.

c/rdevoff.ann

Resource Development Specialist

(Funded by Title III, a specially funded program under the Department of Education)

Position

Instructor, Special Assignment, SFP (12 pay-period). Salary based on placement on the faculty salary scale, ranging from \$30,288 to \$60,096. Fringe benefits include 12 paid holidays annually, 18 designated vacation days, district-paid medical/hospital, dental and vision care plans, \$40,000 group life insurance policy. Contingent on special funding through 1996-97.

Educational Qualifications

Must qualify for full-time hiring pool in the Los Angeles Community College District. Generally a Master's Degree in an academic subject would fulfill this requirement. If faculty from another LACCD campus is selected for position, a request for temporary transfer must be completed.

Primary Function

To develop and implement all activities of a comprehensive college advancement program as described in the Title III plan.

Responsibilities:

1. Research significant sources for college resource development.
2. Provide training in grant development and other resource development activities to faculty and staff.
3. Develop contacts with local business and industry; represent the college at designated professional and community organizations
4. Encourage and support faculty and staff in development of grant proposals.
5. Provide expertise in grant development and writing.
6. Provide leadership to increase the involvement and activities of the college foundation, including training Board members, officers, and volunteers.
7. Revitalize the college Alumni Association.
8. Establish a computerized resource development data base.
9. Conduct a community needs assessment.
10. Provide training and inspiration for a variety of fundraising activities, including annual fund drive, major donor solicitation, corporate giving, matching gifts, and deferred giving.
11. Other duties as assigned.

Desired Qualifications

1. Documented experience and success in development activities.
2. Familiarity with the full scope of development activities, including annual fund drives, major donor solicitation, capital campaign planning and organization, and planned giving.
3. Ability to establish good community relations.
4. Ability to work well with faculty and staff.
5. Strong organizational skills.
6. Highly motivated, result-oriented, self-starter.

Application Process

To apply, please send a letter of interest which addresses your qualifications for the position to Dr. Rochelle Hudson, L.A. Harbor College, Office of Research and Development, no later than Monday, September 21, 1992.

Los Angeles Harbor College / 1111 Figueroa Place / Wilmington, CA 90744
(One of the ten Los Angeles Community Colleges)

MONTCLAIR STATE

POSITION ANNOUNCEMENT

DATE April 20, 1992
TITLE/RANK Director of Capital Campaign and Planned Giving
DEPARTMENT Institutional Advancement
DESCRIPTION The Director of the Capital Campaign and Planned Giving reports to the Vice President for Institutional Advancement and is responsible for:

- Planning and implementing the institution's first capital campaign.
- Planning and supervising a broad range of development and fundraising activities including annual fund, corporate and foundations development, special events fundraising, planned giving and major gifts.
- Providing leadership and supervision to the Office of Development and works closely with the Office of Alumni Relations.

QUALIFICATIONS Bachelor's Degree required; earned graduate degree or its equivalent preferred. The successful candidate will have demonstrated success as a fundraiser within the context of a capital campaign and a proven record of working effectively with foundations, corporations, individuals and government agencies. Five years significant experience in development and fundraising required. Experience in a college or university environment is preferred. Candidate should be familiar with computerized Alumni/Development systems as a tool for fundraising, gift accounting, and prospect research, and should possess strong supervisory and interpersonal skills.

SALARY RANGE \$44,789.54 - \$62,704.58
Salary dependent upon qualifications

STARTING DATE July 1, 1992

SEND LETTER AND RESUME TO (INCLUDE V NUMBER) Hollie Stephens
Institutional Advancement
MONTCLAIR STATE
Box C316 - V 58
Upper Montclair, NJ 07043

APPLY BY May 27, 1992

Montclair State is a comprehensive state-assisted institution offering a rich array of programs to approximately 13,500 undergraduate and post-baccalaureate students. Founded in 1908, Montclair State is organized into five schools: Business Administration, Fine and Performing Arts, Humanities and Social Sciences, Mathematical and Natural Sciences, and Professional Studies. Montclair State awards the following degrees: Bachelor of Arts, Bachelor of Fine Arts, Bachelor of Music, Bachelor of Science, Master of Arts, Master of Arts in Teaching, Master of Business Administration and Master of Education.

Characterized by a distinguished cadre of teacher-scholars, a strong general education program and a deep commitment to the values of multicultural diversity, Montclair State is located 14 miles west of New York City on a beautiful 200-acre suburban campus.

AN EQUAL OPPORTUNITY/AFFIRMATIVE ACTION INSTITUTION

NCRD ETHICS STATEMENT

A distinguishing mark of a professional is the acceptance of responsibility and performance in accord with a code of conduct that reflects personal and professional honesty, integrity and competence.

Ethical conduct, in the true sense, requires more than strict adherence to explicit requirements or prohibitions. It calls for commitment to the spirit of the code above personal advantage whereby resource development professionals accept and agree to abide by the following standards:

1. Resource Development Professionals shall encourage sound business management practices, accounting procedures, fiduciary responsibility, and integrity in accepting grants and gifts:
2. Resource Development Professionals shall be employed by salary, retainer or fee for services and not by commission based on the value of gifts or grants secured:
3. Resource Development Professionals shall leave intact and maintain the confidentiality of all records, proposals, donor and prospect lists acquired in the professional service with the employer represented unless prior written consent is given for reproduction or removal of such materials:
4. Resource Development Professionals shall maintain a professional public demeanor:
5. Resource Development Professionals shall share freely non-confidential information with other professionals and shall promote the professional growth and opportunities of themselves and others through active membership in appropriate professional organizations.

Approved and adopted by the Board of Directors, December 1983.



NSFRE: CODE OF ETHICS AND PROFESSIONAL PRACTICES

Preamble

Professional fund-raising executives are motivated
 by positive forces,
 by an inner drive to improve the society in which they live through the
 causes they serve.
 They seek to inspire others
 through their own sense of dedication and high purpose.
 They are committed to the improvement
 of their own professional knowledge and skills
 in order that their performance will better serve others.
 They recognize their trusteeship—
 to assure their employers that needed resources are rigorously sought,
 and donors that their purposes in giving are honestly fulfilled.
 Such professionals
 write their own code of ethics every day.

Professional Fund-Raising Executives accept and abide by the following Code of Ethics and Professional Practices:

Members shall be responsible for conducting activities in accord with accepted professional standards of accuracy, truth, integrity and good faith.

Members shall encourage institutions they serve: to conduct their affairs in accordance with accepted principles of sound business management, fiduciary responsibility, and accounting procedures; to use donations only for the donors' intended purposes; and to comply with all applicable local, state, provincial and federal laws.

Members shall manage all accounts entrusted to them solely for the benefit of the organizations or institutions being served

Members shall recommend to the institutions they serve only those fund-raising goals which they believe can be achieved based on their professional experience, and an investigation and rational analysis of facts.

Members shall work for a salary, retainer or fee, not a commission. If employed by a fund-raising organization, that organization shall operate in its client/consultant relationship on the basis of a predetermined fee and not a percentage of the funds raised.

Members shall make full disclosure to employers, clients or, if requested, potential donors, all relationships which might pose, or appear to pose, possible conflicts of interest. As fund-raising executives, they will neither seek nor accept "finder's fees."

Members shall hold confidential and leave intact all lists, records and documents acquired in the service of current or former employers and clients.

A member's public demeanor shall be such as to bring credit to the fund-raising profession.

I certify that I subscribe to the Code of Ethics and Professional Practices of the Society and I accept the obligation to abide by that Code. Also, I understand that if there is a local Chapter, I must belong to the Chapter in addition to belonging to the National Society of Fund Raising Executives. Additionally, I understand that receipt and deposit of my dues monies by NSFRE or any of its chapters does not imply or convey membership in NSFRE.

Signature & Date

CHAPTER: _____

Signature of (2) Voting Members of NSFRE:
& Date

(1) _____
(2) _____

(If you do not know (2) members of NSFRE to sponsor you, file your application and we shall assist you in obtaining two sponsors.)

_____ Check enclosed for \$ _____
 _____ Charge \$ _____ to my: _____ Visa _____ MasterCard
 Account #: _____ Exp. Date _____

You will receive services upon payment. Please allow 4-6 weeks for initial receipt of publications.

\$15 of your annual dues is for the NSFRE News, \$20 of your annual dues is for the Journal magazine.

Local Chapter approval & signature: _____

Date sent to National Services Office: _____
 Date received at National Ser. Office: _____ Amount Rec'd _____



Policies and Procedures

The high turnover rate of foundation staff and volunteers requires the development of written foundation policies and operating procedures.

The executive director needs fully documented policies for handling donations from the time they are received, deposited in the bank, and disbursed. Clearly, the executive director's credibility rests on his or her greatest responsibility: handling of donated funds. Many more executive directors have been dismissed for poorly handling funds than for raising insufficient funds. To protect the executive director, the fiscal committee of the foundation should approve financial transaction procedures which do not create audit exceptions. Once adopted, these procedures must be vigorously followed by each person connected with the foundation whether a staff member or a volunteer. The board-approved policies should always be used to train staff and volunteers.

Non-fiscal procedures should also be documented. For example, should an executive director send anything to the board of directors without the prior approval of the foundation president? This procedure may vary from college to college and may differ with each foundation president's and college president's management style. A wise executive director will seek written clarification of this issue as new leaders assume their roles.

In the samples, you will find some excellent policy and procedure statements to study carefully.

Directors and Officers of Public Benefit Corporations

Every corporation must have directors and officers. Legally, a public benefit corporation may operate with one director. However, it is highly recommended that charities operate with three or more directors. In addition to directors, every public benefit corporation is required to have a president, a chief financial officer, and a (recording) secretary. Additional officers may be appointed. State statutes establish the powers, duties, and liabilities of directors and officers of public benefit corporations. Directors must discharge their duties consistent with a fiduciary obligation to the charity.

Powers and Duties of Directors

The directors of a nonprofit public benefit corporation are responsible for conducting the corporation's affairs and for exercising the powers of the corporation. Directors may delegate many of their powers to other officers and employees, but directors are ultimately responsible for all corporate decisions.

Directors may be elected by members or designated by the board of directors or others. The provisions for election, resignation, removal, terms of office, quorum necessary for action by directors, action by executive committee, delegation of powers, and other important issues affecting directors are generally covered by state statutes. These powers and procedures should be set forth clearly in the corporation's bylaws.

Compensation of Directors

Most directors of public benefit corporations serve on a volunteer basis, and do not receive compensation, other than occasional reimbursement for actual meeting expenses such as parking fees and meal costs. However, California law permits directors to receive reasonable compensation from other payments to directors that raise conflict of interest questions. Reasonable compensation paid to a director or officer is not "self-dealing" and it does not impair the ability of the director to serve as a "disinterested" director in reviewing other corporate transactions. California law does not suggest what amount of compensation to a director is a reasonable one. The Attorney General audits payments to directors that are more than nominal.

Standards recently adopted by the National Charities Information Bureau state that trustees and directors should be volunteers and not compensated other than for expenses.

Liability of Directors

In general, directors of nonprofit corporations, like company directors in the private sector, are usually not personally liable for the debts, liabilities, or obligations of the corporation. *A director may be held personally liable to repay damages to the public benefit corporation where he or she has breached a duty of care or loyalty to the corporation. A director's personal liability to third parties is very limited.* California law on director's liability is complicated and has been changed frequently by the Legislature.

1. **Non-paid, disinterested director who acts in good faith with reasonable care is not liable to the corporation:**

A non-paid director of a public benefit corporation who performs his or her duties in good faith, in a manner the director believes to be in the best interest of the corporation, and with reasonable care and inquiry under the circumstances has no personal monetary liability to the corporation in an action based on alleged failure to discharge the directors duties. This protection against liability does not apply to a director who engages in self-dealing or who makes or receives a prohibited loan or distribution of the corporation assets.

2. Volunteer directors not liable to third parties:

A volunteer director or an officer has no personal liability to a third party for a negligent act or omission in performance of the director's duty, if the director 1) acted within the scope of his or her duties, 2) was not grossly negligent, reckless, wanton, or intentional, 3) and the damages caused are covered by a liability insurance policy issued to the corporation, or the directors made reasonable efforts to obtain liability insurance.

3. Duty of loyalty and conflict of interest:

a. Self-Dealing Transactions: Directors May Be Liable for Damage to Corporation

A "self-dealing" transaction is one between a director and the public benefit corporation in which the director has a "material financial interest." Such transactions include payment of a salary, contract fee, commission, or other benefit of material economic value from the public benefit corporation to one or more of its directors, or to a corporation or partnership in which a director has a material financial interest. In reviewing self-dealing transactions, the Attorney General considers a financial interest material to a director if it is large enough to create an appearance of conflict of interest. This is a question of fact in each case.

Self-dealing transactions between a director and the charity on which the director serves are inherently suspect. The director's first duty is loyalty to the charity, and it may be difficult for a director to carry out that duty if he or she is also looking to make a profit from transacting business with the charity. This is one reason that California law requires that all boards of directors of public benefit corporations be composed of at least 51 percent of directors who are disinterested in the corporation. "Disinterested" means that the director is not involved personally in any self-dealing transactions with the charity, and also that none of his or her relatives is receiving salary or other contract payments from the charity. A majority of disinterested directors is absolutely critical to insure that the charity is protected against unfair self-dealing transactions and other conflicts of interest.

When a self-dealing transaction is not fair to the charity, and when the self-dealing director charges an unreasonable price or makes an excessive profit from a self-dealing transaction, the charity suffers damage to its assets. The Attorney General and others may sue the responsible directors to recover from them the actual damages to charity, plus interest, and in some cases punitive damages. Any damages recovered are returned to the charity. Often the self-dealing directors and other directors responsible for the damage are removed from the charity's board.

Of course, there are cases of self-dealing where the charity actually benefits and is treated fairly. If a director contracts with the charity he serves to provide needed services at a fair price, if the terms are reasonable to the charity, if the contract is for the charity's benefit (not the director's benefit), and if the charity "could not have obtained a more advantageous arrangement with reasonable effort under the circumstance," there is not likely to be any damage to the charity from the self-dealing transaction. California law sets these same criteria for review by disinterested directors of any self-dealing transaction. If the directors have all of the facts before them and, in good faith, find that these criteria are met, they may validate a self-dealing transaction and protect the disinterested director(s) against liability for self-dealing.

Obviously, if the "disinterested" directors do not conduct their review of self-dealing in good faith but merely as a sham to protect other directors, there would be no effective validation. In cases of fraud and collusion by the directors, all directors could be held liable for damages to the charity.

- b. Directors may be liable for making prohibited loans from the charitable organization:

A director may be held personally liable for making a loan of the charitable assets to a director or officer of a public benefit corporation. Prior approval from a court or the Attorney General is required for most loans from a public benefit corporation to an officer or director. Exceptions are allowed for certain types of primary residence loans under specified conditions.

- c. Derivative actions may be liable for prohibited distribution of the charitable Assets.

A director may be personally liable for making or receiving a prohibited distribution of the public benefit corporation's assets. Examples of prohibited distribution include: 1) transfers of corporate funds or assets to directors, officers or members without fair consideration, 2) payment of excessive or unauthorized salaries, non-contractual benefits or bonuses, 3) improper gifts of charitable assets to individuals, 4) and other uses of the corporate assets unrelated to carrying out the charitable purposes.

Derivative Actions Against Directors

Legal actions filed against directors to recover damages resulting from breach of a director's duty to the corporation are called derivative actions. They are usually filed by the Attorney General or a disinterested director on behalf of the corporation and its charitable beneficiaries. Derivative actions against directors usually seek recovery of monetary damages from responsible director(s) and other equitable relief. Any repayment is made to the corporation or another similar charity.

Statutory Transactions

California law requires that certain transactions by public benefit corporations require either *consent by* or *notice to* the Attorney General. These transactions are treated with special attention because they significantly change the corporation. These transactions include dissolutions, mergers, sales of substantial assets, conversions, and amendment of articles. See Chapter 10 for more detail on statutory transactions.

Indemnification and Insurance

California law allows for public benefit corporations to indemnify directors for costs and expenses of litigation in both *third party actions* against the corporation and some derivative actions on behalf of the corporation. No indemnification, however, is permitted for director's fraud, bad faith acts, and/or unsuccessful defense of self-dealing.

Public benefit corporations may purchase indemnification insurance to protect directors' liability for most actions, but not for fraud and self-dealing.

Officers

Every nonprofit corporation must have at least three officers: a president (or chairman of the board), secretary, and a chief financial officer. The officers are usually appointed by the directors. Officers' responsibilities are spelled out in the corporation's bylaws. Their duties usually include maintaining books of account, responsibility for deposits and disbursements, keeping minute books, giving required notices, and other such duties as the directors prescribe.

The duties of officers and methods for their appointment and removal should be clearly stated in the corporation's bylaws. Generally, officers are not liable to the corporation or to third parties who sue the corporation. If an officer has acted in a fraudulent or grossly negligent manner, he or she may be liable.

Frequent Questions

What criteria does the Attorney General apply in reviewing self-dealing and loan transactions that are submitted for approval to the Attorney General's office?

The Attorney General applies the statutory criteria for determining fairness of self-dealing transactions, as set forth in California Corporations Code section 5233. Facts are reviewed to determine whether the self-dealing is for the benefit of the charity, whether the terms are fair and reasonable to the charity, and whether there is no better alternative available to the charity.

In reviewing proposed loans from a public benefit corporation to a director or officer, the Attorney General applies a standard of strictest scrutiny. Unlike self-dealing transactions, which may be validated under statutory standards, most loans from a public benefit corporation to a director or officer are absolutely prohibited by law. In reviewing a loan transaction, the Attorney General asks whether the loan is strictly necessary to carry out the charitable program and to protect charitable assets. Additional criteria applied by the Attorney General in reviewing a loan transaction include review of better alternatives, review of terms and adherence to market interest rates, full security, and fixed term requirements.

The directors of a public benefit corporation which operates a school voted to convert it to a business corporation. Will the Attorney General approve this conversion? How long will it take to get an answer?

The Attorney General's answer will depend upon a thorough review of all the facts. Conversion is permitted by statute if the terms are approved by the Attorney General and all of the charitable assets of the converting public benefit corporation (which are irrevocably dedicated to charitable purposes) are distributed to another charity with similar charitable purposes to the converting corporation. The Attorney General's office looks at all material facts of a conversion to determine the fairness of the transaction to the charity. For example, is the value assigned to the converting public benefit corporation the true fair market value of the corporation? Is an independent appraisal needed? Will the directors of the public benefit corporation become the directors and shareholders of the new business corporation? Are there self-dealing issues? Are the terms of payment or purchase of the converting corporation fair and reasonable to charity? Is the charity designated to receive the payment or purchase price a qualified IRS 501(c)(3) organization with similar purposes to the converting corporation?

The review of facts and legal analysis required for the Attorney General's decision to approve or disapprove a corporate conversion may take from two weeks to several months, depending on the facts and complexity of the transaction.

Members in a Public Benefit Corporation

California law does not require a public benefit corporation to have members. Any public benefit corporation may create classes of members and offer membership to individuals or corporate entities. Depending on the bylaws, members may be vested with significant voting and other statutory rights, or they may simply be donors who enjoy honorary membership without voting or statutory rights.

Members with legal rights under California statutes are created when a public benefit corporation's articles of incorporation or bylaws give its members the right to vote for directors and/or to vote the manner in which the charity's assets will be disposed upon dissolution or merger. California law gives certain other rights to those "voting members," including, 1) the right to inspect certain corporate records, 2) the right to elect and remove directors, 3) rights to notice of meetings, 4) the right to sue the directors in derivative actions, or third parties on behalf of the corporation, under certain circumstances and subject to specified limitations, 5) and other rights spelled out in the statutes and corporation's bylaws. Classes of voting members cannot be abolished by the directors without consent from the voting members.

Many public benefit corporations have honorary members who receive a form of membership recognition in return for their donations or services. Honorary members do not have voting rights or statutory rights and should not be confused with voting members.

Members, as such, are not personally liable for the debts, liabilities, or obligations of the public benefit corporation. A member is not liable for the actions of directors, unless a member personally benefitted from an unfair self-dealing transaction, prohibited distribution of corporate assets, or other improper action.

Insurance

One of the first things new volunteer directors will inquire about is the Foundation's liability, and errors and omissions insurance. Fortunately, California, through legislative action, has reduced the vulnerability of volunteer directors.

"There shall be no personal liability to a third party for monetary damages on the part of a volunteer director or volunteer executive committee officer of a non-profit corporation, subject to this part, caused by the director's or officer's negligent act or omission in the performance of that person's duties as a director or officer... (A copy of the full act is included.)

Even with this important exclusion, a foundation must have liability insurance. Most auxiliary foundations should be listed as "additional insureds" under the district policy. It is important to note any of the exclusions for the "additionally insured." It may be necessary for auxiliary foundations to obtain "special event" or other insurance to fill the gaps between state law and their liability policies.

Independent foundations will need to purchase liability insurance for all occasions. When this insurance is being purchased, the executive director should make sure the policy covers events where alcohol is being served. Inquiries should also be made

about off-campus foundation-sponsored events, i.e., on boats, buses, planes and even about activities outside of the United States.

Charity as an Employer

Many charities hire employees to staff their offices, provide program services, conduct fundraising, handle bookkeeping, file tax forms, and provide other necessary services necessary to operating the charity. The fact that the charity has tax-exempt status and is a non-profit corporation does not excuse it from the same legal obligations to its employees which apply to any business/corporation. This chapter supplies several important legal obligations of employers.

Employer Identification Number (IRS Form SS-4)

Even if a charity doesn't intend to hire employees, it still must apply for an Employer Identification Number or EIN by filing an SS-4 with its federal tax exemption application. The EIN is the corporate equivalent of a Social Security Number and is used by the IRS to identify the corporation's information returns in IRS records.

Federal and State Corporate Employment Taxes

A corporation's own tax-exempt status allows exemption from tax on the corporation's income. As an employer, the corporation remains obligated to report an employee's income and to make proper withholding payments to the federal and state governments. Withholding requirements are strictly enforced. Failure to comply could result in tax problems for an organization, its directors, and employees. Here is a list of state and federal information forms and withholding returns employers must file."

- Employee Withholding Certificate (W-4)
- Corporation Federal Quarterly Withholding Returns (941-E)
- Annual Federal Wage and Tax Statement (W-2)
- California Employer Registration Form
- California Income Tax Withholding Form (SE-44)
- California Unemployment and Disability Insurance (Quarterly)
- Annual Federal Unemployment Tax Returns

Federal withholding obligations are explained in IRS Publication 15 (Circular 15-Employer's Tax Guide) obtainable from your local IRS office.

Employee Relations

Legally, a charitable organization is treated like any other employer: it has an implied "contract" with each of its employees, whether or not the employee has signed a

written contract governing the terms of employment. To avoid misunderstandings between the charity and its employees, directors or officers should provide each employee with a written statement of the charity's employment policies, including any employee benefits such as vocations, health insurance, retirement, and life insurance.

State and federal laws regarding working conditions, minimum wages, overtime pay, and discriminatory hiring/firing practices

Public benefit corporations and other charitable organizations are generally subject to laws governing terms and conditions of employment and prohibitions on discrimination to the same extent that private corporate employers are. Religious corporations may be exempt from some of these laws and restrictions.

Independent Contractors

The IRS will ultimately decide whether people who work for charitable organizations are employees for whom tax withholding and reporting by the employer applies or whether they are independent contractors for whom these employer obligations do not apply. An employer who incorrectly classified employees as independent contractors may be held personally liable for penalties and damages if the IRS disagrees with the classification. If you plan to work with independent contractors you may want to contact an attorney on IRS independent contractor guidelines.

Preventing Internal Fraud and Theft of Charitable Assets

Fraudulent diversion of charitable assets by employees, officers, or directors with control over those assets can happen at either the receiving end or in the disbursement phase. Charities receive many donations in the form of cash and checks. The person who receives and records these donations could, without proper controls, deposit these funds in unauthorized accounts and divert them for personal use, without anyone knowing. This is why it's important to separate the function of recording of cash received from that of controlling and accessing it.

At the disbursement level, it is important to require two signatures on all checks drawn on charity accounts. This reduces the risk of fraudulent practices such as writing checks to cover unverified expenses or to pay fictitious creditors or phantom grantees.

Directors should continually monitor the budget and anticipated revenue sources and amounts during the year and compare those figures to the actual revenue reported during the year. Any sizable differences between the expected and actual revenue should be carefully investigated by the directors or designated officers to obtain a full

explanation. Quarterly, the directors should review the charity's bank statements, check reconciliations, and account books for any obvious irregularities.

Annual independent audits are the best protection against internal fraud and fiscal mismanagement. Independent audits can be expensive, however, and may be beyond the budgets of small charities. A good alternative is to retain an independent accountant to conduct a review of a the charity's financial statements and issue a review report to the director. A review is usually much less expensive than an audit and it can alert directors to serious deficiencies in internal control as well as possible fraud.

Components of an Accounting System

A charity's accounting system should reflect accurate, understandable data that are useful in making management decisions and preparing reports. Books should generally adhere to the standards of *Accounting and Financial Reporting for Non-Profit Health and Welfare Voluntary Organizations* and to generally accepted accounting principles. The actual books of accounts to be maintained depend upon on the type of organization. For example, a grant-making organization would have different accounting needs than a health clinic or museum. An organization's books and accounts will generally include:

General Ledger

A General Ledger consists of a number of accounts representing stored information on a particular kind of asset, liability, fund balance, revenue, or expense. Information is taken from the General Ledger to prepare financial statements such as a Balance sheet or an Income and Expense Statement. Amounts reported in General Ledger accounts are often totals for a given time period for a class of accounts detailed in subsidiary ledgers.

Subsidiary Ledger

Subsidiary Ledgers provide greater detail for a particular account. For example, an Accounts Receivable Subsidiary Ledger lists information on each customer's purchases, payments, and balance. The General Ledger contains one figure representing the total for a period from all Subsidiary Ledgers for that account.

Journals

Information from business papers is recorded in chronological order in journals. Various types of journals include:

Sales Journals: Where sales are recorded as they are made. All information is usually taken from the invoice.

Disbursement Journal: Where cash and checks going out to pay for expenses, acquiring assets, making grants, etc., are recorded.

General Journal: Where non-repetitive types of transactions and corrections or adjustments are recorded.

In addition to an accurate system for recording fiscal data, a charity needs a filing system that allows easy access to business documents, and helps the accountant to prepare periodic financial statements, tax returns, and management reports. A good fiscal management system allows you to trace any transaction from the financial reports to the general ledger, subsidiary ledgers, journals, and business records.

Reporting Requirements to Government Agencies

In addition to keeping financial records, the accountant may be responsible for preparing and filing reports for the charity with government agencies. Even if your accountant does not prepare these reports for you, you should ask that a report-filing calendar be established for the charity to assist directors in complying with all the required filings. Listed below are some of the annual reporting and filing requirements that apply to most charities:

1. Periodic Report to the Attorney General's Registry of Charitable Trusts (Form CT-2)
2. Federal information returns of tax-exempt organizations to the IRS (Forms 990, 990-PF)
3. California return of tax-exempt organizations to Franchise Tax Board (Forms 199, 109)
4. Quarterly federal employment tax deposits (FICA) to the IRS
5. Quarterly employment deposits to the California Employment Development Department
6. W-2 forms filed by the employer with federal and state governments, and provided to employees each year
7. 1099 forms filed with federal and state governments, and provided to non-employee service providers

8. Local and state property and sales tax statements and returns

Additionally, an IRS 501(c)(3) organization must keep copies of its three most recent federal tax returns, its exempt status application, and its determination letter available for inspection by the public at its main office and any other office with three or more employees.

Affirmative Action Policy

Rider to Contract

- A. During the performance of this contract, Subcontractor and its sub-subcontractors shall not deny the contract's benefits to any person on the basis of religion, color, ethnic group identification, sex, age, physical or mental disability, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religion, color, national origin, ancestry, physical handicap, mental disability, medical condition, marital status, age or sex. Subcontractor shall insure that the evaluation and treatment of employees and applicants for employment are free of such discrimination.
- B. Subcontractor shall comply with the provisions of the Fair Employment and Housing Act (Government Code, Section 129Q0), the regulations promulgated thereunder (California Administrative Code, Title 2, Section 7285.0.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Government Code, Sections 11135-11139.5) and the regulations or standards adopted by the awarding State agency to implement such article.
- C. Subcontractor and its sub-subcontractors shall give written notice of their obligations under this Rider to organizations with which they have a collective bargaining or other agreement.
- D. Subcontractor shall include the nondiscrimination and compliance provisions of this Rider in all subcontracts to perform work under this contract.

235

213

RIDER TO CONTRACT

A. During the performance of this contract, Subcontractor and its sub-subcontractors shall not deny the contract's benefits to any person on the basis of religion, color, ethnic group identification, sex, age, physical or mental disability, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religion, color, national origin, ancestry, physical handicap, mental disability, medical condition, marital status, age or sex. Subcontractor shall insure that the evaluation and treatment of employees and applicants for employment are free of such discrimination.

B. Subcontractor shall comply with the provisions of the Fair Employment and Housing Act (Government Code, Section 12900 et seq.), the regulations promulgated thereunder (California Administrative Code, Title 2, Section 7285.0 et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Government Code, Sections 11135-11139.5) and the regulations or standards adopted by the awarding State agency to implement such article.

C. Subcontractor and its sub-subcontractors shall give written notice of their obligations under this Rider to labor organizations with which they have a collective bargaining or other agreement.

D. Subcontractor shall include the nondiscrimination and compliance provisions of this Rider in all sub-subcontracts to perform work under this contract.

Adopted by The Community College Foundation Board of Directors on January 26, 1988

THE COMMUNITY COLLEGE FOUNDATION

INVESTMENT POLICY

Environment

The Foundation is presently in its second year of substantial activity. This is the first year that sizable funds are available to be invested. The Foundation anticipates continued growth of available funds over the next three to five years. The Foundation wishes to receive a reasonable rate of return on its investments, but at a low-risk factor.

Recommended Investment Instruments

In 1991-92, the present Department of Rehabilitation Establishment Grant funding will end. Therefore, it is recommended that the Foundation not tie up a sizable amount of its capital into long-term investments.

Long-term investments should be delayed until there is more available cash (over \$500,00) or until further new revenue producing activities become more certain.

It is recommended that the Foundation continue to invest in short-term, low-risk instruments: Certificates of Deposits and interest bearing checking accounts.

Present cash needs: \$110,000

Available for investment: \$120,000

Present Investments

Type	Amount	Term	Per-Cent	Location
CD	\$10,000	1 yr.	6.40	SAC 1st National Bank
CD	\$15,000	1 yr.	7.25	SAC 1st National Bank
CD	\$50,878	32 day	6.50	SAC 1st National Bank

Trigger for review: \$500,000 available for investment.

Action at time of trigger: Consultation with investment counselors.

Scheduled investment policy review date: May 1989.

Adopted by The Community College Foundation Board of Directors on October 26, 19

The
Community
College
Foundation

717 K Street • Suite 400 • Sacramento, CA 95814 • (916) 446-5881

THE COMMUNITY COLLEGE FOUNDATION
CONTRACT EMPLOYEES
SALARY POLICY

BACKGROUND:

Present state agency contracts, which include personnel costs, require the Foundation to base contract personnel's salaries on state positions. In some instances, Foundation contract employees are temporarily stationed in agencies working along side other state funded personnel, necessitating not only similar salary rates, but benefit levels and work schedules.

RECOMMENDED POLICY:

The Community College Foundation base contract employees' salary schedules and benefits at levels similar to those offered by state agencies. Compensation is not to exceed budgeted levels.

Board Approval January 16, 1990

RANCHO SANTIAGO COLLEGE FOUNDATION

Rancho Santiago Community College District

17th at Bristol Streets

Santa Ana, CA 92706

(714) 667-3198

**RANCHO SANTIAGO COLLEGE ADMINISTRATIVE SERVICE
FEE POLICY**

The Board of Directors of the Rancho Santiago College Foundation agrees to adopt an administrative management fee for the service it provides in administering, monitoring and disbursing of project/program funds, special project/grant funds, and scholarship funds. In order to defray the in-direct costs of program management, account administration, full bookkeeping and audit research and support, and investment management, the Foundation Board of Directors approves the following fee structure:

- A. A service charge of 10% of income earned will be deducted from interest which accrues to the Foundation's scholarship accounts drawn on a quarterly basis as the interest is credited to the accounts. This procedure will commence with the quarter ending on December 31, 1987 and proceed quarterly thereafter.

The 10% service charge will be credited to the Foundation's unrestricted general operating account.

- B. A 10% service charge will be levied on all other unrestricted cash contributions to the Foundation and be placed in the unrestricted general operating account.
- C. The percentage fee for special projects or grants will be assessed by the Foundation's Board of Directors at the time it approves affiliation with the project. This fee will be based on a sliding scale of no less than 3% or more than 10% of the total funds administered by the RSC Foundation.

This policy will be effective as of January 1, 1988.

12/3/87

manage2.fee
disk:bd

239

217

RANCHO SANTIAGO COLLEGE FOUNDATION
Rancho Santiago Community College District
17th at Bristol Streets
Santa Ana, CA 92706
(714) 667-3198

**GUIDELINES FOR ADMINISTERING DISTRICT GRANTS
THROUGH THE RSC FOUNDATION**

The following guidelines have been developed to facilitate the fiscal administration of district grants and special project accounts through the Rancho Santiago College Foundation.

1. The RSCF will only accept grants which have been processed through the district's Grants Office and accepted by both the RSCCD Board of Trustees and the RSCF Board of Directors.
2. A preliminary notification will be sent to the RSCF by the Grants Office indicating a "Permission to Apply" request has been made to the district's Board of Trustees.
3. The RSCF will take this list of anticipated grants to its Board of Directors for discussion and tentative approval.
4. The RSCF will again be notified when the grant request has been approved, and a formal request is made for the district's Board of Trustees to accept the funds.
5. The administrative fee charged by the RSCF on all grants, will be determined and agreed to in advance of board approval.
6. Simultaneous with acceptance of funds, an agreement between the RSCCD and the RSCF will be drawn up by the Grants Office showing the RSCF as the fiscal agent of the grant. The agreement will specify the duration of the grant, the service to be provided, and the administrative fee which the RSCF will assess for its service.
7. All special project accounts will be confirmed in writing noting the agreed upon administrative fee, time frame of project, restrictions to account, authorized personnel on the account and all other pertinent and appropriate information. Copies of confirmation will be sent to appropriate dean and vice chancellor.
8. All withdrawals and/or deposits to the account must be made on appropriate invoice forms, or in a written request to the Foundation Office by authorized personnel.

Guidelines for Administering District Grants
through the RSC Foundation

Page 2

9. Expense reimbursement requests must be accompanied by supportive receipts.

The following information will be kept on file in the Foundation Office:

1. A copy of the grant contract.
2. A list of allowable and nonallowable expenses within the grant.
3. A list of person(s) authorized to withdraw funds from the grant account.

The following Administrative Fee Chart has been developed to cover the Foundation's service as fiscal agent for grant funds handled through the Foundation (but not to exceed the maximum allowed by the funding agent).

<u>ACCOUNT RANGE</u>		<u>FEE CHARGE</u>
\$ 0	to \$ 5,000	10% (or \$50 minimum)
\$ 5,001	to \$10,000	9%
\$10,001	to \$20,000	8%
\$20,001	to \$30,000	7%
\$30,001	to \$40,000	6%
\$40,000	And Up	5%

revised 11/2/88

a:glines2.gra
disk: grants

241

219

AGREEMENT FOR SPECIAL SERVICES

THIS AGREEMENT is made and entered into this _____ day of _____, 1988, by and between the RANCHO SANTIAGO FOUNDATION, hereinafter referred to as the FISCAL AGENT, and the RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT, hereinafter referred to as the DISTRICT.

WHEREAS, the DISTRICT is in need of special services in financial and accounting matters; and

WHEREAS, the FISCAL AGENT is specially trained, organized, and competent to provide the special services required; and

WHEREAS, such services are needed on a limited basis;

NOW, THEREFORE, the parties hereto agree as follows:

1. SERVICES TO BE PROVIDED BY THE FISCAL AGENT:

2. FISCAL AGENT shall commence providing said services under this AGREEMENT on _____, 1988, and shall diligently perform as required and complete performance by _____.
3. FISCAL AGENT shall assess a fee of _____% of the contract amount of _____ or _____ for services rendered. Payment shall be made within _____ days after the date of execution of this agreement.
4. DISTRICT shall prepare and furnish to FISCAL AGENT upon request information as is reasonably necessary to the performance of FISCAL AGENT to this agreement.
5. DISTRICT shall be responsible for meeting all conditions of the contract and completion of said contract within appropriate contract timelines.

6. FISCAL AGENT agrees to and shall hold harmless and indemnify DISTRICT and their officers, agents, and employees from every claim or demand and every liability or loss, damage, or expense of any nature whatsoever, which may be incurred by reason of:

(a) Liability for damages for death or bodily injury to person, injury to property, or any other loss, damage or expense sustained by the consultant or any person, firm or corporation employed by the FISCAL AGENT upon or in connection with the services called for in this AGREEMENT except for liability for damages referred to above which result from the sole negligence or willful misconduct of DISTRICT, their officers, employees or agents.

(b) Any injury to or death of persons or damage to property, sustained by any persons, or corporation, including the DISTRICT, arising out of or in any way connected with the services covered by this AGREEMENT, whether said injury or damage occurs whether on or off DISTRICT'S property except for liability for damages which result from the sole negligence or willful misconduct of DISTRICT, their officers, employees or agents.

7. DISTRICT may at any time for any reason terminate this AGREEMENT upon a 10 day written notice and FISCAL AGENT shall be entitled to be compensated only for services rendered through date of termination. The notice shall be deemed given when received or no later than three days after the day of mailing whichever is sooner.

8. This AGREEMENT is not assignable without written consent of the parties hereto.

9. FISCAL AGENT shall comply with all applicable federal, state, and local laws, rules, regulations, and ordinances including worker's compensation.

IN WITNESS WHEREOF, the parties hereto have caused this AGREEMENT to be executed.

FISCAL AGENT: RANCHO SANTIAGO
FOUNDATION

DISTRICT: RANCHO SANTIAGO
COMMUNITY COLLEGE
DISTRICT

BY: _____

BY: _____

DATE: _____

DATE: _____

FEDERAL IRS # _____

The Peralta Colleges Foundation

POLICY

1. Contributions, gifts-in-kind, scholarships, etc., shall be channeled through the Peralta Colleges Foundation for support of the colleges.
2. Presidents should appoint a single "Point of Contact" or liaison officer to the Foundation.
3. The Foundation should be notified two weeks in advance, wherever possible, of intended gift, donation, bequest, etc.
4. In-kind gift approval rests with the Executive Director and President of the Foundation Board.
5. Acceptance of a gift must follow the "Acceptance Guidelines."
6. Solicitation and allocation of all resources shall be oriented on the published College Educational Plan.
7. Requests for Foundation financial support should be initiated only after all other procurement sources have been exhausted.
8. Educational programs will receive priority consideration over cultural events or activities of a social nature.
9. Thank you letters, calls and contacts should be initiated by the Foundation in a timely manner.
10. All funds deposited with the Foundation will be administered and disbursed in accordance with Foundation policy and donor specifications.
11. All requests for Foundation support must be approved and monitored by the College President.
12. All requests for disbursement of restricted funds must be channeled through and approved by the College President for submission to the Foundation, including purchases of equipment/supplies (purchases of this nature require the requisition/purchase order process). Final approval rests with the Foundation.

The Peralta Colleges Foundation

OBJECTIVES - continued

Supporting Objectives for Goal #3:

To improve financial support for community activities and programs with special emphasis on those that foster civic involvement.

- o To establish a community action plan and timetable to include cultural activities, athletic events, film series, concerts, etc.
- o To optimize use of campus facilities by civic and local groups.

Supporting Objectives for Goal #4:

To enhance the image of Peralta Colleges as the East Bay's foremost community college district.

- o Accomplishment of this goal should be the natural by-product of fulfilling Goals 1, 2 and 3.

BUTTE COLLEGE FOUNDATION
INVESTMENT POLICY

PURPOSE

This statement, adopted by a unanimous vote of the Foundation Board of Directors on April 23, 1992, is to set forth investment policy for the assets of the Butte College Foundation, and to assign authorities and responsibilities within this policy.

STANDARDS OF CONDUCT AND ETHICS

Employees and Directors involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

In the administration of the powers delegated to the committee, members shall exercise ordinary business care and prudence under the facts and circumstances prevailing at the time of the action and decision. In doing so they shall consider long and short term needs of the Foundation and its trusts in carrying out its purposes, its present and anticipated financial requirements, its expected return on investment, price levels and trends, and general economic conditions.

INVESTMENT OBJECTIVES

The objectives of the Foundation investment program is to obtain the maximum possible return on assets while assuring adequate protection of investment assets. In trying to meet these objectives it must be recognized that all investments carry some degree of risk, not only as to the safety of the principal itself, but also with regard to the inflationary erosion which occurs from the failure to achieve an adequate return on investments.

Within the overall investment objectives stated above different types of funds may have differing objectives. It is the responsibility of the Finance Committee to develop objectives and state those differences where appropriate. For example, the objectives of the General Fund may be different than the Endowment, Annuity and Life Income or Plant Fund. Specific objectives for each fund shall be developed and monitored by the Finance Committee. These objectives should consider the particular requirements of each fund, including cash flow, donor expectations, the impact of gains and losses on capital, and other factors which may be known to the Committee.

page 1

3/92

TYPES OF FUNDS

This investment policy applies to all financial assets of the Butte College Foundation. These funds are accounted for in the Foundation's Annual Report and include the following seven types of funds:

General Operating Fund

This fund is used to account for those financial transactions that are not specifically designated. In addition, this fund is used to account for unrestricted revenue and expenditures for routine general administration and overhead support of transactions that cannot be charged to other funds. Direct contributions and the Foundation's Interest Allocation Policy provide the source for these funds.

These funds shall be placed in relatively liquid instruments such as certificate of deposits; checking accounts; savings accounts; U.S. Government Bills, Notes, and Bonds; and Money Market Funds.

Expendable Restricted Funds

The Expendable Restricted Fund is used to account for transactions of money restricted by donor or grantor to purposes not accountable in any other fund. Government contracts and grants; private sector contracts and grants; donor restricted gifts; and restricted income from endowments for purposes not identifiable to any other fund provide the source for these funds.

These funds must be kept relatively liquid, with maturity based on fund need.

Enterprise Activity Fund

The Enterprise Activity Fund is maintained to account for the revenues and expenditures of fully or partially self supporting revenue-producing commercial-type activities. Donated income producing properties associated with an enterprise activity are also recorded in this fund.

These funds must be kept relatively liquid, with maturity based on the needs of the income.

Student Loan and Scholarship Fund

The Student Loan and Scholarship Fund is the trustee of funds to provide annual scholarships to students selected by criteria established by the donor. Donations from individuals, businesses, corporations and Foundation Fund raising events provide the source of these funds.

These scholarship funds shall be invested in a manner consistent with providing periodic distributions to these students.

page 2

3/92

Endowment Annuity and Life Income Funds

The basic differences among an endowment, an annuity, and a life income are the intent and use of the monies. An endowment is established for the general benefit of a college, its students, or a group affiliated with the college and (generally) only the income produced by the endowment may be expended.

An Annuity and a Life Income provide periodic payments to individual(s) not generally affiliated with the college. An Annuity provides for regular payment of a specified amount which can come from both principal and income. Life Income provides periodic payments only from income generated. Payments terminate at a specified time or upon the death of beneficiary(ies).

Private contributions, bequests, and Interest Income provide the source of these funds.

Monies shall be invested to meet the needs of the endowment.

Plant Funds

The Plant Fund is maintained to account for land, buildings, and other physical properties, as well as for money set aside for purchase, construction, or improvement of these items. Donated income-producing properties with income use restrictions or properties associated with an enterprise activity are exceptions. Such items are to be recorded in the Endowment, Annuity, and Life Income Fund and Enterprise Activity Fund, respectively.

Gifts, contributions, General Operating Fund, and interest provide the source of income for this fund.

Fund Investment based on need of the project.

Trust and Agency Funds

Moneys held in the Trust and Agency Fund differ from those placed in other funds because they are generally held in trust by the Foundation or are for pass-through purposes.

Expendable trusts are established when the Foundation accounts as a fiscal agent for another organization, agency, or person. Title for expendable trusts rest with another party and will never be transferred to the Foundation.

Non Expendable Trusts are established when the Foundation acts as a depository for another organization, agency, or individual(s).

An Agency Fund acts as an internal clearing account for grants, contributions, or revenues which must be allocated to more than one fund or when the user fund is not immediately known.

Funds need to be relatively liquid based on the use and need of the fund.

page 3

3/92

FINANCE COMMITTEE

Butte College Foundation has a Finance Committee consisting of the Butte College Foundation Treasurer, the Foundation Executive Director and at least 3 members from the Butte College Foundation board. Members of this committee shall serve without compensation and shall meet quarterly to determine general strategies and monitor results. The Finance Committee shall include in its deliberations such topics as: portfolio diversification and maturity structure, potential risks to Butte College Foundation funds, authorized depositories, brokers and dealers, and the target rate of return on the investment portfolio. The committee shall establish its own rules of procedure which may include selecting professional investment management, selecting brokers and agents for the purpose of conducting securities transactions, selling real estate, or performing other professional activities essential to the safeguarding and managing of those assets under the purview of the Finance Committee. In the conduct of these affairs, the Finance Committee should feel free to consult the Board of Directors whenever it is determined appropriate, but it should conduct the investment affairs of the Foundation with the understanding that the committee is empowered to act on behalf of the Board of Directors in all matters concerning investments.

The committee shall perform such other duties as may be assigned to it by this policy or upon motion of the Foundation Board of Directors.

INSTRUCTIONS TO INVESTMENT MANAGEMENT

Whether the funds are managed by a retained professional or internally through the Foundation, instructions should be given with respect to the Committee's expectations in the management of that fund and a statement of how the management will be measured. That statement should include a comparison of performance to major indicators such as inflation, the T-Bill rate, minimum acceptable rate of return, and performance of other comparable funds. In addition, the instructions should identify the type and quality of acceptable securities.

INTERNAL CONTROLS

The Executive Director shall establish a system of internal controls, which shall be documented in writing. The internal controls shall be reviewed by the Finance Committee and with the independent auditor. The controls shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets or imprudent actions by employees and directors of the Butte College Foundation.

page 4

3/92

PERFORMANCE MEASUREMENT

The Committee should conduct a semi-annual review of the performance of all the funds under their authority. In doing so the Committee may use a third party for such performance evaluation or other method which provides information needed to assess investment performance. The professional firm engaged as broker and custodian will, as part of its service, submit a semi annual performance review of all accounts under its purview.

REPORTING

The Executive Director shall submit quarterly to the Finance Committee an investment report that summarizes recent market conditions, and anticipated investment conditions. The report shall summarize the investment strategies employed in the most recent quarter, and describe the portfolio in terms of investment securities, maturities, risk characteristics and other features. The report shall explain the quarter's total investment return and compare the return with budgetary expectations. The report shall include all transactions during the past quarter.

Each semi-annual report shall indicate any areas of policy concern and suggested or planned revision of investment strategies, as well as contain a measurement of performance against other benchmarks.

The Executive Director shall present a comprehensive annual report to the Foundation Board on the investment program and investment activity. The annual report shall include separate quarterly comparisons of return and shall suggest policies and improvements that might be made in the investment program.

All depositories shall report annually to the Finance Committee. This report shall include a financial statement for the depository.

page 5

3/92

250

228

GUIDELINES FOR INVESTMENTS

1. A minimum rate of return after expenses equal to 1.2 times inflation (as measured by the consumer price index) over a three year period.
2. A minimum rate of return equal to 1.2 times the total return of a continuously invested portfolio of 90 day treasury bills over a complete market cycle (three to five years).
3. Under no circumstances should the total return after expenses be less than 5% compounded annually over a three to five year period.
4. In a quarterly review, at no time should the fund show a decline in market value in excess of 15% from the previously high quarterly appraisal without cash and equivalents representing at least 50% of the assets at market.
5. Fixed income securities should be of an A rating or better.
6. With the exception of securities issued by the U.S. Government and its agencies, no more than 10% of the account shall be invested in any one security, and no more than 20% in any one industry.
7. With the exception of closed-end mutual funds, the Committee shall not recommend individual stocks for purchase by the Foundation. Decisions to sell existing stock positions acquired through donations may be made by the Committee.
8. The Foundation may own various parcels of real estate. Some of that property may be dedicated to use by the Foundation for educational purposes. Other property may be held by virtue of a gift or other acquisition for the benefit of the Foundation. The Finance Committee is charged with periodically reviewing those assets and making recommendations to the Board of Directors concerning acquisition or sale.

page 6

3/92

CITRUS COLLEGE FOUNDATION

Fund Management Service Policy

The Citrus College Foundation, in an effort to serve the Citrus College campus clubs and organizations in managing funds for scholarships and other purposes to promote education, established this Fund Management Service Policy.

GENERAL POLICES

1.1 Upon the establishment of any fund, a signature card will be kept on file in the Foundation Office for all accounts.

1.2 A minimum of two and a maximum of three signatories may be established for a fund. Any one of the signatories may request money from the established fund.

1.3 All requests for money from any specific fund will be made by completing a Request for Check form in the Foundation Office.

1.4 Check requests must be received by the Foundation Office a minimum of three working days before checks will be issued.

1.5 The Foundation will invest all funds and will pay interest back to each fund on the basis of the total investment and the average balance of fund.

1.6 Each fund will be assessed an annual service fee equal to 1/2 of 1 percent of the fund's average daily balance. This fee will be deducted from each fund's interest earnings.

1.7 Quarterly reports are available in the Foundation Office which give information on every Foundation account. Reports are available by the 20th of the month following the end of a quarter.

1.8 Any requests for transactions for organizations and groups who have accounts with the Foundation must be made in writing.

FUND RAISING ACTIVITIES ASSOCIATED WITH FOUNDATION ACCOUNTS

2.1 All fund raising activities conducted by organizations whose funds are held by the Foundation must meet the legal standards for nonprofit fund-raising events.

2.2 Activities conducted to raise funds held by the Foundation should have carefully thought-out plans. Such plans should be filed with the Foundation Office on a Fund-raising Activity Request Form.

2.3 The Foundation will provide the club or organization for which the Foundation holds funds with numbered receipt cards. All incoming funds collected by these groups should be reflected on the receipt cards and the duplicate copy sent with the funds to the Foundation Office.

2.4 Donors contributing to these fund-raising events will be thanked by the organization planning the event.

2.5 The Foundation's tax-exempt number will be made available to donors who request it.

September 1991

Policy No. 1
May 1989
Revised January 1990
Revised May 1991
Revised September 1991
Revised October 1991

THE CITRUS COLLEGE FOUNDATION

INVESTMENT POLICY

Approved and Adopted by
the Board of Directors of
the Citrus College Foundation

INTRODUCTION

The Citrus College Foundation, established in 1966 and revitalized in 1982, is a nonprofit organization dedicated to finding supplemental funding sources for Citrus College. The purpose of the Foundation is three-fold. First, to solicit and raise money to award scholarships and loans to students enrolled at Citrus College. Second, to afford and encourage opportunities for the establishment of permanent collections, art endowments, research and educational projects for the benefit of Citrus College. And third, to engage in cooperative efforts with the college to enhance the academic and vocational programs offered at Citrus College and the services offered to the students and community members the college serves.

I. THE CITRUS COLLEGE FOUNDATION INVESTMENT POLICY

STATEMENT OF PURPOSE

The Investment Committee, acting with authorization from the Board of Directors of the Foundation, shall review and make recommendations to the Board for investment of Foundation funds at least quarterly. All funds of the Foundation and the Citrus College Alumni Association shall be invested in a prudent manner, with special focus on preservation of capital.

II. ADMINISTRATIVE POLICY

GENERAL POLICIES

2.1 The intention of the donor shall be a prime concern of the Foundation. No agreement shall be made between the Foundation and any agency, person, company or organization on any matter, whether investments, management, or otherwise, without consideration of the donor's interests or expressed wishes.

2.2 Prospective donors shall be advised to seek legal counsel in any and all aspects of their proposed giving, whether by bequest, trusts, agreement contract or otherwise.

2.3 Foundation directors and the Foundation's authorized personnel shall exercise great caution and avoid the use of pressure sales techniques when dealing with prospective donors.

2.4 All information concerning donors and the amounts of their gifts shall be kept strictly confidential by the Foundation and its authorized personnel, unless permission is obtained from the donor to release such information. This does not preclude normal donor recognition or efforts to solicit donors.

2.5 All gifts-in-kind accepted by the Foundation that will enhance programs at Citrus College will be transferred to the college in a timely manner.

2.6 Funds placed in banks or savings and loan agencies must be fully insured. Investments may be in either of the following categories: a) banks and savings and loans fully insured by the Federal Government, and b) stocks, bonds, and portfolios.

2.7 The Foundation's financial accounting system shall be flexible and accountable.

2.8 All financial records shall be kept in the Office of Development at Citrus College, 1000 W. Foothill Blvd., Glendora, California 91740-1899.

2.9 The Foundation's books shall be audited annually by an independent auditor, normally in conjunction with the Citrus Community College District's annual audit.

III. GENERAL LIQUIDITY FUND

The purpose of this fund is to meet the short-term cash needs of the Foundation.

3.1 The investment parameters include: Safety, yield, convenience and liquidity with investment of the funds on a short-term basis.

IV. ENDOWMENT AND ENDOWED SCHOLARSHIP FUNDS

By definition, these are funds for which the donors have stipulated as a condition of the gift that the principal is to be maintained inviolate and in perpetuity, for the purpose of producing present and future income to support the purpose(s) stipulated in the gift. The endowed principal will be invested in those assets which have the highest statistical probability of preserving, in real rather than nominal terms, the corpus, while generating the maximum possible rate of return.

4.1 The investment parameters include: investing the funds on a long-term basis (five years or more), preserving the principal, and accepting minimal market risk.

4.2 Selected investment managers will provide quarterly reports on the progress of this fund.

4.3 Investment avenues will be recommended by the Finance Committee and approved by the Foundation's Executive Board.

4.4 The Finance Committee shall be authorized to move the funds between stock, bond, and money market mutual funds within a mutual fund family. Preference shall be given to no load funds. The mutual fund will be selected from a family of funds using historical data on performance of the fund over an extended period of five to ten years. The Finance Committee shall be authorized to invest up to 10 percent of the endowment committed to long-term investment in a family of mutual funds.

4.5 The Finance Committee is authorized to invest in mutual funds at such time the committee members deem the investment would be advantageous for the Citrus College Foundation.

V. SELECTION OF RETENTION POLICY

In order to retain investment management organizations that have demonstrated superior competence in executing one or more investment strategies consistent with the established policy, the following criteria will be applied in retaining existing firms and selecting new investment managers:

- 5.1 Demonstrates superior performance in one or more of the asset categories previously defined.
- 5.2 Conducts a sound research program.
- 5.3 Demonstrates a disciplined, consistent, and measurable approach to the construction and monitoring of portfolios.
- 5.4 Establishes investment control procedures with operating management information systems to assure regular review of the portfolio manager's decisions.
- 5.5 Functions primarily for the business purpose of investment management and will have sufficient experience with educational endowment assets.
- 5.6 Employs an experienced, highly competent professional staff, recognized as such within the industry.
- 5.7 Demonstrates no conflict of interest.

CITRUS COLLEGE FOUNDATION

Gifts-in-Kind Policy

The Citrus College Foundation, a nonprofit organization which provides supplemental support to Citrus College, recognizes that in-kind donations of equipment, furniture, and supplies can greatly enhance classroom instruction and college programs.

To solidify its policy to accept gifts-in-kind and to give donors an opportunity to donate items and receive maximum tax benefits from their donations, the Foundation has established the following policy regarding in-kind gifts.

1. The Foundation Office must be notified of all potential gifts-in-kind to be donated to the college.
2. Gifts will be accepted only after it has been determined by the Citrus College staff that the college can use or benefit from the donation.
3. Gifts donor valued at more than \$500 must be appraised by a professional appraiser at the donor's expense, and the appraisal must accompany the gift.
4. No appraisal of the gift shall be made by the college or the Foundation.
5. Gifts may be given with restrictions for use in specific programs.
6. Upon acceptance of the in-kind gift, a Foundation gift-in-kind acceptance form shall be completed by the department accepting the donation.
7. Gifts accepted by the Foundation may be sold or disposed of by the Foundation. Disposal of the gifts shall be made under direct supervision of the Foundation Office and will be documented. Proceeds from the gift sales will be retained by the Foundation. IRS Form 8282, Donee Information Return, shall be filed with the IRS by the Foundation Office for any donation valued over \$500 that is disposed of less than two years after the gift has been received.
8. Accepted gifts may subsequently be given to the Citrus College District for use in college programs.
9. If the District chooses to sell the item within two years of its receipt, the District will be responsible for filing the IRS Form 8282, Donee Information Return.

September 1991

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT FOUNDATION

INVESTMENT POLICY AND GUIDELINES

REVISED 10/16/89

I. INVESTMENT OBJECTIVES

- A. To assure safety of principal.
- B. To retain liquidity to meet projected and unexpected cash needs of the Foundation.
- C. To attain the best available yield while retaining liquidity and minimizing risk.

These objectives are ranked in order of importance. However, within the constraints imposed by the objectives of safety of principal and liquidity, the investment goal is to obtain the highest possible yield.

II. INVESTMENT STRATEGY

- A. To apply the investment objectives to all funds, endowment or otherwise, but
- B. To recognize that optimum maturities for endowment funds typically will be longer than for "pass through" funds intended for nearer term expenditure.
- C. To acknowledge that percentages shown in *INVESTMENT INSTRUMENTS AND DIVERSIFICATION* are intended as guidelines only. Variances from these percentages should not automatically trigger buy or sell transactions. However, material variances should be corrected as soon as prudently possible.

III. DAY TO DAY MANAGEMENT

- A. The Investment Advisory Committee of the Board of Directors is charged with overall responsibility for the investment program;

such responsibility includes timely review of the program and the recommendation for change as appropriate.

B. The investment program will be implemented by the District's Director of Business Services, acting at the overall direction of the Investment Advisory Committee. The Director of Business Services will also be responsible for continual compliance with the Investment Policy as changes are suggested by the Investment Advisory Committee and adopted by the Board of Directors.

C. The Director of Business Services is authorized to sign the Foundation's Master Repurchase Agreement and other trading authorization agreements with any institution meeting the requirements of this policy.

D. All transactions will be handled under a delivery versus payment system. All instruments other than book entry will be held in safekeeping at the Foundation's prime or designated bank.

E. All banks and savings and loans doing business with the Foundation must:

1. Provide their most current audited financial statement
2. Have deposits of at least \$100,000,000
3. Have a Moody's Investor Service rating of A1

F. The standard of prudence to be observed in carrying out this Investment Policy shall be that of the "prudent person" and shall be applied in the context of managing an overall portfolio. Anyone acting in accordance with written procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that deviations from expectations are reported in a timely fashion, and appropriate action is taken to deal with adverse developments.

IV. INVESTMENT INSTRUMENTS AND DIVERSIFICATION

A. The Foundation intends to confine its portfolio to the following instruments:

1. Government Securities
 - a. U.S. Treasury Bills
 - b. U.S. Treasury Notes

- c. U.S. Treasury Bonds
- d. U.S. Treasury STRIPS
- 2. U.S. Agency instruments
 - a. Federal Farm Credit Bank (FFCB) Bonds, Discount Notes
 - b. Federal Home Loan Bank (FHLB) Bonds, Discount Notes
 - c. Sallie Mae Discount Notes
 - d. Federal Home Loan Mortgage Corporation (FHLMC) Mortgage Certificates
- 3. Repurchase Agreements, over night only
- 4. Bank Liabilities
 - a. Time Certificates of Deposit
- 5. Prime paper, short term, P1 rating only
- 6. Equities (not to be used, pending formation of an Investment Committee)

V. MATURITY OF INVESTMENTS

A. Endowment funds

1. The objective is to develop a longevity ladder of direct obligations of the U.S. Government and U.S. Government Agencies the average maturity of which is 8 years.

B. Working funds

1. The objective for these funds is an average maturity of 3-6 months, emphasizing the use of Certificates of Deposit as limited below, but mixed with other authorized instruments as the *investment strategy* may dictate.

VI. REPURCHASE AGREEMENTS

A. Any firm entering into a repurchase agreement with the Foundation must provide a signed Master Repurchase Agreement and its most recent audited financial statement.

B. Repurchase agreements will be used only for over night placement of funds.

C. The underlying securities of the repurchase agreement must be U.S. Government securities with maturities of no more than 18 months.

D. The Director of Business Services will review the market value of the repurchase agreement securities to insure adequate collateralization.

E. Utilization of a "sweep document" at the Foundation's lead depository is exempt from D above and is also exempt from the delivery vs. payment requirement. However, the sweep balance will be kept as low as possible and not utilized as an investment instrument.

VII. CERTIFICATES OF DEPOSIT

A. These are non-negotiable instruments with a bank or savings and loan, representing a contract specifying (1) a fixed rate of interest to be paid and (2) a fixed date on which the principal may be withdrawn (maturity date).

B. No CD singly or collectively in any one bank or savings and loan will exceed the amount guaranteed by either the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, currently \$100,000 in each case.

VIII. PRIME PAPER

A. These are notes issued by corporations to meet short term cash needs.

B. The paper must have a Moody's Investor Service rating of P1..

IX. REPORTING REQUIREMENTS

A. At the end of each month, the Director of Business Services will provide to the Investment Advisory Committee a report of current investments in full detail, showing issuer or bank, rate, term, principal and market value as appropriate. In addition he shall be prepared to discuss investment transactions for the month,

including names of banks or brokers involved and, on sales, the gain or loss on each transaction.

X. METHOD OF ACCOUNTING

A. Gains or losses from investment sales will be credited or charged to investment income at the time of the sale.

B. Interest income will be accrued on a monthly basis.

C. Discounts to par and premium paid on the purchase of government securities will be amortized, straight line, over the term of the respective security.

CABRILLO COLLEGE / CABRILLO COLLEGE FOUNDATION SCHOLARSHIP GUIDELINES AND PROCEDURES

The following guidelines have been developed for persons or organizations wishing to establishing a scholarship for Cabrillo College students:

DONOR AWARD FORM

A Donor Award Form must be completed and returned to the Foundation Office to officially establish a named scholarship. This form states the purpose of the scholarship and the manner in which the donor wishes the award to be handled. Please note that the more general the statement of qualifications, the greater the possibility of aiding deserving students.

RECIPIENT SELECTION

The Cabrillo College Scholarship Committee will select the recipient or a donor may, at their option, select the student recipient(s). If a donor wishes to make the selection, they need to provide the College Scholarship Office with student applications to be completed by student applicants. The application SHOULD include a cover page explaining the scholarship criteria and requirements, the application, and a return address for the student applicants to forward their applications. All community application forms must be pre-approved by the Cabrillo Foundation Office prior to being posted in the College Scholarship Office. The Foundation is available to guide individuals and organizations to develop a qualified application.

The College Scholarship office will notify the recipient(s) selected or the donor may contact the recipient(s) with notification of their selection. In either case, the College Scholarship Office (479-6200) should be advised of the recipient(s) selection no later than April 15, and the method of informing the student. The April 15 deadline grants donors and recipients the opportunity to be recognized at an annual scholarship awards ceremony.

Should the College Scholarship Committee be designated to select the recipient, the donor will be informed of the name of the recipient at the Scholarship Awards Ceremony held in May. The address of the student may be provided upon request from the donor and upon authorization from the student recipient.

DISBURSAL OF FUNDS

The funds for all scholarships should be placed on deposit with the Cabrillo College Foundation prior to March 1 (in the year of the award). Most scholarships are announced in May with the funds disbursement taking place in the fall, after receiving proof of enrollment by the Cabrillo College Scholarship Office. The actual disbursement of the scholarship check is usually accomplished through established college procedures; however, if a donor desires to make the presentation at an organizational function, this can be arranged.

SCHOLARSHIP AND AWARDS CEREMONY

A Scholarships and Awards Ceremony, presided over by the President of the college is held in late May. Donors, student recipients and their parents, and guests are invited to join in the triumphant day. Invitations are mailed in early May.

updated 1/92

DONOR DESIGNATED FUNDS AND SPECIAL PROJECT FUNDS GUIDELINES

DONOR DESIGNATED FUNDS:

Donor Designated Funds are established to assist College Programs, Services or individual departments. Applications for such Funds are made through the College Chief Instructional Officer. A statement of purpose and the names of the advisory committee members that will administer each fund is required as part of the original application. All funds received become a part of the Endowment Fund and are pooled for investment purpose. The net income received is allocated for the use of the particular program, service or department.

Advisory Committee: An advisory committee made up of five or more staff and/or community members is responsible for promoting interest in and administering individual funds. The committee shall authorize a person to sign requisitions for expenditure of funds. At the request of the Foundation Board, a representative of the Advisory Committee will attend a Board meeting to discuss the Committees activities.

Annual Report: The committee is responsible for providing an annual report to the Foundation Board on or before May 1st. A standardized Annual Report Form is available through the Foundation Office and includes the activities and disposition of net income earned and/or accumulated by the fund.

Income /Expenditures: All fund expenditures shall follow the regular college procedures and shall be presented to the Foundation on Foundation Payment Requisition forms. All funds raised are separately identified and accounted for by the Chief Financial Officer of the Foundation. All funds received by the Foundation for a Donor Designated Fund are allocated for endowment, with only the net income to be expensed for the specific purpose of the fund.

Each fund shares in the operating expenses of the Foundation according to the ratio of the Foundation balances at fiscal year end.

SPECIAL PROJECT FUNDS:

Monies from general fund raising activities or donor contributions for current purposes shall be known as Special Project Funds. Special Project Funds shall have the same Advisory committee, Annual Report, and Income/Expenditure requirements as the Donor Designated Funds. Special Project Funds do not receive interest income.

*****GRANTS APPLICATIONS:** All grant applications being submitted to other organizations and/or foundations that name Cabrillo College Foundation as the recipient must be approved by the Cabrillo College President prior to being proposed.

THE CABRILLO COLLEGE FOUNDATION

Donor Designated Funds

College programs, services, or departments may apply to the Foundation through the College Chief Instructional Officer to establish a Donor-Designated Fund. The application should include a statement of purpose and the names of the committee which will administer the fund. Such funds shall become part of the Foundation Endowment and shall be pooled with other funds for investment purposes. Net income from the fund shall be allocated for the use of the program, service, or department. Requisitions for fund expenditures shall follow the regular college procedures.

Each fund shall establish a committee made up of staff and community members (if desired) to be responsible for promoting interest in and administering the fund. The committee shall authorize a person to sign requisitions for expenditure of funds. The Committee shall provide an annual report to the Foundation Board on or before May 1st concerning its activities and the disposition of the net income earned and accumulated by the fund. At the Board's request, a representative of the Committee will attend a meeting of the Board to discuss the Committee's activities. All funds raised shall be separately identified and accounted for by the Chief Financial Officer. Except for the funds designated by donors for special projects, all funds received by the Foundation for a donor-designated fund will be allocated for endowment, with only the net income to be used for the specific purposes of the fund.

Each fund will share in the operating expenses of the Foundation according to the ratio of Foundation balances at fiscal year end.

Special Project Funds

Monies from general fundraising activities or donor contributions for current purposes shall be known as Special Project funds. If the donor designates a particular use for the contribution, the President of the College shall name a person to be responsible for ensuring that the funds are expended in accordance with the donor's instructions.

Contributions received or monies raised for current operations without designation of purposes shall be used to meet priority needs of the College. Applications for those funds shall be reviewed periodically by a Fund Allocation Committee established by the College Chief Instructional Officer and the President of the Faculty Senate.

A report shall be submitted annually to the Foundation Board on the uses of special project funds.

Expenditures of Donor-Designated Funds or Special Project Funds

All expenditures shall be approved by the Vice President, Instruction and shall be in accordance with the California Education Code provisions governing the use of funds for community college purposes.

The College Chief Financial Officer shall have the responsibility for ensuring that expenditures meet Code requirements.

If a requisition for expenditures does not meet Code requirements, exceptions may be authorized by the Foundation Executive Committee. When requisitions for expenditures are submitted to the Foundation Executive Committee for authorization, they shall be accompanied by a recommendation from the Vice President, Instruction or the Fund Allocation Committee and in the case of donor designated funds shall be accompanied by a written justification approved by the donor designated fund committee.

When the Foundation Executive Committee considers whether or not to authorize the expenditure, it should be guided by the principle that funds should have a clear link with the improvement or enhancement of instructional activities and should not be used for personal purposes or advantage.

Revised and approved 9/27/88

267

245

**CABRILLO COLLEGE FOUNDATION
INVESTMENT POLICY
(approved 5/25/93)**

PURPOSE

The purpose of this Investment Policy Statement is to set forth general operating procedures to guide the administration of the investment portfolios of Cabrillo College Foundation. The guidelines set forth in this statement are approved by the Board of Directors. These guidelines are to be followed by the Investment Committee or any other Investment Advisors.

INVESTMENT OBJECTIVE

The general investment objective is to obtain a reasonable total rate of return, within reasonable standards of prudence. The term "total return" is construed to mean a combination of income in the ordinary sense and net appreciation in the market value of the investments, either realized or unrealized. The proportions of fixed-income securities, convertible issues, common stocks, real estate, notes secured by deed of trust or other investments approved from time to time is governed by the objectives.

It is also the objective of the Investment Committee to keep the level of funding distribution at a status quo or to increase the allocation of funding annually for the endowed funds. The Investment Committee and its advisors will review the level of realized capital gains annually and consider the apportionment of those realized capital gains to meet the objectives of the Committee. If realized capital gains are allocated, a percentage of those capital gains will be held in reserve to protect against potential future losses.

RISK GUIDELINES

Since preservation of capital and a reasonable rate of return are of prime importance, investments are to be so structured so as to minimize the down-side risk relative to expected return.

In evaluating investment decisions the "Prudent Person Rule" as set forth in Section 16040 Probate Code State of California shall be used as a guide.

The selection and retention of investments shall be exercised with the judgment and care under the circumstances then prevailing which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable income as well as the probable safety of their capital.

Investments selected for total return which may provide future income through the retention and reinvestment of current earnings by the issuing corporation, even to the extent of the elimination of current dividends, shall not be viewed as inconsistent with the principles of the Prudent Person Rule.

In the selection and retention of investments, due consideration should be given to the relative financial strength of the issuer, its revenues and earning power under diverse economic conditions, the ability of its management, and the economic demand for the competitive attractiveness of its products or services.

Any investments not meeting these standards will be considered unacceptable investments.

PORTFOLIO COMPOSITION

Investments shall be determined by such considerations as liquidity requirements, current and prospective income needs, the circumstances and objectives of the Foundation and the attractiveness of fixed income securities relative to equities.

In order to provide a rising stream of income and to participate in the growth of the portfolio, it should hold an appropriate representation in common stocks, preferred stock, issues convertible into common stocks, other equity investments, and other investments consistent with the investment objectives. The portfolio composition will be reviewed periodically and at least annually by the Finance Committee.

The Finance Committee will establish and periodically review the guidelines and annually discuss and vote on Attachment A and B.

DIVERSIFICATION

Diversification shall be undertaken to broaden opportunity and limit risks. Care should be taken to avoid excessive diversification or concentration and to develop holdings appropriate in size to the total value of the portfolio. Every investment should be part of a long term program to build and maintain a cohesive portfolio conforming to the objectives and responsive to changes in the investment environment.

No investment shall be made that will result in the market value of that investment, including other securities of the issuing company already held, representing more than 10% of the total market value of the portfolio. Exceptions to this policy require the prior approval of the Foundation's Executive Committee.

Only direct or guaranteed obligations of the U. S. Government or fully insured deposits in banks or savings and loans are exempt from this guideline.

While diversification is an element of the Prudent Person Rule, original or deposited assets representing more than 10% need not be reduced or eliminated solely for purposes of diversification so long as they otherwise qualify as an investment.

BROKERAGE

One or more brokers may be designated by the Finance Committee, and are empowered to operate under the guidelines established by the Finance Committee. They are authorized to use full discretion in the management of a balanced portfolio for the Foundation under the guidelines established by the Finance Committee.

POLICY ON RECEIVING STOCK DONATIONS INTO THE ENDOWMENT

Stock donations valued up to \$10,000 will be sold. Stock donations over \$10,000 are sold at the discretion of the Foundation President and one member of the Finance Committee sub-committee. If the decision is made to sell the stock, the donor's fund will be established at the net amount and the donor's fund will carry the loss or appreciation of the amount between value at date of gift and sell amount.

If the decision is made to hold the stock as an investment, the donor's fund will be established at the value at date of gift. When the stock is sold at a later date, the loss or appreciation will be allocated to all funds.

MORTGAGE INVESTMENTS

The Finance Committee shall annually appoint a sub-committee that can take action between the regular monthly meetings of the Finance Committee. This sub-committee shall be comprised of three members, two of whom can make a decision (the Finance Committee Chair and plus two additional members of the Investment Committee). The President and the Coordinator of the Foundation shall serve as ex-officio members of this sub-committee.

The authority for this sub-committee shall be limited to action on those items that do not exceed policy limits and due to time sensitivity cannot wait until the next regular meeting of the Finance Committee. In the event that action is required on an item exceeding the dollar limitation, the sub-committee will poll the full membership of the Finance Committee, with a simple majority constituting approval.

Action undertaken by the sub-committee shall be reported back to the Finance Committee at its next regular meeting for ratification.

POLICY ON RECEIVING GIFTS OF REAL ESTATE

The Finance Committee will demonstrate "due diligence" in accepting gifts of Real Estate. The Committee shall use a qualified environmental consultant to provide an environmental site assessment to disclose any contamination problems. The committee will also consult a lawyer to interpret any legal ramifications or liabilities resulting from the environmental report.

It is recommended that the donor be asked to provide the assessment report. If the Foundation is required to pay for the study, the study will be performed to furnish reassurance that "due diligence" was performed, should problems come to light years later.

ATTACHMENT A**MORTGAGE INVESTMENT****(approved 5/25/93)**

At such time as a proposed mortgage investment is presented, the Finance Committee will appoint a person who will be responsible to review all documents relating to said transaction.

Generally any single trust deed will be limited to a maximum of 10% of the mortgage portfolio with the total mortgage portfolio generally holding approximately 40% of the Foundation's total portfolio.

TERMS OF LOANS:

- A) Local properties should be given preference.
- B) Preference to 1st trust deeds on improved property.
- C) Where an agent is designated, the Foundation is one of several holders of the mortgage which is being serviced by the agent.
- D) Generally short term Real Estate notes not to exceed 5 years
- Preferably interest only at prevailing rate of interest
- E) All costs, other than reasonable servicing fees, to be incurred by the borrower.
- F) The mortgage/value ratio should not exceed 70% and the 2nd mortgage can not exceed the 1st mortgage.

In order for the Finance Committee to discuss and vote on Mortgage Investments, the following items must be presented to the Committee:

1. A description (including zoning), Preliminary Title Report, and location map of the property.
2. A formal appraisal if at all possible. If not, some comparable sales information - this is vital.
3. The proposed terms of the mortgage sale. Include the mortgage/value ratio. In the case of land loans, this ratio should not exceed 50% including our loan; for 1st and 2nd trust deeds on improved property, the ratio should not exceed 70% including our loan.
4. Credit information on the proposed Borrower. This is important, as on these "hard money loans" we can seek recourse in the event of a default.
5. All loans to be secured by a Note and Deed of Trust. Title Company to provide Title Insurance.
6. An agreement that the Foundation will receive immediate notification if reserve funds are expended for any reason.

Final approval of any mortgage investment must be made by the Finance Committee at a meeting after members have had an opportunity to review all of the above information.

ATTACHMENT B**BROKER PORTFOLIO GUIDELINES****(Approved 5/25/93)**

1. The assigned broker is authorized to use full discretion in management of a balanced portfolio for the Cabrillo College Foundation. They will initiate the asset allocation at 60% equity and 40% fixed-income.
2. While there will be no limitations on the allocation of equity, fixed-income or money market investments, the assigned broker will maintain an allocation which will be best suited for total return and capital growth.
3. A yield target of approximately 6% (or at any time in excess of the inflation rate) will be established initially in the total portfolio.
4. Equities will be selected under the discipline initially described at the broker presentation; i.e. the Dividend Growth methodology.
5. The fixed-income portfolio will invest only in investment grade instruments with no maturity limitations.



SIERRA COLLEGE FOUNDATION

An Investment in the Future . . .

DONATION POLICY

The Sierra College Foundation recognizes that individuals and organizations in the community may wish to contribute additional materials, supplies, equipment and funds to maintain, enhance and expand opportunities available to Sierra College.

Acceptance of gifts must follow these guidelines:

- 1) The donation should be deemed suitable for college use.
Before accepting a gift appropriate college departments in the College Presidents office will be contacted.
- 2) Material donations need an estimated value for informational reference, record keeping of Internal Revenue Service questions. In most cases, the donor should specify an appropriate value.
- 3) Acceptance or acknowledgement should not be construed as an endorsement of a product or business enterprise. Gifts should not endanger community relationships.

If accepted, the donor will receive a written acknowledgment from the Foundation, specifying the gifts use.

SIERRA COLLEGE FOUNDATION DONATIONS POLICY (continued)

To demonstrate the guidelines, here are some examples:

* An office supply store donates a typewriter valued at \$200 by the donor. The amount is entered into the Foundation records, an acknowledgement is mailed to the donor specifying the amount and the campus department where the typewriter was sent.

* A campus department accepts a software donation. The department researches an estimated value of \$100 for the software. The department contacts the Foundation, which issues an acknowledgement to the donor.

* A Trustee is approached by a donor wanting to construct a \$10,000 memorial cascading water fountain on the campus. Having approached various departments for the need and usability of a fountain, the Trustees and College explain the maintenance and expenditures of fountains, and requests the donor to reconsider a more appropriate memorial.

* A company upgrading it's office wants to contribute \$15,000 worth of lighting and computer equipment. Careful analysis shows asbestos and hazardous substances in the donation wiring. In accordance with environmental mandates, the cost to convert the wiring ranges in the thousands of dollars. The Trustees, explaining these costs and their fiscal responsibility to the district, deny the donation citing it not suitable for college use.

Contact the Foundation office regarding questions about material donations. (550 High Street, Suite 6, Auburn, CA 95603 - 823-3655.)



SIERRA COLLEGE FOUNDATION

An Investment in the Future . . .

AUTO DONATION POLICY

1. Donation of a vehicle that has potential resale value by the Foundation:
 - a. Accept (any) vehicle only if it is in running condition and meets applicable vehicle emission and safety requirements.
 - b. Obtain keys and pink slip from the owner.
 - c. Acknowledge the donation by the Foundation Board or Executive Committee.
 - d. Store the vehicle in the college maintenance areas.
 - e. Label the vehicle "Property of the Sierra College Foundation."
 - f. Include the vehicle(s) with those of the college to be auctioned (semi-annually).
 - g. Checks are made payable to "Sierra College Foundation".
 - h. Net proceeds go to the Foundation for General Fund or a designated account.

2. Donation of a vehicle to be used by the Auto Tech Department for educational purposes:
 - a. Accept the vehicle only after the Auto Tech Dept. gives approval of the potential gift.
 - b. Acknowledge the gift on behalf of the Sierra College Foundation, following acceptance by Board or Executive Committee.
 - c. Pink slip will be filed in either the Foundation office or the Business office.
 - d. Any permits for dismantling, paper work with the DMV, insurance and liability questions and issues are the responsibility of Sierra College upon receipt of said vehicle, keys, and pink slip.
 - e. If vehicle is to be sold, a "Bill of Sale", "Certificate of non-operation", and pink slip (if available) must be completed. All licensing costs are to be borne by the purchaser.

550 High Street, Suite 6, Auburn, California 95603 • (916) 823-3655 • Fax (916) 781-0455

CUESTA COLLEGE FOUNDATION

INVESTMENT POLICY GUIDELINES for ENDOWMENT AND CASH MANAGEMENT

INTRODUCTION

The purpose of this document is to set forth the basis upon which the Cuesta College Foundation, through its Investment Committee, shall discharge its responsibilities with respect to the preservation, maintenance, and enhancement of the Foundation's assets.

The bylaws of the Foundation established overall responsibility for the investment management of the Foundation. Those Bylaws provide:

Article 10, Section 5:

There shall be an Investment Committee which shall have not more than ten (10) members, at least five (5) of which shall be either officers or Directors of the Cuesta College Foundation.

The Investment Committee, without further approval of the Board of Directors, shall be responsible for the investment and reinvestment of funds and assets of the Cuesta College Foundation. The Investment Committee shall carry out its responsibilities in accordance with such investment policies and other policies as the Board of Directors of the Cuesta College Foundation shall from time-to-time prescribe. (As amended 9/25/86, and 8/6/91)

I. INVESTMENT OBJECTIVES

The Investment Committee shall seek to achieve the following objectives in the following order of priority:

- A. The preservation of the assets of the Foundation.
- B. The generation of current income to support the programs of Cuesta College and donor objectives.
- C. To achieve growth of both principal value and income over time sufficient to preserve or increase the purchasing power of the assets, thus protecting the assets against inflation.

II. INVESTMENT PHILOSOPHY

- A. The investment objectives call for a disciplined, consistent management philosophy that accommodates the occurrence of all those events which might be considered reasonable and probable. The investment objectives call for a philosophy which avoids extreme positions or opportunistic styles.
- B. The Foundation's investment portfolio shall be diversified both as to fixed income and equity

holdings. The purpose of diversification is to provide reasonable

assurance that no single investment or class of investments will have a disproportionate or significant impact on the total portfolio.

- C. The purpose of fixed income investments shall be to provide a highly predictable and dependable source of income, to reduce the variability of the total portfolio market value.
- D. The purpose of equity investments shall be to provide current income, growth of income, and appreciation of principal with the recognition that this requires the assumption of greater market volatility and risk of loss than in fixed income investments.
- E. The integral part of the investment philosophy shall be to maintain flexibility and to invest relatively more heavily in cash equivalents during periods when their risk/return characteristics appear more attractive than other investments.

III. ASSET ALLOCATION

The assets of the Foundation will be invested so that equity investments will normally constitute sixty percent (60%) and fixed-income investments forty percent (40%) of total assets.

IV. EQUITY INVESTMENTS

Equity investments of the Foundation may include common stocks, preferred stocks, real estate, direct ownership of a business or enterprise, and personal property received by the Foundation by means of gift or bequest (automobiles, jewelry, objets d'art, paintings, etc.).

A. Common Stocks

1. The principal category of equity investments will be common stocks, with primary emphasis on high quality, investment grade, dividend-paying stocks in companies that are financially sound and that have favorable prospects for earnings growth. Preferred stocks having the foregoing qualities are also suitable for investment.
2. Stock investments should be diversified in terms of industry, capital size, and country of origin. It is expected that at least ten percent (10%) and not more than twenty percent (20%) of stock investments should be in companies not within the United States, that no more than five percent (5%) of the equity portion of the endowment's assets should be invested in any one stock issue, and that investments of more than twenty percent (20%) of the portfolio in any one industry sector should be avoided.
3. Stocks which do not meet the foregoing criteria may be held by the Foundation if received by the Foundation as a gift or bequest. However, the Foundation will not normally purchase such stocks.

4. In the event that the Foundation receives by gift or bequest, stocks of sufficient value such that the portion of the assets of the Foundation represented by equity investments exceeds the sixty percent (60%) guideline, the Investment Committee may hold such gift or bequest, without adjustment in the balance of the equity portion of the Foundation's assets, until such time as the Investment Committee deems it prudent to sell or otherwise dispose of the gift or bequest. In the event that the Investment Committee deems it prudent to hold such gift or bequest for more than one year, without such adjustments to the assets of the Foundation, the Investment Committee shall report such determination to the Executive Committee.
5. In addition to direct ownership of stocks, the Foundation may invest in stocks by means of mutual funds.

B. Real Estate

1. Equity investments may also include equity in real estate investments in professionally managed, income producing commercial property.
2. Such investments, however, shall not exceed fifteen percent (15%) of total endowment assets, and no more than five percent (5%) of total endowment assets shall be committed for real estate investments in any two-year period in order to achieve diversification over time.
3. In the event that the Foundation receives, by gift or devise, real estate of sufficient value such that the portion of the assets of the Foundation represented by equity investments exceeds the sixty percent (60%) guideline, or the portion of real estate assets exceeds fifteen percent (15%) of total endowment assets, the Investment Committee may hold such gift or bequest, without adjustment in the balance of the equity portion of the Foundation's assets or of total endowment assets, until such time as the Investment Committee deems it prudent to sell or otherwise dispose of the gift or bequest. In the event that the Investment Committee deems it prudent to hold such gift or bequest for more than one year, without such adjustments to the assets of the Foundation, the Investment Committee shall report such determination to the Executive Committee.

C. Private Equity and Venture Capital

1. Equity investments may also include private equity or venture capital investments.
2. Such investments, however, shall not exceed five percent (5%) of total endowment assets and must be made through pooled funds offered by professional investment managers with proven records of superior performance over time.
3. In the event that the Foundation receives, by gift or bequest, a private equity or venture capital interest of sufficient value such that the portion of the assets of the Foundation

represented by equity investments exceeds the sixty percent (60%) guideline, the Investment Committee may hold such gift or bequest, without adjustment in the balance of the equity portion of the Foundation's assets or of total endowment assets, until such time as the Investment Committee deems it prudent to sell or otherwise dispose of the gift or bequest. In the event that the Investment Committee deems it prudent to hold such gift or bequest for more than one year, without such adjustments to the assets of the Foundation, the Investment Committee shall report such determination to the Executive Committee.

D. Personalty

1. The Foundation shall not normally invest in tangible personal property such as automobiles, commodities, jewelry, objets d'art, paintings, etc.
2. In the event that the Foundation receives, by gift or bequest, an item or items of tangible personal property of sufficient value such that the portion of the assets of the Foundation represented by equity investments exceeds the sixty percent (60%) guideline, the Investment Committee may hold such gift or bequest, without adjustment in the balance of the equity portion of the Foundation's assets or of total endowment assets, until such time as the Investment Committee deems it prudent to sell or otherwise dispose of the gift or bequest. In the event that the Investment Committee deems it prudent to hold such gift or bequest for more than one year, without such adjustments to the assets of the Foundation, the Investment Committee shall report such determination to the Executive Committee.

V. FIXED INCOME INVESTMENTS

A. Cash and Equivalents

Fixed-income investments may include short-term, money market securities. Such investments, however, shall be kept at the minimum level which the Investment Committee considers necessary to meet foreseeable short-term liquidity requirements, not normally exceeding five percent (5%) of the total assets of the Foundation. Such investments shall be made in U.S. Treasury securities, commercial paper rated A-1 or P-1, and money market securities issued by institutions with proven high-quality credit ratings or by pooled funds with demonstrably high-quality credit standards and proven records of superior performance over time.

B. Bonds

1. It is expected that the largest percentage of fixed-income investments shall be invested in portfolios of high-quality (primarily A to AAA rated) corporate bonds, U.S. Treasury securities, or issues of foreign sovereigns.

2. In the event that the Foundation receives, by gift or bequest, fixed income investments of sufficient value such that the portion of the assets of the Foundation represented by fixed income investments exceeds the forty percent (40%) guideline for fixed income securities, the Investment Committee may hold such gift or bequest, without adjustment in the balance of the fixed income portion of the Foundation's assets or of total endowment assets, until such time as the Investment Committee deems it prudent to sell or otherwise dispose of the gift or bequest. In the event that the Investment Committee deems it prudent to hold such gift or bequest for more than one year, without such adjustments to the assets of the Foundation, the Investment Committee shall report such determination to the Executive Committee.

VI. BALANCED FUND MANAGERS

It is the policy of the Foundation not to retain the services of "balanced fund" managers, or to invest in "balanced" mutual funds, inasmuch as such discretionary management of assets tends to be judgmental with respect to market timing and will tend to render moot the prescribed asset mix according to these guidelines.

VII. RESTRICTED INVESTMENTS

Certain funds are obtained by the Foundation through donations wherein the donor has placed restrictions on the form of investment to which these amounts may be applied, either directly by specifying qualifying investment vehicles or indirectly by stipulating a higher-than-normal spending rate. Such funds will be invested according to the donor's requirement to the extent such requirement is a condition of the gift, and will be excluded from the total pool of available funds subject to the present investment guidelines with respect to asset allocation.

VIII. SHORT-TERM/CASH-MANAGEMENT

A. Responsibility

The Foundation Investment Committee will be responsible for the investment of current (non-endowment) gifts to the Foundation and may delegate management of these short-term cash investments to Foundation staff.

B. Investment Strategy

Generally, the designated Foundation staff may invest any such current funds in:

1. Certificates of Deposit issued by commercial banks and insured by FDIC or FSLIC.
2. U.S. Treasury Bills or notes with a maturity of less than three years.

3. Money market funds which assure safety on the basis of high credit standards and a proven record of superior performance over a period of not less than 10 years.
4. Other, as specifically approved by the Investment Committee.

Draft Date: 07/09/92
Sp 1/a. InvestPol. New

MARICOPA COMMUNITY COLLEGE FOUNDATION

POLICIES

DATE: Reviewed and Revised as of April 21, 1992

PREFACE

Private support for public higher education is a firmly-established practice which has become a necessary supplement to public support. Much money and other things of value are successfully solicited by private foundations. Institutions of higher education, and especially the students attending these institutions, have been the beneficiaries of donor contributions. Indeed, the institutions and the students become dependent upon such contributions to fill "gaps" caused by inadequate public funding.

Each private foundation exists only to enhance the mission of the institution with which it is associated*. However, each party must be legally independent of the other, with separate board of directors/trustees. There may be, and indeed should be institutional representation of the foundation board, preferably the president or chancellor of the institution, although he/she should serve as an ex-officio, non-voting member.

Foundations must posture themselves in such a manner as to protect the institution, its board, the foundation board, and the donors. This broad obligation implies certain more specific obligations such as the following:

- o acceptance of a code of ethics
- o use of generally accepted accounting procedures
- o use of acceptable auditing procedures
- o avoidance of any involvement in political activities

These obligations can best be met through the adoption of appropriate policies. This publication is meant to meet these needs.

Dennis E. Mitchem
President

Rea Drennen
Executive Director

April 21, 1992

* The institution with which the Maricopa Community Colleges Foundation is associated is the Maricopa County Community College District of Maricopa County, State of Arizona. The Maricopa Community Colleges Foundation is a fully qualified 501(c)(3) incorporated in the State of Arizona for the sole purpose of supporting this institution.

MARICOPA COMMUNITY COLLEGES FOUNDATION

OFFICERS 1991-1992

Dennis Mitchem, President
Donald E. Ruff, 1st Vice President
LeRoy Gaintner, 2nd Vice President
Napoleon Hornbuckle, Secretary
George E. Leonard, Treasurer
Robert Evans, Immediate Past President

DIRECTORS 1991-1992

Elden Barmore	Barbara Barrett
Gerry L. Bedore	John Berry
William P. Brown	Donald R. Campbell*
George Campbell	Don K. Chambers
Dan Cracchiolo	Pam Del Duca
O. Mark DeMichele	John Driggs
Dr. John Eckstein	Paul Elsner*
Ralph W. Elsner	Marianne Fannin
Steve Forister	David R. Frazer
Barbara Hitchcock*	Rose Lopez
Jerry Mayer	Hamilton McRae III
James E. Miller	Paul M. Pair
Edwin Petrazzolo	Lincoln Ragsdale
Donald Reck	J. L. Refsnes
Steve Robson	William Schrader
Susan Schwartz	James P. Simmons
G. M. Sollenberger	Warren H. Stewart
Richard P. Tillack	Ted Valdez

*Ex-Officio

PAST PRESIDENTS

Robert Evans
John Berry
Marianne Fannin
Dick Tillack
Ralph W. Elsner
Paul M. Pair
James E. Patrick II (deceased)
Don K. Chambers

EXECUTIVE DIRECTOR

Rea B. Drennen

ASSISTANT TO THE DIRECTOR

Alma Padilla

Phone # 731-4800 - FAX # 731-8850

CONTENTS

POLICY	POLICY TITLE	PAGE
0100	<u>BOARD</u> - FIDUCIARY RESPONSIBILITIES OF FOUNDATION BOARD MEMBERS	1
	0101 BOARD - CODE OF ETHICS.....	2
	0102 INFORMATION - ACCESS TO INFORMATION.....	2
0200	<u>COST RECOVERY</u> - INTEREST EARNED AND ALLOCATED/COST RECOVERY	3
0300	<u>FINANCIAL</u> - FINANCIAL MANAGEMENT	4
	0301 AUDIT - AUDIT, FINANCIAL.....	4
	0302 AUDIT - AUDIT, PERFORMANCE.....	4
	0303 CASH - CASH MANAGEMENT.....	4
	0304 ENDOWMENT - EFFECTIVE ENDOWMENT MANAGEMENT	4-5
	0305 INVESTMENT - INVESTMENT COMMITTEE/USE OF PROFESSIONAL MANAGER.....	6-7
	0306 PROPERTY - REAL PROPERTY.....	7
	0307 PURCHASING - PURCHASING POLICIES.....	7-8
	0308 RECORDATION - RECORDATION.....	8
	0309 SECURITIES - SECURITIES/ASSIGNMENT.....	8
0400	<u>FUNDS</u> - MANAGEMENT OF FUNDS	9
	0401 EXPENDITURE - AUTHORITY TO EXPEND FUNDS	9
	0402 INVESTMENT - INVESTMENT OF ENDOWMENT FUNDS.....	9-11
	0403 INVESTMENT - INVESTMENT OF FUNDS/SHORT-TERM.....	11
	0404 LOAN - LOAN OF FOUNDATION FUNDS.....	11
	0405 POLITICAL - POLITICAL DONATIONS.....	11
	0406 RESTRICTED - RESTRICTED FUNDS/GENERAL..	12
	0407 RESTRICTED - RESTRICTED FUNDS/ENDOWMENT	12-13
	0408 SCHOLARSHIP - SCHOLARSHIP FUNDS/ADMINISTRATION.....	13-14
	0409 TRANSFER - TRANSFER OF FUNDS.....	14-15
0500	<u>GIFTS</u> - POLICY PURPOSE	16
	0501 ACCEPTANCE - ACCEPTANCE OF GIFTS.....	16-17
	0502 DEFINITIONS - CATEGORIES OF GIFTS/DEFINITIONS.....	17-19
0600	<u>IRS</u> - ADHERENCE - IRS RULES AND REGULATIONS ..	20
	0601 PREMIUMS - PREMIUMS/FOUNDATION RESPONSIBILITIES.....	20-21
0700	<u>POLICIES</u> - EXCEPTIONS TO POLICIES	22
	0701 REVIEW - ANNUAL POLICY REVIEW.....	22
0800	<u>APPENDIX</u> - INSTITUTIONAL POLICY - PROCUREMENT OF GOODS AND SERVICES.....	23-25

283



SECTION 0100

BOARD FIDUCIARY RESPONSIBILITIES

CODE OF ETHICS

286

264

POLICY: FIDUCIARY RESPONSIBILITIES OF FOUNDATION BOARD MEMBERS**PURPOSE:**

To emphasize the fiduciary responsibilities of board members through a policy statement.

STATEMENT OF POLICY:

Appropriate orientation shall be given to each person who has been selected and who has agreed to be a member of the Foundation Board. This orientation shall stress, among other things, the fiduciary responsibilities of each board member and of the total board.

1. Each board member shall understand that the Foundation is a non-profit organization organized under the statutes of the State of Arizona, and approved as a 501(c)(3) by the United States Internal Revenue Service (IRS); and that the Foundation must remain legally independent from the institution.
2. The Board has a trustee duty to its donors and must, therefore, honor restrictions placed upon donor gifts, if accepted.
3. The Board shall exercise independent control over the Foundation's financial operations and shall cause to be utilized generally accepted accounting and reporting procedures.
4. The Board shall cause to be conducted periodic financial and performance audits.
5. The Board shall cause to be instituted appropriate internal controls.
6. Each board member shall be responsible for acting within the scope of his/her authority and within the total scope of the mission of the Foundation.
7. Each board member individually and all board members collectively, shall adhere to all appropriate laws, regulations, and legal opinions which apply to the Foundation and its existence.
8. The board members collectively shall be responsible to see that appropriate financial management policies and practices are instituted and employed.

0101

CODE OF ETHICS:

The Foundation shall have a code of ethics which incorporates applicable and relevant State laws. Additionally, the pledge of cooperation and the acceptance of a "single-purpose" of both the institution and the Foundation shall be included.

0102

CONFIDENTIALITY OF FOUNDATION RECORDS AND FILES:

PURPOSE:

The Foundation enjoys a tax-exempt status under the IRS Section 501 (c)(3) and is a private, non-profit corporation organized under the laws of Arizona. As such, it solicits, accepts, administers, and disburses gifts in the form of donations, contributions, grants, gifts-in-kind, and bequests. All records pertaining to such activities must be considered confidential to protect donors and prospective donors.

POLICY:

All information, records, and files relating to donors and prospective donors, and their gifts, shall be considered strictly confidential and not available to the public. Responsibility for maintaining confidentiality of such information, records, and files rests with the Executive Director of the foundation and/or as may be otherwise specifically directed by the Foundation Board.

Requests for information not covered by this policy from individuals, organizations, or the media shall follow these procedures:

1. A written request shall be submitted to the Executive Director clearly setting forth the information requested.
2. Also included shall be the reason for needing the information and use which will be made of the information.
3. The Executive Director may supply the information or may submit the request to the Executive Committee at its next regularly scheduled meeting.
4. The decision of the Executive Committee shall be final.

SECTION 0200

COST RECOVERY

INTEREST EARNED AND ALLOCATED

289

267

0200

**POLICY: INTEREST EARNED AND ALLOCATED/COST
RECOVERY**

PURPOSE:

To recover all or part of the cost of managing restricted accounts held by the Foundation.

STATEMENT OF POLICY:

In order to defray operational costs of the Foundation, a cost may be established by the Finance Committee on an annual basis and imposed upon recipients. The Finance Committee may also make exceptions to the cost recovery policy.

SECTION 0300

FINANCIAL MANAGEMENT

AUDIT

CASH MANAGEMENT

COST RECOVERY

ENDOWMENT MANAGEMENT

INVESTMENT COMMITTEE

PURCHASING

REAL PROPERTY

RECORDATION

SECURITIES

0300 POLICY: FINANCIAL MANAGEMENT

PURPOSE:

To establish policies pertaining to the financial management of the Foundation for the protection of the Foundation, its board, the institution, and donors.

0301 AUDIT/FINANCIAL:

A financial audit shall be conducted on an annual basis by an external, qualified accounting firm. Additional financial audits may be instituted by the Finance Committee as it may deem necessary to uphold the integrity of the financial affairs of the Foundation.

0302 PERFORMANCE AUDIT AND INTERNAL CONTROLS:

From time to time, as recommended by the Finance Committee or the Executive Committee, the Board of Directors shall direct that a performance audit be conducted by a qualified external agent. Such audit shall include, but not be limited to, an examination of internal controls.

0303 CASH MANAGEMENT:

1. OBJECTIVE - To invest temporarily available cash in short-term investments to the greatest degree possible and to maximize the return on investments within pertinent laws and regulations; all such investments and deposits to be insured or collateralized.
2. PURPOSE -
 - a. To develop cash receipt projections
 - b. To control and manage cash receipts
 - c. To control cash disbursements
 - d. To develop and implement a sound investment of funds policy to insure the prompt investment of idle funds for maximum benefit.
3. INSTITUTIONAL CONTROL OVER FOUNDATION FUNDS - The Foundation shall not accept nor hold any funds which are controlled by the institution or any of its members.

0304 EFFECTIVE ENDOWMENT MANAGEMENT GUIDELINES:

1. GENERAL OBJECTIVES - To accumulate and manage all endowment funds in such a manner as to efficiently optimize both financial and strategic values and to invest all idle funds promptly and prudently.

2. ITEMS OF CONSIDERATION -

- a. **COMMITMENT** - Foundation Board members, the Maricopa Community Colleges Board members, and the senior administration must be strongly committed to:

- o The mission of the Foundation
- o The endowment fund of the Foundation

-and-

- o The efficient management of endowment funds in the relation to the institution's objectives.

- b. **CASH MANAGEMENT** - All funds received shall be processed immediately and invested wisely, all such investment and/or accounts to be insured or collateralized.

- c. **RECORDATION** - All funds received shall cause appropriate records to be initiated and maintained.

3. **FOUNDATION AND/OR INSTITUTIONAL POICIES** - There shall be clear and explicit policies pertaining to the acquisition, the investment, and the management of the endowed funds. Some of the items to be included are these.

- a. Maricopa Community Colleges mission statement and philosophy as it pertains to the endowment fund.

- b. Investment guidelines

- c. Use of professional investment managers

- d. Spending rate policy

4. **EVALUATION AND REPORTING** - Evaluation of performance of the fund (or fund manager) as measured against the investment policies shall be on-going. Formal reporting shall be on a semi-annual basis to the Finance Committee and at least annually to the Foundation Board.

**INVESTMENT COMMITTEE/USE OF A PROFESSIONAL
INVESTMENT MANAGER**

The chairperson of the Finance Committee shall appoint an Investment Committee consisting of at least two (2), but not more than three (3) of its members to act, as necessary, in the prudent investment of all available funds. This Committee shall have a chairperson appointed by the chairperson of the Finance Committee. In addition to the supervision of prudent investment of all available funds, the Investment Committee shall be responsible for recommending the use or non-use of a professional investment manager and/or the use or non-use of an investment consultant.

1. INVESTMENT COMMITTEE RESPONSIBILITIES -

- a. Fiduciary responsibility is to prudently manage and conserve the funds of the foundation.
- b. Performance shall be measured as it relates to the investment of public funds. Guidelines for evaluation of performance and required management reports shall be established by the Investment Committee and shall become part of any contractual arrangement with an investment manager and/or investment counselor, if utilized.
- c. Compliance with State laws and regulations promulgated by the Foundation board is absolute.
- d. Responsibility for guiding the investment of funds lies with the Investment Committee.
- e. Responsibility for daily operational matters lies with the Executive Director.
- f. Investment results, including securities held, shall be reported at least semi-annually, to the Finance Committee.

2. SECURITIES -

- a. Investment up to one year may be made without prior approval of the Finance Committee.
- b. Business shall be conducted only with financial institutions of unquestionable financial reputation.
- c. Maximum possible liquidity shall be maintained in accordance with projected needs of the Foundation.

3. **EXCLUSIONS** - Any investment situation not covered by policy shall be the responsibility of the Investment Committee which shall have the following options:

a. Make the decision if time requires an immediate decision and report the action to the Finance Committee.

-or-

b. Request a special meeting of the Finance Committee, present the situation, and make a recommendation to the Finance Committee for action.

0306

REAL PROPERTY POLICIES

1. **DUE DILIGENCE** - Due diligence, including consideration of possible environmental problems, shall be exercised at all time in the process of accepting gifts of real property. All real property gifts shall be carefully examined by a subcommittee of the Finance Committee.

2. **REAL PROPERTY SUBCOMMITTEE** - a property subcommittee shall be appointed by the chairperson of the Finance Committee and shall consist of at least two (2), but no more than three (3) members of the Finance Committee, who shall work with a designated staff person. The subcommittee shall have the delegated authority to act (accept or reject) offers of real property, but shall report the particulars and the action(s) to the Finance Committee and to the Executive Director. The Finance Committee and Executive Director shall report informationally to the Foundation Board.

0307

PURCHASING POLICIES

1. **GENERAL** - The Foundation shall utilize the existing institutional procedures for acquisition and accountability for goods and services.

2. **TRANSFER OF ASSETS TO INSTITUTION** - The Foundations shall not acquire any asset for the institution without prior approval of the institutional Governing Board or its designee. Further, no existing asset held or controlled by the Foundation shall be transferred to the institution without the approval of the institutional Governing Board. It is axiomatic that there must be Foundation board approval through policy or specific action.

3. **PERSONAL SERVICES/CONSULTING AGREEMENTS** - The Foundation may contract for personal/consulting services as may be properly budgeted or specifically approved by Board action. All such contracts shall be in writing and bid, wherever possible. Institutional procurement policies shall be utilized (See Appendix, Section 0900). Exceptions may be authorized by the Executive Committee.

0308

RECORDATION

All funds received shall cause records to be initiated which contain, but shall not be limited to the following information:

1. Date of receipt
2. Source and amount or value
3. Type and description of gifts, with restrictions, if any
4. Pertinent donor information
5. Recordation of any official action which might alter or affect gifts or their usage
6. Recordation of reports made to donors, Foundation Board, and others

0309

SECURITIES/AUTHORITY TO ASSIGN

1. The portfolio of securities which may be held by the Foundation shall be regularly monitored in order to cause action most advantageous to the value of said portfolio.
2. Any two (2) of the persons holding the positions listed below are authorized and empowered to sell, assign, or transfer any and all bonds, certificates of deposit, stocks, or other securities which may be registered in the name of the Foundation or which may now or hereafter be assigned to it:
 - o President
 - o Immediate Past President
 - o Chairperson of Finance Committee
 - o Executive Director

SECTION 0400

MANAGEMENT OF FUNDS

EXPENDITURES

INVESTMENT

LOANS

POLITICAL DONATIONS

RESTRICTED FUNDS

SCHOLARSHIP FUNDS

TRANSFER OF FUNDS

0400 POLICY: FUNDS: MANAGEMENT OF FUNDS

The fiduciary responsibility dictates that extreme caution shall be exercised in the management of all funds under the control of the Foundation.

0401 AUTHORITY TO EXPEND FOUNDATION FUNDS -

Only the Board of Directors can authorize the expenditure of Foundation funds. The Board must honor donor wishes and may, with discretionary funds, authorize expenditures through the adoption of an annual budget and through delegation to its committees and to its executive Director.

1. RESTRICTED FUNDS - Expenditures shall be strictly in accordance with donor stipulations and conditions. Any funds accumulated through the investment of restricted funds, not stipulated by the donor, shall be expended in accordance with Foundation Board policy and/or action.
2. UNRESTRICTED FUNDS - Unrestricted funds shall be the basis for funding current expenditures and shall be made in accordance with an annually adopted budget. Latitude shall be incorporated into the annual budget to allow the Executive Director reasonable discretion in the execution of the business of the Foundation.

0402 INVESTMENT OF ENDOWMENT FUNDS -

PURPOSE:

The purpose of this investment policy is to provide guidelines for the investment funds deemed "permanent" in nature.

POLICY:

Permanent endowment funds are defined as those funds (restricted or unrestricted) the principal of which cannot be invaded and thus can be committed for extended maturities (in the case of debt instruments or with no specific repayment framework in the case of equity or real estate transactions). Though this policy contemplates only the investment of funds in debt instruments, nothing in this policy should be construed which would preclude investments in other instruments which may be, from time to time, approved by the Finance Committee of the Foundation. Upon the accumulation of \$100,000 of funds deemed to be permanent endowment in nature, the appropriate staff member shall invest those funds according to the following guidelines:

NOTE: For purpose of this investment policy, the maturity of an investment shall be deemed to be an accumulation of funds.

1. PERMITTED INVESTMENTS

- a. United States Treasury Notes and Bonds
- b. Obligations of the Federal National Mortgage Association, the Federal Farm Credit Bank System, the Federal Home Loan Bank Board, or the Student Loan Marketing Association.

2. MATURITY SCHEDULES

- a. Investments shall be made in \$100,000 increments.
- b. Funds shall be invested in any permitted investment(s) which has a maturity date no longer than seven (7) years from the date of investment.
- c. The goal of the investment policy is to develop an investment portfolio structured such that in each year one seventh of the portfolio will mature. To the extent that the portfolio does not have funds invested in that proportion, available moneys in appropriate increments will be invested in the next succeeding year that would cause the portfolio to approach the desired proportion.

EXAMPLE:

Year	Investment Amount
1	\$200,000
2	200,000
3	200,000
4	100,000
5	100,000
6	100,000
7	100,000

NOTES: The next available funds shall be invested with a maturity in year 4. If the next available funds resulted from the maturity of the investments in year 1, \$100,000 each would be invested in years 4 and 5.

3. AUTHORIZATION OF INVESTMENTS

Staff shall require the approval of either the chairperson, the vice chairperson or other designated member of the Finance Committee (to be named annually by the Finance Committee Chairperson) prior to the investment of permanent endowment funds.

4. COMBINED INVESTMENTS/POOLED FUNDS

Endowment funds may be combined with other types of funds provided accounting identity is maintained and provided this policy is strictly followed. The pooling of funds shall be utilized as may be beneficial to the Foundation.

0403

INVESTMENT OF FUNDS - SHORT TERM

1. DEFINITIONS

SHORT TERM INVESTMENT shall be described, in this context, up to 180 days. It is intended that funds not needed for a period longer than 180 days, but less than one year, shall be reinvested upon maturity.

2. POLICY STATEMENT

Idle funds shall be invested to the extent possible. Short term investment of funds shall be invested to maintain the maximum possible liquidity to meet projected needs. Investments may include certificates of deposit, U.S. Government Securities, and instruments from Arizona financial institutions provided there is insurance coverage through FSLIC or FDIC. Investment periods shall be not longer than one hundred eighty (180) days. Short term investment of funds may be effected by the Executive Director of the Foundation or as delegated. Any funds needed within thirty (30) days shall be kept in an interest bearing checking account.

0404

LOAN OF FOUNDATION FUNDS

There shall be no loaning of foundation funds, either external to the Foundation or as inter-fund borrowing/lending.

0405

POLITICAL DONATIONS

There shall be no donation of foundation funds for political purposes.

0406

RESTRICTED FUNDS/GENERAL

1. PURPOSE:

To provide for efficient and effective management of restricted accounts held by the Foundation.

2. DEFINITION:

A restricted account is one from which expenditures are restricted to a purpose or purposes specified by the donor(s).

3. STATEMENT OF POLICY:

SECTION 1

Restricted accounts shall not accrue interest; except where there are specific agreements with donors to do so.

SECTION 2

All restricted accounts shall be formally established and recorded in the Registry of Trust which shall contain donor identification, restrictions, recipients, distribution and any other directions related to the awarding of funds from the account.

SECTION 3

Restricted accounts which have been inactive for a period of three (3) years shall revert to the General Scholarship Fund. A statement of waiver shall be signed by each donor as part of the Registry of Trust to authorize transfer of these funds.

SECTION 4

Awards from restricted accounts shall be authorized by the Executive Director in accordance with the donors' restrictions. An annual report of all distributions from each account shall be made to the Executive Committee prior to the annual meeting.

0407

RESTRICTED FUNDS/ENDOWMENTS

PURPOSE:

To provide for efficient and effective establishment and management of restricted endowed funds.

DEFINITION:

A restricted endowment is a fund from which expenditures are limited to the annual earnings from investment of principal and whose expenditures are restricted to the purpose(s) specified by the donor(s).

STATEMENT OF POLICY:

SECTION 1

Each restricted endowed account shall have a minimum balance of \$5,000, said amount to be reached within a three (3) year period from the time of initial donation.

SECTION 2

If, after the three (3) year period has expired, the account has not reached the minimum level prescribed, the contributors to the fund shall have two options, (a) award the existing amount over a designated period, or (b) authorize combining the fund with another compatible, existing, active fund.

SECTION 3

All interest earned in developing restricted endowed accounts shall revert to the fund corpus during the three-year period. No awards shall be made from the developing fund during the three-year period, unless the minimum balance of \$5,000 is reached prior to the end of the three-year period.

0408

SCHOLARSHIP FUNDS/ADMINISTRATION

Donations to the Foundation designated for scholarships shall be administered in accordance with the following guidelines:

1. RESTRICTED SCHOLARSHIP FUNDS

Donations specifically designated for specified programs and/or designated for specified students shall be administered in accordance with the donors stipulation(s).

2. UNRESTRICTED SCHOLARSHIP FUNDS

Unrestricted donations designated for scholarships shall be made available to all district colleges for use in areas of greatest need.

3. MEMORIAL FUNDS

Funds designated for memorial scholarships which shall be established as "one-time-only" accounts. Any legally allowable restrictions shall be honored.

4. PROCEDURES

All Foundation scholarships shall be made available to students in any of the district's colleges in the following manner:

- a. Each district college shall receive a copy of a Foundation Scholarship Announcement form describing the Scholarship eligibility requirements and deadlines for application.
- b. Using established procedures for announcing available scholarships and receiving scholarship applications, the district colleges may solicit applications and send application forms to the Foundation Executive Director for submission to the Foundation Gift Allocation Committee.
- c. The selection of the scholarship recipient(s) shall be made by the Foundation Gift Allocations Committee or its designated representatives.
- d. A member of the Foundation Gift Allocations Committee or another Foundation Board member shall present the scholarship(s) at each college's Honors and Scholarships ceremonies. A Foundation staff member or a college staff member may make the presentation if no Foundation Board member is available.

0409

TRANSFER OF FUNDS

PURPOSE:

This policy is restricted to the transfer of funds from the foundation to the institution.

POLICY:

1. There shall be agreement of acceptance on the part of the institution prior to any transfer of funds from the Foundation.
2. There shall be a uniform signatory process utilized in each instance of a transfer of funds, including any donor conditions.

3. There shall be a stipulation to the institution requiring reporting from the institution to the Executive Director of the Foundation; said reports to indicate purpose and amount of funds used and adherence to donor stipulations. Reports shall be requested at least annually.
4. Conflict of interest situations shall be avoided in all transfers of funds.

3-14
15

282

SECTION 0500

GIFTS

ACCEPTANCE

DEFINITIONS

LIQUIDATION

305

283

0500 POLICY: GIFTS

Non-profit foundations exist based upon gifts. Foundations must search, accept or deny, invest, control, disburse, and account for gifts. Therefore, it is imperative that each foundation adopt policies pertaining to gifts.

0501 ACCEPTANCE OF GIFTS

1. PURPOSE:

To provide for orderly, efficient, and judicious acceptance of gifts to the Foundation.

2. STATEMENT OF POLICY:

SECTION 1

The Executive Director of the Foundation may accept the following types of gifts without the approval of the Board of Directors:

- a. Unrestricted cash gifts
- b. Restricted cash gifts if restrictions are consonant with the charter purposes of the Foundation and with the educational mission and goals of the Maricopa Community Colleges
- c. Securities which can be traded on public exchanges
- d. Unencumbered bequests
- e. Paid-up insurance policies

SECTION 2

All gifts accepted by the Executive Director must be reported to the Executive Committee to the finance Committee, and to the Board of Directors at the next scheduled meeting of each of these groups.

SECTION 3

The Executive Director may, at his/her discretion, remand acceptance of any gift outlined in Section 1 to the Executive Committee or the the full Board if he/she feels that the decision requires such participation.

SECTION 4

The following types of gifts may be accepted only with the approval of the Board of Directors:

- a. Real and personal property (encumbered and unencumbered)
- b. Securities which are not traded on public exchanges
- c. Art objects and collections
- d. Bequests of an encumbering nature
- e. Trust Agreements
- f. Unpaid insurance policies
- g. Any gift from a questionable source and/or with ideological restrictions or purposes which the Executive Director evaluates as potentially controversial or inimical to the charter of the Foundation and/or the mission and goals of the Maricopa County Community College District (Institution).

SECTION 5

The Board of Directors may delegate evaluation and acceptance of any gift categories outlined in SECTION 4 (above) to the Finance Committee, which, in turn, may appoint a sub-committee of the Finance Committee with the specify charge of evaluation and acceptance or rejection.

0502

CATEGORIES OF GIFTS/DEFINITIONS

BEQUESTS - gifts made through a donor's will.

CASH - funds received on behalf of, or for the benefit of the institution.

DEFERRED GIFTS - gifts in which the gift is conveyed at some later date or in such a way that the donor receives a lifetime income (such as charitable gift annuities, life income, annuities or remainder trusts) after which the gift becomes unencumbered property of the foundation. In some instances, a deferred gift may also be restricted.

FELLOWSHIPS - scholarships or stipends which aid students in the pursuit of their educational goals.

MEMORIAL GIFTS - gifts, scholarship funds, property, etc. given in honor of a person or persons.

NON-CASH GIFTS - gifts which include items such as real property, securities, items or personal property (such as works of art, books, antiques), etc.

RESTRICTED GIFTS - gifts for which the purpose of usage has been stipulated by the donor(s).

UNRESTRICTED GIFTS - gifts for which the donors do not restrict the use of the principal or of any interest earned through investment.

PERMANENT ENDOWMENT - funds given which are established and maintained in perpetuity; income derived through investment of these funds can be expended.

QUASI-ENDOWMENT - funds set aside by the Foundation Board much the same as permanent endowment funds (maintain the principal and expend invested earnings); designation as quasi-endowment can be changed by appropriate Foundation Board action to invade part or all of the principal; funds are considered to be unrestricted for financial reporting purposes.

RESTRICTED ENDOWMENT - funds for which the donor specified the use to which the income or earnings shall be expended.

SCHOLARSHIPS - donor or foundation gifts established to be awarded to support the educational objectives of selected students.

STUDENT LOAN FUNDS - donor or Foundation gifts established to be loaned to selected students for the purpose of supporting their educational objectives.

TERM ENDOWMENT - permanent-type endowment which includes an expiration date or stated period of time or occurrence of a specified event, after which all or part of the principal may be expended.

UNRESTRICTED ENDOWMENT - funds established and maintained in perpetuity, for which the earnings (through investment) may be expended at the discretion of the Foundation board.

LIQUIDATION OF GIFTS

1. It shall be the general policy of the Foundation to liquidate gifts of land, stock, bonds or other collateral upon receipt-or-as soon thereafter as practical unless such gifts are accepted with restrictions.
2. The liquidation of such gifts shall be the responsibility of the Finance Committee, and the funds from such sales shall be placed in unrestricted Foundation funds - unless there are donor stipulations, which shall then be honored.
3. Any exceptions to this policy shall be brought before the entire Foundation Board for approval.

SECTION 0600

IRS

RULES AND REGULATIONS

PREMIUMS

310

288

0600 POLICY. IRS RULES AND REGULATIONS - ADHERENCE

The Foundation shall strictly adhere to all IRS rules and regulations which pertain to a non-profit foundation classified as 501 (c)(3). Generally accepted accounting and reporting procedures shall be utilized to insure explicit understanding of all revenues and expenditures. Due diligence shall be exercised by staff and external qualified auditors shall be employed on a regular basis.

0601 PREMIUMS/FOUNDATION RESPONSIBILITIES

PURPOSE:

To state the Foundation board's position regarding the disclosure of the deductibility of gifts in instances where premiums or benefits are involved.

DEFINITIONS:

DONATIVE INTENT - Court decisions state that "a gift is not a gift unless it is motivated by detached and disinterested generosity."

PREMIUMS - An incentive of some value offered (given) to a donor; the value may be deemed to be token "or it may be deemed to be of substantial value."

DISCLOSURE RESPONSIBILITY - This responsibility has been placed upon each non-profit organization by the IRS with the ultimate "threat" of loss of tax-free status.

STATEMENT OF POLICY:

SECTION 1

FOUNDATION RESPONSIBILITY/DISCLOSURE:

The Foundation shall exert reasonable effort to notify donors of the deductibility amount of each gift. This shall be done through printed information which shall indicate the value of any "premium" involved to alert the donor(s) of the potential deductibility of the value of the premium, if substantial.

SECTION 2

IRS RULES - SUBSTANTIVE VALUE GUIDELINES FOR IMPLEMENTATIONS OF POLICY:

In February of 1990, the IRS issued "safe harbor" rules for premiums of minimal value.

"Donor can safely ignore premiums or benefits if their value totals less than two (2) percent of the contribution with a cap of \$50." Total pledge shall be considered amount of gift.

Foundation can give "token items" without tax consequences provided (1) the donor gives more than \$27.26 and (2) the total cost of premium(s) does not exceed \$5.45.

"Value of a benefit is based upon fair market value, not upon its cost to the non-profit organization."

"IRS assumes that a donor used (accepted) an offered benefit unless the donor specifically refuses it."

"Final burden of proof of deductibility of a gift falls upon the taxpayer."

SECTION 0700

POLICIES

EXCEPTIONS

REVIEW

313

291

0700

POLICY: EXCEPTIONS TO POLICIES

If an exception to a policy is deemed advisable and/or necessary by the Executive Director, and if it is not feasible to call a board meeting, the Executive Committee shall have power to authorize the exception. Any such exception(s) shall be reported to the board at its next scheduled meeting. Ratification of such action shall be requested.

0701

ANNUAL POLICY REVIEW

Once each year, the policies shall be reviewed and updated by staff. The revised policy manual shall be submitted to the finance Committee for its consideration and its recommendation to the board.

SECTION 0800

APPENDIX

INSTITUTIONAL POLICY

PROCUREMENT OF GOODS AND SERVICES

315

093

INSTITUTIONAL POLICY - PROCUREMENT OF GOODS AND SERVICES**PURPOSE:**

For consistency, the Foundation shall utilize existing institutional procurement policies and personnel wherever possible.

INSTITUTIONAL POLICY**8 K 1. Purchasing Authority (in part)**

- A. Through delegation, the Procurement Officer has authority to commit funds for the procurement of goods and services.
- B. Confidentiality on price and terms shall be maintained by all individuals involved in specifying, requisitioning, approving, and purchasing goods and services.

8 K 2. Definition of Terms

- A. Acquisition: For purposes of this policy, the term "acquisition" means purchase, rental, lease, lease/purchase, or lease with option to purchase, or the contracting of service which produces revenue for the District (institution).
- B. Furniture and Equipment: All items of movable furniture and equipment which are capitalized within the guidelines for budgeting, accounting, and reporting for the Arizona community colleges.
- C. Real Property: All items, fixed in nature, which are capitalized within the guidelines for budgeting, accounting, and reporting for the Arizona community colleges.

8 K 3. Dollar limits and purchasing requirements

- A. Determination to use competitive sealed bidding or the sealed competitive proposal process shall be made by the Purchasing Manager for all purchasing transactions exceeding \$10,000. Procurement of professional services are included in the category.
- B. Purchasing transactions from \$5,000 to \$10,000 require a minimum of three written bids or quotations.

- C. Purchasing transactions under \$5,000 will be made with as much competition as is practical, and may include written or verbal quotations obtained by the Purchasing Department.
- D. Purchasing transactions are not to be artificially divided or fragmented in order to meet the lesser requirements of lower dollar transactions.
- E. Sole source determinations will be approved by the Purchasing Manager or Supervisor after review of supporting documentation with the Buyer.
- F. Prior to acquisition by the Purchasing Department purchase of furniture and equipment costing 42,500 or more per unit must have been approved by the Governing board during the previous budget approval process.
 - 1. Exceptions, such as substitutions, or emergency procurement for health and safety, shall be processed for decision through the Vice Chancellor for Educational Development and Vice Chancellor for Business Services.
 - 2. Quarterly reports shall be generated and provided to the Board by the Purchasing Manager and shall list by college all furniture and equipment purchases exceeding \$2,500.
- G. All requisitions for computing and communications equipment and software over \$1,000 shall be reviewed by the Information Technology Executive Council (ITEC) before purchase by the Purchasing Department.
- H. Maintenance agreements for equipment must be submitted (by requisition) and processed first through the appropriate fiscal authority and second through the district Purchasing Department.

8 K 4. Real Property

- A. Acquisition of land, buildings, site improvements, and internal systems (mechanical, electrical, and electronic) shall be processed through the district Purchasing Department.

PLANNED GIVING POLICY

IVC FOUNDATION

IRVINE VALLEY COLLEGE

BOARD OF GOVERNORS

318

296A

B. Construction Contracts

1. Governing Board approval is required for the award of contracts involving major construction projects, installation of major building utility systems, and major site improvement projects, as prescribed by the State Board of Community Colleges.
2. Construction contracts exceeding \$10,000 will be awarded through sealed competitive bids, as outlined by the State of Arizona Procurement Code.
3. A building, structure, addition or alteration of a district facility may be constructed by force account employees if the cost does not exceed \$10,000.

Adopted by the Governing Board of the Institution on December 11, 1990.

319

Operations

Despite the good intentions and planning outlined in Policies and Procedures, the key to a foundation's success is in how it operates day-to-day. Here is a checklist of questions to ask and of little things that make a big difference:

- Is the office customer-oriented?
- Is the phone answered as though every call were a potential donor?
- Are foundation board members kept informed of issues or events which may effect the college?
- Are donations and gifts to the college promptly acknowledged?
- Are board members thanked for their efforts in foundation and other college publications?
- Does all foundation stationery and forms carry the foundation IRS tax-deductible and employer identification numbers?
- Are copies of the most recent audit report available to inquiring foundations, corporations, and major donors?
- Are board members given adequate time to add items to the board agenda?
- Are board agendas posted in advance of the meetings for other staff members to review?
- Are hard copies of all checks and attached correspondence kept on file?
- Does the foundation president review the board meeting agendas and minutes before mailing to the entire board?
- Are meeting reminders called to board and executive committee members?

A well-operated foundation office needs equipment and access to many services. However, access should not necessarily imply ownership of the capacity. This is a list of the minimum equipment needed in a typical foundation office, and services frequently required:

Equipment

- A good computer and laser-quality printer which can handle envelopes. The computer must have enough memory to handle the donor software the staff selects. *Suggestion:* Choose the software first, then the hardware.
- Computer furniture, if possible
- A desk and ergonomically designed secretarial chair

- At least two, 3-drawer locking file cabinets
- Electric 3-hole punch and electric stapler
- Work surface. You'll often need to spread out
- A pleasantly decorated office and comfortable side chairs with arms for the executive director

Services

- Use of a fax machine
- Internal mailroom assistance with bulk mail
- Printing (for invitations, etc.) *Suggestion:* Buy a font package with good-looking scripts. You can then prepare the camera-ready copy yourself.
- Copying, collating, and stapling

321

297

PERALTA COLLEGES FOUNDATION

OPERATIONS MANUAL

* * * * *

F O R M S

PERALTA COLLEGES FOUNDATION
333 East Eighth Street
Oakland, CA 94606

ACCEPTANCE OF GIFTS-IN-KIND

Gift from: _____ Date: _____

Address: _____ Phone: _____

City/Zip: _____

Type of gift: _____

Description (indicate quantity, model number, serial number, and manufacturer).
If additional space is needed, use a separate sheet and attach it to this form.

Donor value of the gift: _____

Gift restrictions, if any: _____

Deposition of gift:

Given to the District on: _____

Given to the department: _____

Accepted by: _____

Department chair or dean approval: _____

Approved: _____
College President

Foundation

PERALTA COLLEGES FOUNDATION
333 E. 8th Street
Oakland, CA 94606

APPLICATION FOR ASSISTANCE

NAME: _____ DATE: _____

ORGANIZATION: _____

LOCATION: _____ REQUESTED AMOUNT: \$ _____

Purpose of request: _____

Rationale for request: _____

List sources exhausted in your fund search: _____

Identify potential donors or funding sources:

Identify funds currently available: _____

State in detail the liabilities associated with the project and the Foundation,
and how you intend to address them:

Approved for submission by: Dept. Chair _____

College President

District Office Supervisor

FOUNDATION USE ONLY

___ Approved ___ Denied Date: _____

Amount approved: \$ _____

Executive Director

IV. GIFT PROCEDURES

11

325

301

IV. - GIFT PROCEDURES

1. **GIFT ACCEPTANCE:** Gifts which have restrictive terms or conditions or gifts of either real or personal property, including cash, must be reviewed and approved prior to acceptance by the College and/or Foundation officials. This will begin with the Planning and Development Office/Foundation Office and consultation with appropriate designated officers. Consultation may also be required with institutional attorneys, senior administrators, and others as appropriate, depending on the nature of the gift and the terms and conditions, if any, attached to the gift. Specific processing requirements for gift acceptance are provided in this Policy.
2. **HANDLING CASH AND CHECKS:** The payee is to be the Foundation. Promotional literature must specifically indicate this requirement. Checks made payable to a department or other unit of the College are the property of the institution and must be deposited accordingly. All checks payable to the College or Foundation must be stamped with appropriate restrictive endorsement for deposit to the College or Foundation. All cash gifts are to be deposited in total and may not be used for direct payment of any purchases or expenses, prior to deposit. Funds may be disbursed only by proper authority, after deposit. Cash gifts are to be delivered to the Planning and Development/Foundation the day received. The Business Office will deposit the funds as appropriate, after transfer from the Planning and Development/Foundation Office.
3. **SOLICITATION AND CLEARANCE:** Clearance is required prior to solicitation. This will eliminate duplicate or competitive solicitations from within the institution as well as ensure appropriate solicitation levels and purposes. Individuals seeking solicitation clearance must first consult with the Planning and Development/Foundation Office to determine the most appropriate solicitation of the prospect.
4. **ACKNOWLEDGEMENT:** A critical component of gift acceptance is acknowledgement. All gifts must be acknowledged with a letter and official receipt. The Planning and Development Office is the only institutional agency authorized to provide official gift receipts to donors. The Planning and Development Office encloses an acknowledgement letter with an official gift receipt. When a gift is restricted, a copy of this acknowledgement letter is forwarded to the appropriate individuals concerned and is placed on file. The Planning and Development/Foundation Office will initiate/recommend additional

letters of acknowledgement/appreciation from College and Foundation officers as appropriate. Additional letters of appreciation are encouraged to be written by solicitors and others.

- a. All gifts (regardless of size) are acknowledged by letter and receipt within three days by the Vice President of Planning and Development.
 - b. Gifts of \$100 or more may also be acknowledged with a phone call to the donor (when possible) by the Vice President of Planning and Development.
 - c. Gifts of \$1,000 or more are also acknowledged by letter from the College and Foundation Presidents. This procedure is followed when a gift is received in the form of any outright gift, pledge, or deferred gift.
5. **REPORTING:** All awards and gifts including pledges to the institution must be reported to the Administration and Foundation Board. This includes all categories of awards or gifts from all sources, whether internal or external to the institution.
6. **DECLINATION OF GIFTS:** Gifts should not be accepted under any of the following circumstances:
- a. The gift is in contravention of applicable Federal or State laws, policy, or Foundation policy.
 - b. The gift is otherwise not in the best interests of the College or Foundation and donor.
 - c. The gift would obligate the College or Foundation to undertake obligations, financial or otherwise, which it may not be fully capable of meeting for the period required by the terms and conditions of the gift.
 - d. A gift constitutes a request to the College or Foundation to operate a commercial endeavor for the sole benefit of the donor.
 - e. A gift presents an unreasonable or unacceptable degree of risk due to environmental health/safety hazards.
7. **QUESTIONS:** Questions by any persons involved in receiving gifts should be directed to the Planning and Development/Foundation Office.
8. **DEFINITIONS:** The following are definitions of gifts:

- a. Bequests are gifts made through a donor's will.
- b. Cash (U.S., check, credit card) are funds received on behalf of or for the benefit of the institution.
- c. Deferred Gifts are gifts in which the gift is conveyed at some later date and/or in such way that the donor receives lifetime charitable gift annuities, life income, annuities, or remainder trusts.
- d. Discretionary Gifts are gifts in which the recipient (a unit of the College) has been stipulated, without further stipulation as to how the gift may be used. These are not considered as restricted gifts.
- e. Memorial Gifts are made in memory of an individual or individuals.
- f. Non-Cash Gifts and gifts that include items given or donated to the Foundation such as real property, businesses, securities, personal property including works of art, books/similar items, and life insurance.
- g. Restricted Gifts are gifts for which the purpose has been stipulated (e.g., equipment purchases, student financial assistance) and other similar purposes.
- h. Unrestricted Gifts are gifts for which the donor does not specifically restrict use of the principal or interest derived from the principal or otherwise suggest or require a specific use of the funds.
- i. Permanent Endowments are fund established and maintained in perpetuity; monies received are invested and only the income is used.
- j. Quasi-Endowments (funds which are functioning as if they were endowments) are funds which are established by the Foundation rather than an external donor or agency and are determined to be retained and invested rather than expended. As internally designated funds rather than externally restricted, the Foundation has the prerogative, at any time, to expend the principal. Quasi-endowments may be established for financial reporting purposes.
- k. Restricted Endowment Funds are funds in which the donor specifies the use to which the endowment income will be placed.
- l. Term Endowments are similar to Permanent Endowment Funds except that, after the expiration of a stated period of time or occurrence of a specified event, all or part of the principal may be expended.

- m. Unrestricted Endowment Funds are funds in which the annual earnings are used at the discretion of the institution consistent with the wishes of the donor.
- n. Scholarships are funds that support the education of individual students.
- o. Student Loan Funds are donor-established funds loaned to students and administered by and repayable to the College.

9. GIFT CATEGORIES: The following pertains to categories of gifts:

- a. Cash: Cash must be deposited in accounts administered by the College or the Foundation on the same day received.
- b. Non-Cash Gifts: Non-Cash gifts of real property and securities must be processed by the Planning and Development Office and coordinated with appropriate College administrative officers. Neither the College nor Foundation/nor any of its representatives are authorized to establish valuation of a non-cash gift. Donors are required by the Internal Revenue Service in most cases to obtain independent appraisals of large gifts. In any event, the valuation of the gift is the responsibility of the donor, not of the College or Foundation.
- c. Acceptance: For a gift to the Foundation to be completed there must be (1) an offer of something of monetary value and (2) acceptance of the gift by an authorized institutional officer. It is essential that gifts which are not in the best interest of the College or Foundation not be accepted; therefore, no gift should be accepted unless appropriate authorization has been accomplished through the Planning and Development Office. Acceptance procedure is formalized by the presentation of an official gift receipt and/or letter. For conveyance of gifts which have restricted terms or conditions, the conditions must be reviewed and approved prior to acceptance by appropriate authority through coordination by the Development/Fund Raising Office.
- d. Gift Dates: The official receipt date assigned to a gift depends on the nature of the gift and its method of conveyance through the Planning and Development Office. The date of the gift is the date it is placed in the hands of the official College or Foundation representative or the date title or ownership interests transfer to the name of the College or Foundation. In order to facilitate this process, letters or notes which accompany gifts and postmarked envelopes in which the gifts and letters or notes are mailed will be placed in the donor's file in the Planning and Development Office.

- e. Pledges: The conditions of a pledge must be clearly understood by both the donor and the institution. The use of the Letter of Intent form (Appendix F) will facilitate this.
- f. Personal Property: For acceptance of a gift of personal property, the gift must be reviewed to determine whether there are any costs related to acceptance of the gift such as repairs, management fees, maintenance expenses, financing costs, or other related items. This must be coordinated through the Planning and Development Office with appropriate College and/or Foundation representatives. Upon transfer of ownership, appropriate documentation must be provided through the Planning and Development Office. The institution does not establish valuation of the gift for the donor, although it is common in the letter of acceptance to state that such-and-such property has been received the value of which the donor estimates at so-and-so. Any gifts of personal property must be reviewed by College and/or Foundation authorities prior to acceptance to ensure that the College or Foundation is not subjected to unreasonable risks or liability due to an environmental or health safety hazard, or other situations.
- g. Negotiable Securities: (a) Stocks, bonds, and other securities of publicly held companies with established trading markets (major or regional stock exchanges, over-the-counter, etc.) will be valued as of the day they are received in the Planning and Development Office. The median between the opening price and the closing price will be used for securities listed on stock exchanges. The median price between the closing bid and ask will be used for over-the-counter securities.
- (1) Values for privately held securities (often based on book value) or closely held securities (often traded on a limited basis by banks) will be determined after proper consultation with the donor, company involved, and, if necessary with legal and accounting counsel. Gifts of negotiable securities with ready markets normally will be sold upon receipt (in keeping with customary practices) except as different timing may be required or requested by the donor. It should be noted that securities registered in the name of the donor or held in his account as street name by his broker need not be re-registered through a transfer agent in the name of the Foundation in order to effect the sale of securities in the name of the institution. The donor need only deliver: (1) The security registered in his name; (2) The signed certificate or separate stock power; (Note: Only the donor's name should be attached. Adding the name of Foundation, etc., could make the sale and transfer more difficult. Let the broker make the proper

entries.); (3) A third party release in which the donor, in writing, authorizes his broker to use the security in naming the institution as new owner/gift beneficiary. Said security will be sold by the Foundation's own brokerage account. This is not to be regarded as a sale by the donor and no capital gains liability is established for him by the transaction. It is a sale by the Foundation in its own name of a security which has been given to the institution.

- h. Real Property: Gifts of real estate and other real property normally will be listed for sale following receipt of legal title except for special provisions imposed or requested by the donor and approved by the Foundation.
 - i. Testamentary Bequest: Gifts by will and codicil thereto in favor of the Foundation should be accompanied by a written statement filed with the Foundation that such testamentary bequest will not be revised.
10. PLANNED GIFTS: The following list of types of planned gifts that may be solicited by community colleges was written by Don Love, Ph.D.:
- a. Cash is a frequently used asset for all forms of charitable gifts.
 - b. Marketable Securities are gifts of highly appreciated securities which may be given with substantially reduced after-tax cost.
 - c. Real Estate is frequently used to make charitable gifts due to the rapid escalation in value and capital gain exposure.
 - d. Tangible Personal Property is used because of the rapid appreciation of collectibles. Special regulations may apply.
 - e. Life Insurance Policies that are no longer needed for family security are good sources of charitable gifts.
 - f. Assignment of Trust Income. Some donors may have limited capital but can assign an income interest to your institution.
 - g. Charitable Gift Annuity. The institution receives corpus of the gift immediately, the donor receives a fixed income for life. The donor gives an irrevocable gift of money or property. The assets of the Foundation or College back this annuity in addition to the donor's gift. This annuity is helpful to the smaller donor and is easier to write.

- h. Charitable Remainder Annuity Trust. Donor receives a fixed income from a charitable trust. If the trust earns more than the amount paid to the donor, the excess is added to the principal of the trust. If the trust does not earn enough to meet the fixed payments, the balance needed is taken from the principal.
- i. Charitable Remainder Unitrust. Donor receives variable income from a charitable trust. At the death of the donor and any designated beneficiaries, the value of the trust goes to the institution.
- j. Charitable Income (Lead) Trust: A lead trust pays income to the institution, and the trust principal reverts to the donors or passes to their heirs at the end of a designated period of time.
- k. Pooled Income Fund. Donor receives a life income from an investment fund composed of donor's gift pooled with other gifts. The institution receives the remainder. The foundation or college must be qualified by the Internal Revenue Code to establish a pooled income fund. Legal advice is recommended.
- l. Gift of Residence With a Retained Life. The donor transfers title to the institution or foundation, but reserves the right to use and enjoy the property for life.
- m. Gift By Will. Donors of modest means, as well as the wealthy, can make gifts from their estates by Will. All of the forms of trusts and life income gifts can be established by Will. Donors with family members can make a gift by Will, should the family members not survive the donor. (1)

V. DONOR RECOGNITION

19

333

309

V. DONOR RECOGNITION

1. Appropriate recognition of donors accomplishes two purposes: (1) Deserved credit to the donor or person or persons designated by the donor and (2) encouragement by example for others to give. It is equally important to recognize the desires of the donor to remain anonymous if that is his/her choice; however, experience shows that most donors who at first request anonymity, later accept recognition and exemplary leadership roles if they become involved to the appropriate degree in the ongoing development activities of the institution. Every gift no matter how small, nor how long deferred is greatly appreciated, and will be appropriately acknowledged.

a. Outright Gifts of Cash or Non-Cash Gifts such as real property and securities or personal property that can be converted to cash immediately upon acceptance and which are available for expenditure without endowment restrictions will be counted at face value as of the date of acceptance. Written pledge (Appendix F) to be paid in equal installments over the next five years following the date of the pledge will be counted as outright gifts.

b. Planned/Deferred Gifts

(1) Charitable Remainder Unitrusts and Charitable Remainder Annuity Trusts will be counted at the face value of the cash or securities, as of the date of their acceptance by the Foundation, contributed by the donor to fund a Unitrust or an Annuity Trust, provided that there are no more than 2 beneficiaries prior to the remainder interest ultimately being inured to the Foundation.

(1) Don Love, Ph.D., "Meeting the Challenge: How to Get a Planned Gifts Program Started." in "Foundation Development Abstracts, Network of California Community Colleges, James M. Anderson, Ph.D., Editor. Vol. 1, No. 2, March 1991. (Detailed descriptions of these vehicles for giving are contained in pamphlets available through the Development/Fund Raising Office.)

- (2) Pooled Income Fund: Face value of the cash or securities used to fund the contribution to the Pooled Income Fund will be counted at face value as of the date accepted by the Foundation.
- (3) Revocable Planned/Deferred Gifts such as Revocable Remainder Trusts, Bank Account Trusts, or Bequests, will be counted at the face value of the contribution used to fund the gift vehicle as of the date of acceptance by the Foundation provided that a written notification such as a letter from the donor to the Foundation stating that the gift stated in the vehicle will not be decreased or eliminated during the donor(s) lifetime(s). (These are gift vehicles in which ownership of the assets to fund them is retained by the donor and may be expended or reduced/increased during the lifetime of the donor.)
- (4) Life Insurance Policies will be counted at the face value of the policy provided that the Foundation is named as the owner, and the full premium is either paid as of the date of acceptance by the Foundation or is pledged (Appendix F) to be paid in full within five years, and that the Foundation is named the sole beneficiary.
- (5) Donors of Deferred Gifts are encouraged to ensure consummation of the gift by codicil to their will, specifying the gift with "agreement to maintain in force."
- (6) Testamentary Bequest: A testamentary bequest will be valued as of the date of agreement to not eliminate or reduce the bequest.

C. Recognition of gifts such as the above will be provided on a cumulative basis as follows:

(New, larger categories should be established for the capital campaign.)

- (1) Special Recognition: \$100,000 or more
- (2) Golden Eagles: \$50,000 to \$99,999
- (3) Silver Eagles: \$10,000 to \$49,999
- (4) Summit Club: \$1,000 to \$9,999
- (5) Builders Club: \$500 to \$999
- (6) Donors: Up to \$499

VI. POLICY STATEMENT ON INVESTMENTS

22

338

312

VI. POLICY ON INVESTMENT OF FUNDS

A. OVERALL OBJECTIVE:

The overall objective of the Foundation Investment Policy is to provide reasonably secure investments while achieving the highest rate of return possible.

B. AUTHORITY AND RESPONSIBILITIES

The Foundation Development, Investment and Finance (Investment) Committee has authority to make investment decisions and to act upon them in conjunction with the Vice President of Business Services without further action under the guidelines of this policy without further approval by the full Board of Directors. The Foundation Treasurer has authority to administer this policy subject to the reporting provisions and special circumstances cited in this policy.

The Foundation Investment Committee will have the following responsibilities:

1. Establish the general guidelines, including asset mix and economic assumptions used to direct the selection of investment instruments.
2. Determine specific security selections within the asset mix and advise staff of action to be taken.
3. Review economic assumptions and performance and report periodically to the full Board (at least annually).
4. Direct staff to move funds among securities selected, and/or execute necessary documents to accomplish transfer as conditions warrant.
5. Determine on a case by case basis the appropriate enforcement position and/or other reasonably needed determination to protect the best interests and/or reputation of the College, the Foundation, and/or the Donor.

The staff will have the following responsibilities:

1. Follow the general investment policy guidelines and specific instructions of the Committee as to security selection.
2. Monitor performance and furnish periodic reports to each committee member.

3. Invest incoming funds in accordance with the asset mix guidelines when the amount of funds accumulated and corresponding minimum investment requirements are at a reasonable level.

C. GENERAL INVESTMENT GUIDELINES:

The investment decisions of the investment policy should provide for:

1. Security of principal
2. Prudent management
3. Diversification
4. Flexibility with regard to term and commitment
5. Liquidity. In general, investment terms should not exceed the planning horizon of the Foundation.
6. To provide for necessary consultants and/or experts if needed to assist in the prudent management of assets.

The Foundation will not invest in the following types of assets: commodities, options and futures, and real estate; provided, however, donated real estate will be discussed by the Foundation Investment Committee before any decisions for acquisition are made.

D. POLICY ON FUNDS OR GIFTS WITH NO INVESTMENT RESTRICTIONS

1. Non-cash gifts. It is the general policy of the Foundation to liquidate non-cash gifts of stock, real estate, securities, etc., where there are no investment restrictions with the proceeds to be managed under the provisions of this policy. An exception to this policy would be made where the same security or asset is being held in the Foundation portfolio. All questionable gifts will be referred to the Committee for discussion as to acceptance and future disposition before acceptance.
2. Cash gifts will be administered within the guidelines established by the Committee as to asset mix and security selections within the mix. All non-invested cash will be deposited in local financial institutions in insured, interest-bearing accounts.

E. POLICY ON FUNDS WITH INVESTMENT RESTRICTIONS:

Gifts or donations received with investment restrictions imposed by the donor will be managed in compliance with the donor stipulations.

Gifts or donations received for specific purposes will be accounted for as separate funds but the cash/proceeds will be invested as if the funds are a part of the Unrestricted Fund, when liquidity is already available.

Gifts or donations received for the various types of Endowment Funds will be invested separately and cash/proceeds will be segregated in order to accurately account for individual funds principal and earnings.

Some specific examples related to this policy are outlined below:

POOLED INCOME FUNDS: Will be managed and invested by a trustee (bank).

ENDOWMENT FUNDS: Will be segregated for accounting and investment purposes. The donation will be invested in accordance with the asset allocation factors utilized for investing unrestricted funds, in securities chosen by the Foundation Investment Committee.

F. SECURITY OF INVESTMENT DOCUMENTS:

Whenever possible, the Foundation staff should minimize risk associated with safekeeping of investment documents by depositing such documents or evidence of initial ownership in a safe and secure location.

G. LIMITATION ON GIFTS

Gifts with marginal or hard to ascertain value to the Foundation will be referred to the Foundation Investment Committee prior to acceptance by the Foundation.

Examples may include:

- unusual charitable remainder trusts
- bargain sales
- vacant land
- boats, jewelry, other used property
- other hard-to-evaluate gifts

VI. POLICY STATEMENT
DISTRIBUTION AND ALLOCATION OF FUNDS

26

340

316

VI. POLICY STATEMENT - DISTRIBUTION AND ALLOCATION OF FUNDS

A. UNRESTRICTED FUNDS

All unrestricted gifts will be allocated to a fund for determination of the Foundation Executive Board.

B. ENDOWMENT FUND

1. All gifts designated for endowment purposes will be allocated to a permanent fund known as the Endowment Fund. Income only from this fund is to be used to meet the needs of the Foundation either for capital purposes or as designated by the donor.
2. Unless otherwise designated by the donor, the income from the Endowment Fund will be transferred to the income account of the Foundation. This action is automatic and a board vote is not required.

C. OTHER RESTRICTED GIFTS

All such gifts will be handled in accordance with the donor's instructions and distributed pursuant to actions of the Executive Board of the Foundation.

APPENDICES

28

342

318

APPENDIX A

NATIONAL SOCIETY OF FUND RAISING EXECUTIVES Code of Ethics and Professional Practices

Preamble

Professional fund raising executives are motivated by positive forces; by an inner drive to improve the society in which they live through the causes they serve.

They seek to inspire others through their own sense of dedication and high purpose.

They are committed to the improvement of their own professional knowledge and skills in order that their performance will better serve others.

They recognize their trusteeship—to assure their employers that needed resources are rigorously sought, and donors that their purposes in giving are honestly fulfilled.

Such professionals write their own code of ethics every day.

Professional fund raising executives accept and abide by the following Code of Ethics and Professional Practices:

Members shall be responsible for conducting activities in accord with accepted professional standards of accuracy, truth, integrity and good faith.

Members shall encourage institutions they serve: to conduct their affairs in accordance with accepted principles of sound business management, fiduciary responsibility, and accounting procedures; to use donations only for the donors' intended purposes; and to comply with all applicable local, state, provincial and federal laws.

Members shall manage all accounts entrusted to them solely for the benefit of the organizations or institutions being served.

Members shall recommend to the institutions they serve only those fund raising goals which they believe can be achieved, based on their professional experience and an investigation and rational analysis of facts.

Members shall work for a salary, retainer or fee, not a commission. If employed by a fund raising organization, that organization shall operate in its client/consultant relationship on the basis of a predetermined fee and not a percentage of funds raised.

Members shall make full disclosure to employers, clients, or, if requested, potential donors, all relationships which might pose, or appear to pose, possible conflicts of interest.

Members shall hold confidential and leave intact all lists, records and documents acquired in the service of current or former employers and clients.

A member's public demeanor shall be such as to bring credit to the fund raising profession.

APPENDIX B

DONOR PROFILE/RECORD PLAN

1. A Donor Profile/Record form (samples attached) will be developed on each prospective major donor and will be kept current and on file.
2. These currently update Donor Profile/Record forms will be the basic information documents from which prospect research, evaluation, cultivation, solicitation, recording, acknowledgement, and other appropriate actions will be initiated. (Please see other related attached sample forms.)

30

344

320

Name of Corporation: _____

8. Giving Interests: _____

9. Number of Employees in MSJC service areas:

A. Primary _____ B. Secondary _____

10. Giving History: _____

Level No. II Reserach

Name of Corporation: _____

- 11. Trade Name(s): _____

- 12. Local Telephone Number: _____
- 13. Headquarters Telephone Number: _____
- 14. Name of Founder: _____
- 15. History: _____

- 16. Family Relationship: _____

- 17. Line(s) of Business: _____

- 18. Annual Net Sales: _____
- 19. Annual Net Income: _____
- 20. Economic Outlook: _____
- 21. Annual Contribution Budget: _____
- 22. Local Interests: _____
- 23. Gift Policies/Procedures: _____
- 24. Grant Patterns: _____

- 25. Corporate Image:
 - a. Actual: _____
 - b. Desired: _____
- 26. Application deadline(s): _____
- 27. Other: _____

306

RECORD OF MSJC CONTACTS/GIFTS

Name of Foundation: _____

Record of Contacts:

Date of Contact	Person Making Contact	Comments

Record of Gifts:

Date of Gift	Amount of Gift/Terms	Purpose of Gift	Comments

Additional Information:

37

351

327

Name of Foundation: _____

- 1. Name of Foundation. _____
(may also be used for Association/Organization)
- 2. Name of Local City/Town Location. _____
- 3. Name of Headquarters City/Town Location _____
- 4. MSJC Membership(s) _____

MT. SAN JACINTO COLLEGE FOUNDATION
Donor Profile/Record
Level No. 1 Research

5. Local Representative:

- a. Name: _____
 (First) (initial) (Last)
 - b. Business Title(s): _____
 - c. Personal Title(s): Mr. Mrs. Ms. Miss Dr. () _____
 (circle preferred title(s) (Degree) (Clergy/Other)
 - d. Business Address: _____
 (Street address unit number)
- _____
- (City/Town) (State) (Zip)

6. Headquarters Representative:

- a. Name: _____
 (First) (Initial) (Last)
 - b. Business Title(s): _____
 - c. Personal Title(s): Mr. Mrs. Ms. Miss Dr. () _____
 (Circle preferred title(s) (Degree) (Clergy/Other)
 - d. Business Address: _____
 (Street address unit number)
- _____
- (City/Town) (St)ate) (Zip)

7. Giving Interests _____



Level No. II Research

Name of Foundation: _____

10 Areas of Interest: _____

11. Prohibitions: _____

12. Gifts Received/Income Earned: _____

13. Assets: _____

14 Grant Distributions: _____

15 Grant Appropriations: _____

16 Local Interests: _____

17 Grant Policies/Procedures: _____

18 Dates of Board Meetings: _____

19 Giving Patterns _____

20. Relationship to MSJC. _____

21 Application Deadlines: _____

22. Other _____

RECORD OF CONTACTS/GIFTS

Name of Foundation: _____

Record of Contacts:

Date of Contact Person Making Contact Comments

Record of Gifts:

Date of Gift Amount of Gift/Terms Purpose of Gift Comments

Additional Information:

1. Name of Individual. _____
(First) (Initial) (Last)
2. Title(s) Mr. Mrs. Ms. Miss Dr () _____
(Circle preferred titles) (Degree) (Clergy, Other)
- 3 Primary Residence. _____
(City/Town State)
- 4 MSJC Membership(s): _____

MT. SAN JACINTO COLLEGE FOUNDATION
Donor Profile/Record
Level No. 1 Research

- 5 Home Address _____
(Street address unit number)
- _____ (City/Town) _____ (State) _____ (Zip)

- 6 Name of Employer/Business _____

- 7 Business Title _____

- Business Address _____
(Street address unit number)
- _____ (City/Town) _____ (State) _____ (Zip)

- 8 Family Ties to MSJC: _____

- 9 Giving History _____

Name of Individual: _____
Last

First

Middle Initial

"CONFIDENTIAL"

Level No. II Research

Name of Individual: _____

Last

First

Middle Initial

"CONFIDENTIAL"

333

Nickname(s) _____

11 Location of Other Home(s) _____

12. Telephone Number(s): _____
(Home) (Business)

13. Place/Date of Birth: _____
(Place) (Date)

14 Name of Spouse _____

15. Place/Date of Birth of Spouse _____
(Place) (Date)

16 Place/Date of Marriage _____
(Place) (Date)

17 Sons/Daughters _____

18 Family Background: _____

19. Education _____

20 Military Service _____

21 Religious Preference _____

22. Political Affiliation: _____

23 Estimated Income: _____

24 Major Assets _____

Name of Individual: _____

Last

First

Middle Initial

CONFIDENTIAL

25 Giving Potential: _____

26 Giving Inclination: _____

27 Business/Professional Associations: _____

28 Directorships/Trusteeships: _____

29 Club, Organization Memberships: _____

30 Honors Received _____

31 Avocation(s) _____

32 Relationship with MSJC _____

33 Other _____



RECORD OF MSJC CONTACTS/GIFTS

Record of Contacts:

Date of Contact	Person Making Contact	Comments

Record of Gifts:

Date of Gift	Amount of Gift/Terms	Purpose of Gift	Comments

Additional Information:

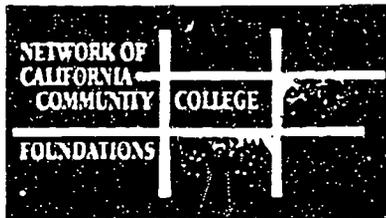
45

359

Name of Individual: _____
 Last _____
 First _____
 Middle Initial _____

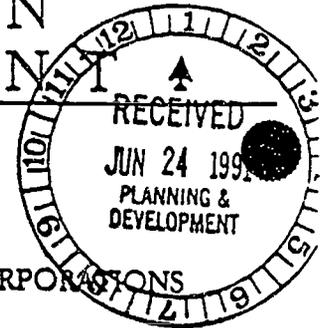
"CONFIDENTIAL"

335



FOUNDATION DEVELOPMENT

Abstracts



WRITING FOR DOLLARS: PROPOSALS TO FOUNDATIONS AND CORPORATIONS

Ann Ransford

Introduction

Each year foundations and corporations receive stacks of proposals from numerous organizations for many worthwhile projects. Foundations have limited funds and they desire to use them for projects that will have the greatest impact. Foundation grants represent venture capital for the purpose of solving community problems and/or improving human conditions. Foundations fund organizations that provide them with viable solutions and quality proposals. Which proposals do they choose and why? The following tips will help you increase your chances of successful grantsmanship. Before you pick up the phone, take pen in hand, or leap to the computer to start writing, the following issues should be addressed.

Competition

The competition for grants is intense. Think about the causes that need funding—the homeless, victims of child abuse, the unemployed, drug abuse programs, literacy, disease research, the arts, and the environment to name a few. You are in a competitive market, and you must package your proposal to sell and be ready to sell it with knowledge and enthusiasm.

Four Elements of Success

The following four elements are essential to accomplish a successful grant:

- A viable plan
- Research
- Access to the decision maker
- Follow through

At the root of successful fund raising is a good organizational plan. A vision of where the organization is going and what it plans to accomplish in the future. All proposed projects should fit into the plan and be well thought out with strong probability of success. Program reviewers can detect vague undeveloped ideas. In addition, it is difficult to sell, either verbally or in writing, a project that you do not fully understand or cannot clearly describe.

Research encompasses a variety of issues. You must know the foundation or corporation's areas of interest. In the case of foundations, in general, the fields of interest are limitless; however, each foundation has its own set of

funding priorities. Corporations, on the other hand, are interested in areas such as exposure, expanding opportunities, or benefits for employees such as training.

Four Elements of Success Continued

You must also know about each funding source's specific requirements. For example, what is the format for application, to whom do you send the proposal, do they require written support from a district or local manager, what are the geographical areas in which they fund, are there deadlines? What is the correct spelling and title of the individual? I know of one program officer who refuses to fund any applicant that misspells her name.

Other research issues include what type of organizations and projects have they funded in the past, and do they have a history of funding in this area? Many of these questions can be answered by studying the annual report. Other resources include foundation directories, foundation libraries, organization's IRS 990 form, and asking questions directly of the funding source.

Most successful grants have involved a close relationship between the recipient and the source. How do you develop this relationship?...through all your contacts. If you are involved in the community, you should always be on the lookout for potential funders. Board members or community leaders often can be your entries or referrals from foundations or corporations that have funded you in the past. Be very careful about contacting board members of foundations where you are seeking funds. Some request, specifically, that this not occur.

Follow through is one of the most essential ingredients of success. When you make contact with a potential funder, you are being judged. Remember that these funders want to make solid investments in the community with services provided by quality organizations. Do what you say you will do with no exceptions. Return phone calls, get the proposal in by the deadline, and respond to requests immediately.

Use The Telephone

The phone is a tremendous tool. It provides you the opportunity to get to know someone and develop a relationship, so use it wisely. Do your homework before contacting potential funders. Don't ask time consuming questions if you can get the answers yourself. For example, what is your address, who have you funded, how much money

should I ask for? Do ask concept questions about your proposed solution. Be aware of the voice on the other end—if the person seems hassled—volunteer to call back. Don't talk about yourself or provide endless details about your organization unless asked. Listen for clues and be organized.

The Written Proposal

After you have researched the prospects and developed an attractive project, you are now ready to write your proposal. Most foundations and corporations prefer a one- or two-page overview or executive summary outlining the organization's purpose, the specific request, and the justification for the project. The content of the proposal may vary; however, in all proposals there is certain standard information that should be included. This information includes a brief statement about the organization's background, purpose of request, short- and long-range plans, the budget, and list of other funding sources. Attachments are used for other information, such as the list of Board of Directors, verification of tax-exempt status and background information.

Background

This section of the proposal presents statistical information about population served and discusses the goals and objectives of the organization. It describes current activities, accomplishments, and describes specific conditions or history unique to the project. It should also include information about support you received from community or other organizations and explain your fiscal management capability and experience.

Purpose of the Request

The statement of purpose should include the target population to be served and the problem that will be addressed. Information should be based on research and support and the documented problem or need. It is important to make a logical connection between your organization's background and the problems you intend to solve.

Program Objectives and Results

This area of the proposal is presented in outline form. It states each objective in measurable terms.

Method and Program Plan

This segment of the proposal includes information about the rationale for selecting the particular program plan. It further describes the activities, tasks, events, and staffing necessary to accomplish intended results. It presents an orderly sequence of events over a specific time frame.

Evaluation

Specific criteria should be described for monitoring and evaluating the project. Describe methods for keeping the project on target and how to determine if you have met your objectives.

Future Funding

It is important to let a funder know how you plan to continue the project after the grant is expended. Identify additional funds needed and the source of these funds. If the project can generate income through fees for services, this is usually viewed positively.

Budget

Proposals must include a budget that outlines both administration and program costs. The budget should reflect the costs for the project, not only the general operating budget. Budgets should be structured in columnar form, listing the expenses on the left and the dollar amount in the right column, and should follow general accounting principles.

Cover Letter

A cover letter should always accompany a proposal and must be addressed (by name) to the individual responsible for the funding program. Here is the opportunity to summarize and to present information that didn't fit anywhere else in the proposal. In addition, you can indicate your support by the person who signs or co-signs your letter. This person should be in a position to speak with authority about your organization. Include a phone number for future contact.

In conclusion, if your written proposal is concise, well organized, and understood by the reader and you have given attention to your competition, have a viable plan, researched your prospects, identified the decision maker, and you continue to be persistent and enthusiastic—you have excellent odds for success.

Ann Ransford is Executive Director of the Glendale College Foundation, Inc., Glendale, California and NCRD Director, Region IX.

Foundation Development Abstracts is published by the Network of California Community College Foundations. For further information or additional copies, please contact Jim Anderson at Chaffey College, 5885 Haven Ave., Rancho Cucamonga, CA 91701-3002, or call 714/941-2112.

APPENDIX D

FORM TO BE COMPLETED BY PROSPECTIVE DONOR OFFERING
REAL OR PERSONAL PROPERTY AS GIFTS

Board of Directors
Mt. San Jacinto College Foundation
1499 North State Street
San Jacinto, CA 92583

In consideration of gifts by others and to assist the Fund Raising Program of Mt. San Jacinto College Foundation, I/We offer to donate the following real or personal property to the Mt. San Jacinto College Foundation (generic description, i.e., raw land, improved real estate, residence and land, commercial building and land, jewelry, scientific equipment, yacht, airplane, etc.):

Legal description/identification of gift offered: _____

Appraised or estimated value of gift offered: \$ _____

Your cost basis: \$ _____ Date Acquired: _____

Encumbrance/s, if any (description and amount/s) _____

Monthly income from property, if any: _____

Environmental, health/safety, or other similar hazards/liabilities, if any

The undersigned acknowledge/s that no gift is accepted until approved by the Mt. San Jacinto College and/or Foundation officials.

Other information (attach additional pages if necessary):

Signed:

_____ Date: _____

_____ Date: _____



Mt. San Jacinto College

Mt. San Jacinto Community College District
1499 North State Street, San Jacinto, California 92383-2399 (714) 654-8011

EDUCATION
COUNCIL
OF
SOUTHERN
CALIFORNIA
MEMBER

Richard H. Lowe
Suzanne H. Lowe

March 14, 1991

Mrs. Mina Irene Pettijohn Pennick
26740 West Berkey Court
Sun City, CA 92381

Dear Mrs. Pennick:

Your attorney, Maxine Barton, has informed us of your generous decision to bequeath major contributions to the Mt. San Jacinto College Foundation for scholarships and for the Center for Performing Arts of the College. I am writing to express sincere appreciation for these splendid gifts and to assure you that they will be used to help meet the financial needs of deserving students and to provide cultural enrichment for the entire community in perpetuity.

With your permission and in accordance with information received from Ms. Barton, your gift for scholarships will be established as an endowment in your name and your gift to the Performing Arts Center will be recognized on the Wall of Honor.

I would welcome the opportunity to meet with you to express my appreciation in person and to further discuss your intentions for your gifts. Perhaps a meeting can be arranged with you, Dr. Bonnie L. Rogers who is Provost of the Menifee Valley Campus, and me as follow up to your previous discussions with Dr. Rogers. We will be in touch with you soon to arrange such a visit.

Sincerely,

Richard H. Lowe

RHL:bes

cc: Mr. Jerry Doyle, President
Mt. San Jacinto College Foundation
Dr. Rogers

bc - Tausig
John

San Jacinto Campus 1499 North State Street, San Jacinto, California 92383
Menifee Valley Campus 28237 La Piedra Road, Menifee, California 92355

APPENDIX F

LETTERS OF INTENT

To be addressed to:

Board of Directors
Mt. San Jacinto College Foundation
1499 North State Street
San Jacinto, CA 92538

In consideration of gifts by others and to assist the Fund Raising Program of Mt. San Jacinto College Foundation, I/We pledge a commitment as follows: \$ _____

The initial payment of \$ _____ is enclosed or will be paid on or about _____ (Date).

You may expect annual pledge installments of \$ _____ paid on these dates (indicate the month and years):

The undersigned may make the gift in cash, securities, or properties; the securities or properties will be valued as of the date of the gift.

I/We do _____ do not _____ wish this commitment to be binding on my/our estate.

In recognition that public acknowledgement of a gift to the Campaign not only honors the donor but also encourages such gifts from others, I/We do _____ do not _____ agree to tasteful public acknowledgement of this gift.

Sincerely yours,

(Signature of Donor)

(Signature of Donor)

(Printed or typed name of Individual(s), Corporation, Foundation, or other organization making the gift)

(Address: Street Number, City or Town, State, Zip Code)

(Date) The pledge may be modified with a written statement at any time at the option of the donor.

50

364

340

To be addressed to:

Board of Directors
Mt. San Jacinto College Foundation
1499 North State Street
San Jacinto, CA 93583

The undersigned is pleased to advise you that on _____, 1991, I executed a document by which, upon my death, a gift to the Mt. San Jacinto College Foundation will be distributed.

In consideration of the gifts of others to the current campaign, of the Mt. San Jacinto College Foundation, I agree to maintain necessary documents making provision for my gift to the Foundation at least in the residual percentage as set forth in said document. As of the date of this letter, the value of said gift is approximately \$_____.

This gift is made to be used in such fashion as the Board of Directors of the Foundation shall determine upon my death.

Sincerely,

51

365

341

Mt. San Jacinto College PAYROLL DEDUCTION FORM

NAME _____ SOC. SEC # _____

ADDRESS _____ PHONE # _____

HOW ARE YOU PAID:

- Once/Month
- Twice/Month
- Hourly

HIRED CATEGORY:

- Certified
- Classified

PAYROLL SKIPS.

- July
- August
- September

Start Date of Deduction / /

Amount of Deduction Each Pay Period \$ _____
\$5 or above

Total Deduction Requested \$ _____

I authorize the payroll deduction(s) shown above
NOTICE See below for terms and conditions

DESIGNATION OF FUNDS

- \$ _____ Art Projects
- \$ _____ Computer Instruction
- \$ _____ Health Programs
- \$ _____ Music Programs
- \$ _____ Scholarships
- \$ _____ Science Programs
- \$ _____ Undesignated
- \$ _____ Other

EMPLOYEE'S

SIGNATURE _____

TODAY'S

DATE _____

FOR OFFICE USE ONLY

START CHANGE STOP Fnd. Employee Initials _____
DATE _____

PAYROLL DEDUCTION AUTHORIZATION

TO MT SAN JACINTO COLLEGE DISTRICT By signing above I appoint Mt. San Jacinto College District my Attorney in Fact to (1) Adjust, by increasing or decreasing my payroll deductions and (2) Apply any payroll deduction received by them to the Mt. San Jacinto College Foundation as indicated on the above. I agree to the amount(s) and manner of payroll deduction(s) authorized above and understand that no payroll deduction(s) will be made for the payroll skip(s) period(s) shown above. I understand this authorization shall remain in effect until revoked by me in writing. Such revocation shall not affect prior transactions. I understand that payroll deduction is voluntary. By signing above I acknowledge that this authorization is made voluntarily that I have received a copy of this authorization, and agree to its terms and conditions.

36-

BEST COPY AVAILABLE

344



MT. SAN JACINTO COLLEGE FOUNDATION

Monthly Credit Account Authorization

I hereby authorize the Mt. San Jacinto College Foundation to bill my credit account monthly in the amount designated below. This authorization will remain in effect until I notify the Foundation in writing that I wish to discontinue my monthly donation.

MasterCard Visa Discover

Account #: _____ Expires: _____

Name: _____ Phone (____) _____

Address: _____ City: _____ Zip: _____

Amount to be billed monthly: \$ _____

Starting Date: _____ Ending Date: _____

Signature: _____ Date: _____

The Mt. San Jacinto College Foundation will bill your account for the amount designated above no earlier than the first day of each month until instructed in writing to discontinue the billings. You will be notified each month when your account has been billed. The Mt. San Jacinto College Foundation is a non-profit, tax exempt organization, recognized by the Internal Revenue Service as a 501(c)(3) organization. Donations are deductible to the full extent of the law. For specific tax advice, please contact your professional tax consultant.

Please retain the copy for your files

360

345

Gift/Pledge of Support

Yes, I/we want to support and assist the Fund Raising Program of Mt. San Jacinto College Foundation, and in consideration of gifts by others I/We pledge a commitment as follows: \$ _____

The initial payment of \$ _____ is enclosed as a: Check Money Order Charge Card Master/Visa Card # _____

I/We intend to make the payments over a period of: 3 months 6 months 9 months 1 year
Please bill me/us: Monthly Quarterly Annually

Name of Donor(s) _____ exactly as it should appear on recognition lists, walls, plaques, etc.:

Exact name of person(s) to be Honored Memorialized (any) _____

Address of Donor(s) _____

City _____ State _____ Zip _____

Telephone () _____

Signature: _____ Date: _____

Please remit to:
Mt. San Jacinto College Foundation
1499 North State Street
San Jacinto, CA 92583

Additional Information?
Please Call
(714) 654-8011
or (800) 624-5561

Recognition of Gifts

Special Recognition

\$100,000 or more

Golden Eagles

\$50,000 to \$99,999

Silver Eagles

\$10,000 to \$49,999



Summit Club

\$1,000 to \$9,999

Builder's Club

\$500 to \$999

Donors

Up to \$499

PLEASE SEND additional information about how I/We may contribute appreciated assets (securities or real or personal property); qualify for tax deductions at the present value, not the basis; avoid capital gains; and provide lifetime income for myself (ourselves). Please include information about other Planned/Deferred Giving methods.

Name: _____

Address: _____

City: _____ State: _____ Zip: _____ Phone: _____

*Pen and Ink drawing by Arlene Kriebitz, MSJC Art Student

370

346

San Diego City College Foundation
 ASSETS - LIABILITIES - FUND BALANCES
 for the month of

ASSETS

OPERATING FUNDS		
Administrative - Non Restricted		
Cash	xx	
C.D.	xx	
Total Non-Restricted Funds		xx
Scholarships - restricted		
Cash	xx	
C.D.	xx	
Total due from endowment	xx	
Total Restricted		xx
ENDCWMNT FUNDS		
Cash	xx	
C.D.	xx	
Total Endowment Funds		xx
CUSTODIAL FUNDS		
Cash	xx	
Stock	xx	
Total Custodial Funds		xx
PROPERTY & EQUIPMENT		
		xx
<hr/>		
TOTAL ASSETS		xx
<hr/>		

LIABILITIES & FUND BALANCE

OPERATING FUND		
Administrative - Non-Restricted		
beginning balance	xx	
Scholarships - Restricted		
beginning balance	xx	
TOTAL OPERATING FUND		xx
ENDCWMNT FUND		
due to Operating Fund	xx	
beginning balance	xx	
TOTAL ENDOWMENT FUND		xx
CUSTODIAL FUNDS		
beginning balance		xx
PROPERTY & EQUIPMENT		
beginning balance		xx
NET YEAR TO DATE REVENUE		xx
<hr/>		
TOTAL LIABILITIES & FUND BALANCE		xx
<hr/>		

San Diego City College Foundation
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
 for the month of

	OPERATING FUNDS				TOTAL
	Non-Restrict	Restricted	ENDOWME FUND	CUSTODIAL FUND	
RECEIPTS:					
Donated Services					
Endowment					
Gifts					
Interest					
Misc.					
Program Fees					
Recovery					
Scholarships					
<hr/>					
<i>Total receipts</i>					
<hr/>					
Disbursements:					
Accounting Fees					
Alumni					
Bank Fees					
Conference/Travel					
Contract Services					
Development/PR					
Dues					
Fundraising					
Misc.					
Office Supplies					
Postage					
Printing					
Program Events					
Rent					
Salaries					
Scholarship/Awards					
Taxes					
<hr/>					
<i>Total disbursements</i>					
<hr/>					
Net					
Beginning Fund Balance					
Ending Fund Balance					

San Diego City College Foundation
 Fiscal Statement - July 1993
 Operating Fund

	<u>July</u>	<u>YTD</u>	<u>ANNUAL BUDGET</u>
INCOME:			
Brought Forward			
Alumni Dues			
Admin. Assessment			
Expense Recovery			
Gifts			
Interest			
Miscellaneous			
Program Fees			
TOTALS	<u>0</u>	<u>0</u>	

EXPENDITURES:			
Accounting Fees			
Alumni Association			
Bank Fees			
Club Service			
Conference/Training			
Contract Services			
Development/P.R.			
Dues			
Fundraising			
Local Travel			
Miscellaneous			
Office Supplies			
Payroll Taxes			
Postage			
Printing			
Program Events			
Salaries			
TOTALS	<u>0</u>	<u>0</u>	
NET	<u>0</u>	<u>0</u>	

San Diego City College Foundation
Fiscal Statement July 1993
Endowment

	Receipts		Disbursements		Balance
	July	YTD	July	YTD	
RESTRICTED:					
<i>FUND NAME</i>					
Interest earned					
<i>FUND NAME</i>					
Interest earned					
Interest earned					
<i>FUND NAME</i>					
Interest earned					
TOTAL RESTRICTED	0	0	0	0	0

NON-RESTRICTED:

Corpus	0	0	0	0
Interest earned	0	0	0	0
TOTAL NON-RESTRIC	0	0	0	0
GRAND TOTAL				

374

350

SAN DIEGO CITY COLLEGE FOUNDATION
Receipt Transmittal

Date: _____ Amount: \$ _____

Credit:

_____ Administrative Budget	Account Name: _____
_____ Scholarship Fund	_____
_____ Custodial Account	Account Number: _____
_____ Endowment	_____

For: _____

SAN DIEGO CITY COLLEGE FOUNDATION
Formal Check Request

Date: _____ Amount: \$ _____

Debit:

_____ Administrative Budget	Account Name: _____
_____ Scholarship Fund	_____
_____ Custodial Account	Account Number: _____
_____ Endowment	_____

Make Check Payable to _____

Mail to _____

For: _____

Receipt(s) or Statement attached

SAN DIEGO CITY COLLEGE FOUNDATION
Internal Transfer

Date: _____ Amount: \$ _____

Debit:

_____ Administrative Budget	Account Name: _____
_____ Scholarship Fund	_____
_____ Custodial Account	Account Number: _____
_____ Endowment	_____

Credit:

_____ Administrative Budget	Account Name: _____
_____ Scholarship Fund	_____
_____ Custodial Account	Account Number: _____
_____ Endowment	_____

For: _____

COLLEGE of the DESERT
FOUNDATION

Disbursement Request

Check No. _____ Amount \$ _____ Date _____

To: _____

For: _____

Charge to: _____

Comments: _____

Prepared by: _____

Approved: _____
Authorized Foundation Officer

Approved: _____
Authorized Foundation Officer

376

352

COLLEGE of the DESERT
FOUNDATION

Disbursement Request

Check No. _____ Amount \$ _____ Date _____

To: _____

For: _____

Charge to: _____

Comments: _____

Prepared by: _____

Approved: _____
Authorized Foundation Officer

Approved: _____
Authorized Foundation Officer

COLLEGE of the DESERT
FOUNDATION
43-500 Monterey Avenue
Palm Desert, California 92260
(619) 346-2190

REQUEST FOR FUNDS
FROM A RESTRICTED ACCOUNT

Date :

From :

Name of Restricted Account :

Amount Requested :

Payable to :

For :
(please attach
necessary justification)

Approvals
(all signatures are required before submitting to Foundation)

Division Chairperson Date

Dean Date

or _____
Vice President, Educational Services Date

Vice President, Administrative Services Date

President/Superintendent Date

DOCUMENTATION OF CONTACT

**College of the Desert Campaign
ENDOWMENT FOR EDUCATIONAL EXCELLENCE**

Name of Contact: _____ *Date:* _____

Address of Contact: _____

Description of Contact: _____ *Phone:* () _____

Prospective:
 Charter Board Member Major Donor Volunteer Other: _____

Location of Meeting:

In Attendance at Meeting:

Summary Report of Meeting:

Immediate Action Items Generated By Meeting?

If NO, then file.
 If YES, then:

What Specific Action is Required:

By Whom: _____ *379* *By What Date:* _____

Action Form Filled? No Yes



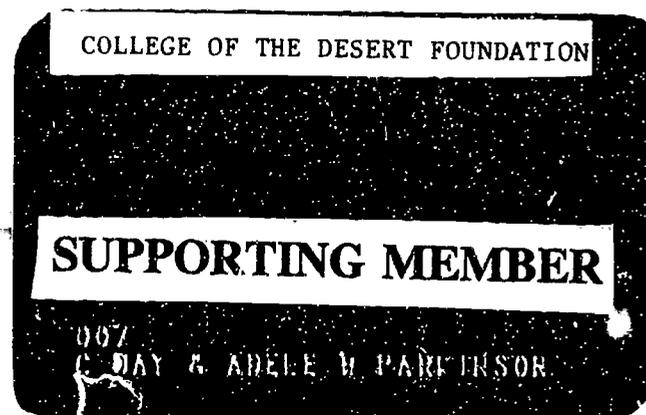
In Greatful Appreciation to

as a

Dean's Circle Member

*Here is your College of the Desert
Foundation Membership identification card.*

*Again, thank you for your support. Your
contribution is greatly appreciated.*



July 1, 1993

DB PC MEMBERS:NOT ON DESKTOP
DB PC MEMBERS:NOT ON DESKTOP

Dear DB PC MEMBERS:NOT ON DESKTOP,

A special thanks to you for your President's Circle membership this past year. Your contributions through the Foundation have been of substantial help in providing needed assistance for the College programs. Thanks to your support and over one hundred and fifty other President's Circle members, much has already been accomplished.

We hope you will renew your President's Circle membership of \$1,000. We still need your help which enables College of the Desert to respond to the growing needs of our growing community. More than 12,000 students, faculty and staff are depending upon us.

I join the Board of Directors in inviting you to renew your gift. Together we can help the College of the Desert face the challenges ahead and continue to provide quality higher education.

Sincerely,

William T. Powers
President

353

358

May 21, 1992

DB PC MEMBERS:NOT ON DESKTOP
DB PC MEMBERS:NOT ON DESKTOP

Dear DB PC MEMBERS:NOT ON DESKTOP,

A special thanks to you for your President's Circle membership this past year. With your support, we have been able to accomplish so much! More funds have been channeled to college programs, and more events have been hosted to raise funds and to raise awareness of the importance of College of the Desert in our community.

As you may have read in the newspapers, community colleges are being threatened financially. Our Foundation will play an increasingly important role now and in the future.

On behalf of our Board of Directors, I invite you to renew your commitment. Your annual \$1,000 contribution helps to form a critical circle of financial support around the 12,000 students attending College of the Desert.

It seems as if all the organizations in our beautiful valley are struggling a bit more this year, given the recession. Perhaps you feel as we do that in the toughest of times education becomes a more critical element in our community because it provides hope, training, skills, and opportunity.

Please renew your gift. Together we can help College of the Desert face the challenges ahead and continue to provide quality higher education.

Sincerely,

William Powers
President

March 22, 1993

name
address
city state zip

Dear Xxx and Xxx,

We have received a contribution to College of the Desert Foundation in honor of your 50th Wedding Anniversary. This gift was received from Mr. and Mrs. Xxxxx Xxxxxxxx and their address is 1234 Xxxxx Dr. Rancho Mirage, CA 92270.

We know you will be very pleased with Mr. and Mrs. Xxxxxxxx's honoring your anniversary in this manner.

Sincerely,

William T. Powers
President

385

360

April 6, 1993

name
address
city state zip

Dear Mrs xxxxxx

We greatly appreciate your donation to the College of the Desert Foundation in honor of xxx xxxxxx's birthday on April 8th. Your contribution has been placed in the Auxiliary fund account as you requested.

Xxx has been advised that a contribution has been made and we are sure she will be pleased with your honoring her birthday in this manner.

Again, thanks for your support.

Sincerely,

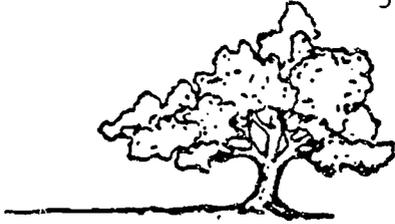
William T. Powers
President

350

361

BUTTE COLLEGE
FOUNDATION

3536 Butte Campus Drive, Oroville, CA 95965



Butte College FOUNDATION

Wishes to Acknowledge

Your interest and support
Are very much appreciated

Date

387

360

BUTTE COLLEGE FOUNDATION

3536 Butte Campus Drive, Oroville, California 95965
(916) 895-2359

PURCHASE ORDER

#

THIS # MUST APPEAR ON ALL INVOICES B/L CASES, BUNDLES, PACKING SLIPS & CORRESPONDENCE

DATE _____

ALL SHIPMENTS MUST BE PREPAID. COLLECT SHIPMENTS WILL NOT BE ACCEPTED.

TO

SHIP TO: RECEIVING DEPARTMENT
BUTTE COLLEGE
3536 BUTTE CAMPUS DRIVE
OROVILLE, CA 95965

INVOICES FOR THIS PURCHASE SHOULD COVER THIS PURCHASE ORDER ONLY.

QUANTITY	UNIT	DESCRIPTIONS OF ARTICLES AND SERVICES	UNIT PRICE	AMOUNT
REQUESTED BY:			SUB-TOTAL	
RECEIVING DEPARTMENT: ROUTE TO -			SALES TAX	
			TOTAL AMOUNT	

IMPORTANT: VENDOR INSTRUCTIONS:

1. INVOICES MUST BE SUBMITTED IN DUPLICATE.
2. SCHOOL DISTRICTS ARE NOT SUBJECT TO FEDERAL EXCISE TAX. (SECTION 4224 INTERNAL REVENUE CODE)
3. NO PAYMENT WILL BE MADE UNTIL COMPLETE ORDER IS DELIVERED AND ACCEPTED AND PROPER INVOICES ARE RECEIVED.
4. INVOICES MUST BE ITEMIZED, STATING QUANTITY, PRICE AND AMOUNT OF EACH ITEM.
5. NO MERCHANDISE WILL BE ACCEPTED AFTER 60 DAYS FROM THE DATE OF THIS ORDER, UNLESS AUTHORIZED.

BUTTE COLLEGE FOUNDATION

358

BY: _____
EXECUTIVE DIRECTOR
FOUNDATION

363

BUTTE COLLEGE FOUNDATION

DISBURSEMENT AUTHORIZATION

TO: BOOKKEEPER

- PLEASE ISSUE: CHECK (ATTACH INVOICE)
 PURCHASE ORDER
 TRANSFER FUNDS

FOR OFFICE USE ONLY
INVOICED AMOUNT OF P O
\$ _____

DATE
CHECK # _____

DISPOSITION OF CHECK OR PURCHASE ORDER:

- GIVE TO _____
 MAIL TO PAYEE LISTED BELOW

PAY OR ORDER FROM:

NAME _____
 ADDRESS _____
 CITY _____ STATE/ZIP _____

TOTAL AMOUNT \$ _____

ACCOUNT NAME	P O NO
--------------	--------

THIS IS NOT A PURCHASE ORDER

QUANTITY	UNIT	DESCRIPTIONS OF ARTICLES AND SERVICES	UNIT PRICE	AMOUNT

THE ABOVE ARTICLES OR SERVICES WILL BE USED FOR THE FOLLOWING PURPOSE

SUB-TOTAL	
SALES TAX	
TOTAL AMOUNT	

TESTED BY _____

DATE _____

FOUNDATION AUTHORIZATION

389

Jan. 8, 1993

Dear Linda,

Thank you for your generous \$25 donation to the Emergency Student Loan Program. Our campaign to "Help Improve the Quality of Life at West Los Angeles College" was a terrific success, generating almost \$1,200 in faculty and staff donations. Your gift in these difficult economic times is greatly appreciated. The Emergency Student Loan Program has assisted many students in need, providing emergency money for textbooks, school supplies, transportation and other vital services. Your donation is another wonderful example of the care and concern you have shown for the students here at West L.A. College over the years.

Thankfully yours,

300

365

Jan. 9, 1993

Dear Dorothy,

Thank you for your generous \$10 donation to the Flowering Plants fund. Our campaign to "Help Improve the Quality of Life at West Los Angeles College" was a terrific success, generating almost \$1,200 in faculty and staff donations. Your gift in these difficult economic times is greatly appreciated. The beautiful flowers that will be planted will add a special charm to the campus and serve as a wonderful reminder of your many contributions to West L.A. College.

Thankfully yours,

Jan. 8, 1993

Dear Judy,

Thank you for your generous \$100 donation to the Unrestricted Fund. Our campaign to "Help Improve the Quality of Life at West Los Angeles College" was a terrific success, generating almost \$1,200 in faculty and staff donations. Your gift in these difficult economic times is greatly appreciated. As you are well aware, Unrestricted funds are quite desirable in that they may be used for a variety of campus concerns. Your donation is another wonderful example of the tremendous efforts you have made over the many years to make West L.A. College a better place for everyone.

Thankfully yours,

392

267

FOOTHILL-DE ANZA COLLEGES FOUNDATION TRANSMITTAL

.....
[Include original documentation that came with check]

From _____ Date Item Was Received _____

[For organizations include contact person]

Organization _____

Name Mr./Mrs./Ms./Dr. _____ Tel. (H) _____

Street _____ (W) _____

City _____ State _____ ZIP _____

Deposit \$ _____ to account name _____ account #944 _____

Donation \$ _____ Fee \$ _____ Sale \$ _____ Other \$ _____

Method of payment Ck _____ Credit Card _____ Cash _____ Other _____

The "From" person above has sent or will send a thank-you note: ___ Yes ___ No

This is a corporate matching gift: ___ Yes ___ No

___ New Donor ___ Renewing Donor

Foundation should issue thank-you letter: ___ Yes ___ No Initials of letter signer _____

Foundation should issue thank-you card: ___ Yes ___ No Receipt No.: _____

Foundation should issue a premium: ___ Yes ___ No Premium _____

Comments _____

.....
CLIP CHECK HERE ON RIGHT

Rev 9/91



Three cheers for you:

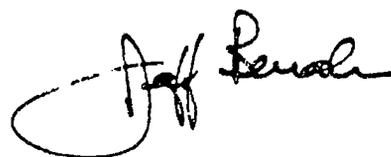
Thank you!

Thank you!

Thank you!

*You have helped your community college
and its students by your recent gift.*

Your receipt is on the reverse side.



Jeff Bender, *President*
Foothill-De Anza Colleges Foundation



Thomas H. Clements, *President*
Foothill College





Cabrillo College Foundation

Cabrillo College Foundation, (408) 479-6338, 6500 Soquel Drive, Aptos, CA 95003

1~
2~
3~

August 2, 1993

We are in receipt of your scholarship check for \$4~. The scholarship funds will be released to the student upon verification of enrollment.

On behalf of Cabrillo College and the Cabrillo College Foundation, we wish to express our appreciation for assisting a Cabrillo student.

Sincerely,

*Deborah Peterson
Foundation Coordinator*

enclosure: receipt

396

371



CABRILLO COLLEGE FOUNDATION

• 6500 Soquel Drive Sesnon House Aptos, CA 95003 • 408-479-6338 •

Deliver To: _____ Date: _____

From: _____

REQUISITION FOR PAYMENT

Date _____

Requested by _____

Vendor _____

Account No. _____

Address _____

Account Name _____

City State _____

Mail Check

Pick Up Check

Date Check Needed _____

Special Instructions For Check Disbursement: _____

DESCRIPTION	AMOUNT

Check Number _____

TOTAL AMOUNT \$ _____

1. APPROVED _____ Date _____
signature (authorized requestor)

2. APPROVED _____ Date _____
signature (Vice President Instruction)

3. APPROVED _____ Date _____
signature (Foundation Coordinator)

FORWARD TO EXECUTIVE COMMITTEE FOR APPROVAL _____ Date _____
signature

397

1 89

372



CABRILLO COLLEGE FOUNDATION

• 6500 Soquel Drive Sesnon House Aptos, CA 95003 • 408-479-6338 •

SCHOLARSHIP CHECK REQUEST FORM

STUDENT'S NAME _____ DATE _____

SCHOLARSHIP NAME _____

YEAR SCHOLARSHIP WAS AWARDED _____

TOTAL AMOUNT AWARDED \$ _____ THIS IS PAYMENT # _____ OF _____ PAYMENTS

CHECK TO BE MADE PAYABLE IN THE AMOUNT OF \$ _____

STUDENT WILL PICK UP CHECK AT THE BANK _____

PLEASE MAIL CHECK TO: _____

Name

Address

Phone

Enrollment Verification _____ Units _____ GPA _____ Date _____
Scholarship Coordinator

OFFICE USE ONLY

Paperwork sent to Foundation _____ date _____ date received _____ initials _____

Funds verified _____ Foundation Coordinator _____ budget number _____

Paperwork sent to Business Office _____ date _____ date received _____ initials _____

Check ready for pickup _____ date _____ Check mailed _____ date _____

399

WHITE Scholarship Office

YELLOW Foundation Office

PINK Business Office

GOLDENROD Scholarship Office—Check Processed

374



MENDOCINO COLLEGE

Foundation

"Pursuing excellence in education and service"
in partnership with Mendocino College

P.O. BOX 3000 • UKIAH, CALIFORNIA 95482 • (707) 468-3073

MENDOCINO COLLEGE

Foundation

P.O. BOX 3000
UKIAH, CALIFORNIA 95482

450

375



MENDOCINO COLLEGE

Foundation

"Pursuing excellence in education and service"
in partnership with Mendocino College

Your investment in the
Mendocino College Foundation
can make people's hopes and aspirations
come true. It is an opportunity that pays
human dividends.



FROM THE COLLEGE PRESIDENT

"Your generous gesture represents a supreme demonstration of true caring and sharing. In appreciation of your generosity, your gift(s) will be administered by a Board of Directors that represents an equally caring and concerned team of community, business and industry leaders. Through its efforts, more students are able to pursue their educational goals each year."



Carl J. Ehmann
Carl J. Ehmann
Superintendent/President
Mendocino Lake
Community College District

BOARD MEMBERS

Our board members represent various industries and geographic centers within the Mendocino-Lake Community College District

Martha Barra, Ukiah
Agribusiness/Grape Grower • 462-3086

Dan Grothe, Lakeport
Appraiser/Rancher • 263-4400

Charles Mannon, Ukiah
Banking and Law • 468-9151

Castle Skip Newell III, Laytonville
Business Adviser • 984-6362

Toni Scully, Lakeport
Agribusiness/Pear Shipper • 263-7327

Claudia Smith, Willits
Publishing • 459-2641

Dan Thomas, Ukiah
Agribusiness/Pear Grower • 462-4716

Carl J. Ehmann, Ukiah
Mendocino College President • 468-3073

MENDOCINO COLLEGE

Foundation

SUCCESS STORIES



"Through Mendocino College and the scholarship I received from the Mendocino College Foundation, I was able to complete my general education course work with very little cost while living at home. The year and a-half I spent at Mendocino College would have taken two years at the university I now attend and cost approximately \$10,000!"
Todd Sheldon
Dental Student
Brigham Young University



"It is a wonderful feeling knowing my community supports its students. Without the help of the Mendocino College Foundation, our goals would only be dreams. Its support enabled me to reach my goals."
Theodora Riddle
Ornamental Horticulture/
Planting
Willits

To find out how you can participate, call the Mendocino College Foundation at (707) 468-3071

BEST COPY AVAILABLE

402

375



MENDOCINO COLLEGE

Foundation

BOARD OF DIRECTORS

Martha Barra, Ukiah
Agribusiness/Grape Grower 462-3086

Joan Bistrin, Ukiah
Communications, Educator 462-2766

Mark DeMeulenaere
Manufacturing 459-5563

Gary Gamble, Potter Valley
President, Pallet Company 743-1151

Dan Grothe, Lakeport
Appraiser/Rancher 263-4100

Charles Mannon, Ukiah
Banking and Law 468-9151

Castle Skip Newell III, Laytonville
Business Adviser 984-6362

Toni Scully, Lakeport
Agribusiness/Pear Shipper 263-7327

Joan Schlienger, Ukiah
Homemaker, Educator 468-0938

Claudia Smith, Willits
Publishing 459-2611

Dan Thomas, Ukiah
Agribusiness/Pear Grower 462-4716

Carl J. Ehmann, Ukiah
Mendocino College President 468-1071

WHAT IS THE FOUNDATION?

- A non-profit, public benefit corporation.
- A dedicated team of volunteer community and business/industrial leaders.
- The community's instrument to be a "partner" with the college.
- A communication link between the college and the areas it serves, including Ukiah, the Willits Center, the Lakeport Center, Anderson Valley/Boonville, Laytonville, Potter Valley, Covelo/Round Valley.

THE FOUNDATION

- Is committed to supporting Mendocino College's pursuit of excellence in education and service.
- Channels private funds to make the pursuit of higher education an attainable goal in Mendocino and Lake Counties.

THE GOALS

- Provide student scholarships
- Enrich instruction and basic skills
- Enhance program and staff development
- Strengthen student services
- Promote and develop a mutually beneficial relationship between the college and the business/industrial community

HOW YOU CAN HELP

Your gifts to the Foundation are tax-deductible and may be made immediately or as part of a deferred plan. Let us show you how a planned gift to the Foundation can generate income and tax benefits for the donor while helping the Foundation achieve its goals.

WHAT YOU CAN GIVE

- Cash
- Real estate, personal property, equipment, life insurance, stocks, bonds, notes and leases, often given by way of charitable remainder trusts
- Donating your time and talent in the Foundation
- Remembrances
 - Memorials
 - Honorariums, to honor a person or occasion
- Pledges
 - Bequests by will
 - Trusts, with tax benefits to the donor
 - Life Insurance Policies

YOUR BENEFITS

- ◆ Enhance higher educational opportunities in your community
- ◆ Gain personal or corporate tax benefits
- ◆ Exemplify the spirit of philanthropy

✂ CLIP AND MAIL TODAY

YES! I want to join the Mendocino College Foundation in helping our community college achieve its full potential as a center for intellectual and vocational advancement for the people of Mendocino and Lake Counties.

My check for the following amount

\$25 \$50 \$100

Other \$ _____

is enclosed to help the MENDOCINO COLLEGE FOUNDATION achieve its goals.

This donation is made on behalf of _____

A letter of appreciation for this gift may be sent to the family at:

NAME _____

ADDRESS _____

CITY/STATE/ZIP _____

- I would like my donation to remain anonymous
- I'm enclosing the names and addresses of individuals who may be interested in the Mendocino College Foundation.
- Please send information on how to include the Mendocino College Foundation in my will, insurance policy or trust

Please make checks payable to: MENDOCINO COLLEGE FOUNDATION, P.O. Box 3000, Ukiah, CA 95482. For more information, call (707) 468-3071.

DONOR'S NAME _____

ADDRESS _____

CITY/STATE/ZIP _____

PHONE Day _____ Evening _____



MENDOCINO COLLEGE

Foundation

"Pursuing excellence in education and service"

...in partnership with Mendocino College

SAMPLE THANK YOU LETTER

Tom Jones
123 Main Street
Ukiah, CA 95482

Dear Mr. Jones:

On behalf of the Mendocino College Foundation Board of Directors, I would like to thank you for your donation to our Annual Fund Drive. The Foundation supports the Mendocino-Lake Community College District in the pursuit of "Excellence in Education and Service". Your commitment to this cause makes it possible for local students to take a step closer to achieving their hopes and dreams of a quality higher education.

Your generosity is appreciated; we are pleased that you have chosen to join us in the commitment to help students enrich their lives and become productive members of society.

Sincerely,

Toni Scully, Chair

495

P.O. BOX 3000 • UKIAH, CALIFORNIA 95482 • (707) 468-3073

378

*A Gift
In Memory of
Rene Genti
has been received by
The Cabrillo College Foundation
for the
Cabrillo College
Stroke Center
Endowment Fund
The donor was*

*Ms. Helen Palmer
Street
Town, CA Zip*



DONATION APPROVAL FORM

SCHOOL AND/OR DEPARTMENT TO RECEIVE DONATION: _____

TYPE OF DONATION: CASH IN KIND SERVICES EQUIPMENT/MATERIALS

VALUE OF DONATION (ESTIMATE IF NOT KNOWN): _____

PROPOSED USE OF DONATION: _____

RELATED COSTS OR NEEDS ASSOCIATED WITH DONATION
(E.G. INSTALLATION, DELIVERY, MAINTENANCE OR REPAIR CONTRACTS, ETC.):

ARE RELATED COSTS BUDGETED OR OTHERWISE FUNDED? YES NO

ADDITIONAL COMMENTS: _____

DONOR INFORMATION

(NAME)

(STREET)

(CITY, STATE, ZIP)

(PHONE)

SIGNATURES AND APPROVALS

(DEAN/ADMINISTRATOR)

(DATE)

(VICE PRESIDENT OF BUSINESS SERVICES)

(DATE)

(EXECUTIVE DIRECTOR, FOUNDATION)

(DATE)

(PRESIDENT)

(DATE)

INFORMATION COPIES
VICE PRESIDENT OF INSTRUCTION
VICE PRESIDENT OF STUDENT SERVICES

Proposed Name of the Account: _____

Justification: Please list and describe the purposes for which funds will be raised and expended.

- 1. _____

- 2. _____

- 3. _____

Applicant _____ Chair or Supervisor _____

Administrator _____ Account Closure Date _____

"How To" Section

Deposit Advice Form: These forms are available from the Foundation office and must be completed and attached to every account deposit (multiple checks may be recorded on each form). Keep the back copy for your files, submit all other copies to the Foundation office.

Invoice Form: Request payment for goods or services using the Foundation Invoice Form, available from the Foundation office. Invoice Forms must be signed by the college administrator responsible for the account from which funds are to be drawn, and by the Executive Director of the Foundation. Except in emergency circumstances, checks for payment are cut once a week. In all cases, copies of invoices and /or receipts (in cases of reimbursement) are required for payment. Keep the back copy for your files, submit all other copies and support documentation to the Foundation Office.

Reports: Monthly account reports are produced for each Foundation account. These reports will be sent to the fund administrator who will be responsible for distribution to the appropriate administrator(s) and organization members.

Important facts about the Foundation's 501 (c) (3) non-profit status: The foundation is a recognized non-profit, charitable institution which provides staff support, accountancy, auditing, tax filing, legal representation and insurance coverage in support of each of its activities and events, and those of its associate organizations. All monies invested in any Foundation account for tax-deductible purposes must be processed through the Foundation Office. It is against U.S. tax law to deposit such monies into private or non-audited accounts. Monies generated for advertising or for equipment and /or facilities rental are not tax-deductible. Failure to comply with U.S. tax law jeopardizes the Foundation's 501 (c) (3) status. Any non-compliance not immediately corrected after its discovery, will result in the termination of the offending account.

Any funds remaining in the account at the closure date will be placed in the general fund of the Foundation.

Office Use:

Account Type: Type 1 Type 2 Type 3

Recommended by _____ Date _____

Foundation Board Action: Date Presented _____ Approved _____ Not Approved _____

Foundation for Saddleback Community College District

DEPOSIT ADVICE

N^o 06110

ACCOUNT # _____

ACCOUNT NAME _____

PROCESSED BY _____

DATE: _____

Source of Funds	Purpose	Check #	Amount
			\$
TOTAL			\$

DEVELOPMENT OFFICE USE

Receipt is hereby acknowledged
in the amount of \$

409

- MONEY MARKET
- CHECKING ACCOUNT

DEPOSIT DATE _____
DEPOSIT SLIP # _____

382

ACKNOWLEDGEMENT LETTER

(date)

Dear _____:

On behalf of the Board of Directors, may I express our sincere thanks for your gift to the El Camino Community College District Foundation.

Your gift of _____ dollars (\$____) has been designated for the _____ account. Please be assured that it will be put to its intended use.

The Foundation is a federal and state registered non-profit institution. Our Federal Tax Identification Number is 95-3874302 and our California State Registration Number is CT50700.

Your support of The Foundation and its goals is deeply appreciated.

Very sincerely,

Robert Haag
Executive Director



SIERRA COLLEGE FOUNDATION

Acct. No.

An Investment in the Future . . .

APPLICATION TO ESTABLISH A SCHOLARSHIP ACCOUNT

A Scholarship Account may be established with the Sierra College Foundation by submitting this completed application to the Foundation for approval.

A. Name of Scholarship _____

B. Name of Donor/Organization/Contact Person _____

C. Address _____

City _____ State _____ Zip _____ Phone Number _____

D. Number of Scholarships _____ E. Amount of each Scholarship _____

F. SCHOLARSHIP ELIGIBILITY CRITERIA:

1. Is there a minimum grade point average required? _____
If so, specify (A=4.0, B=3.0, or C=2.0) _____
2. Is financial need required? _____
3. Is there a major/field of study? (specify) _____
4. Is this major/field of study required _____ or preferred _____
5. Is there a specific number of units that a student must be enrolled in at the time of application? If so, specify _____
6. Is there a specific number of units that a student must be enrolled in at the time they receive the scholarship funds? Specify. _____
7. Is this scholarship for: (CHECK ONE CATEGORY ONLY)
 - a. College freshman (0 to 29 college units completed). _____
 - b. College sophomore (more than 29 units completed). _____
 - c. Transferring student (at least 48 units completed). _____
8. List additional criteria: _____

560 Wall Street, Suite H, Auburn, California 95603 • (916) 823-3655 • Fax (916) 781-0455

G. DONOR REQUIREMENTS:

- 1. Does the Donor wish to select the winner(s): _____
- 2. Does the donor wish to interview the applicants? _____
- 3. Does the donor wish to make this an on-going scholarship? _____
- 4. Does the Donor wish to make this a one-time scholarship? _____
- 5. Does the Donor wish to maintain scholarship funds in
 - a. Foundation account _____ b. Trust account _____
- 6. Does the Donor wish to use a special application form that applicants should complete? If so, please attach this form to this application.

The Sierra College Scholarships are announced in January or February of each year. The Scholarship Committees make their determinations in April and the award announcements are made in May. We ask that each donor notify the Financial Services Office by January 2 of each year as to the disposition of the Scholarship for that year. Trust accounts are to have sufficient funds by August of the year for which funds are awarded.

Signature of Donor

Date

(Donors should notify Financial Services Office whenever there is a change in the contact person.)

For office use only:

REVIEWED AND APPROVED BY THE SIERRA COLLEGE FOUNDATION

Signature

Title

Date

jmb
5/21/92



SIERRA COLLEGE FOUNDATION

Acct.No. _____

An Investment in the Future . . .
Application To Establish a Designated/Restricted Account

A Designated/Restricted Account may be established by submitting this completed application to the Sierra College Foundation for approval.

A. Name of Account _____

B. Contact Person _____ Division _____ Dept. _____

C. Purpose of Account _____

D. How will funds be raised? _____

E. Authorized persons (signatures) to execute expenditures:

NAME _____ / _____
(please print) Signature

NAME _____ / _____
(please print) Signature

NOTE: I understand that the Sierra College Foundation is legally responsible for all funds deposited. Interest earned will be deposited quarterly to the account. Expenditures must be requested in writing, allowing sufficient time for Board approval before a Foundation Purchase Order will be issued. The Board meets the second Monday of each month throughout the year. Requests should be submitted to the Foundation office before the day of the Board meeting. Failure to meet these timelines may result in a significant delay.

F. Contact Person's Signature _____

Address _____

Number and Street City State Zip

Telephone _____

Business Home

THIS APPLICATION has been reviewed/approved by the Sierra College Foundation:

G. Reviewed: _____ Date _____
Executive Director

H. Approved: _____ Date _____
Foundation President (Officer)

jmb/5/21/92

560 Wall Street, Suite H, Auburn, California 95603 • (916) 823-3655 • Fax (916) 781-0455



SIERRA COLLEGE FOUNDATION

An Investment in the Future . . .

PROJECT EVALUATION

PROJECT NAME _____

PROJECT DESCRIPTION _____

PURPOSE

PROPOSED FREQUENCY

Public Relations _____
 Friend Raising _____
 Fund Raising _____
 Operational _____
 Scholarship _____
 Capital Campaign _____
 Special Project _____
 Other _____

One time _____
 Once a year _____
 Monthly _____
 Weekly _____
 Other _____

BREAKDOWN OF OPERATION:

ITEMIZED INCOME:

ESTIMATED EXPENSES:

NUMBER OF PEOPLE NEEDED: _____

EST. NUMBER OF HRS. PER PERSON _____

Attach completed project organizational structure, suggested Project Phases and Time-Line/Calendar.

560 Wall Street, Suite H, Auburn, California 95603 • (916) 823-3655 • Fax (916) 781-0455

COMMITTEE EVALUATION

Why is project plausible? (pros and cons)

Is rate of return worth the effort and expense?

If continued, how can project be improved?

Who are best people to assist?

=====

FOR FOUNDATION USE:

PROJECT APPROVED _____(DATE) DISAPPROVED _____(DATE)

Discussion comments:

mb
21/92

SIERRA COLLEGE FOUNDATION PROJECT TIME LINE

391

YEAR -

PROJECTS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC

418

419

jmb
5/21/92

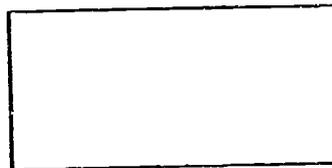
SIERRA COLLEGE FOUNDATION
PROJECT ORGANIZATIONAL STRUCTURE

266

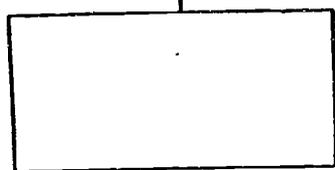
EVENT _____

PURPOSE _____

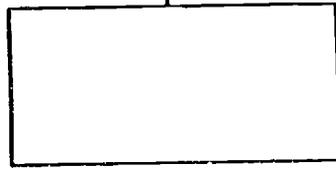
DATE _____



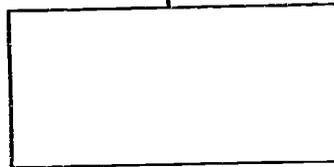
CHAIRMAN



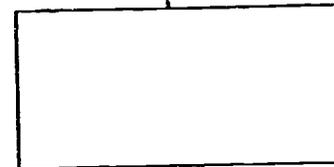
TEAM MEMBER



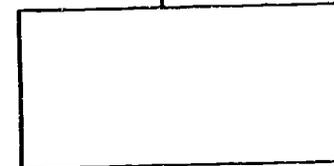
TEAM MEMBER



TEAM MEMBER



TEAM MEMBER

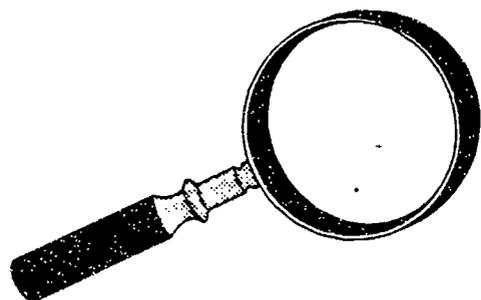


TEAM MEMBER

420

421

**WHAT DO YOU MEAN YOU CAN'T FIND IT?
Record Retention Policies and File Media
A Background Paper**



by Walt Reno

The computer age has come to the academic world. Electronically transmitted information is becoming the norm assisting in the elimination of hard copy documents. When you hear the horror stories about methods used to store critical information, it is about time something was done to improve storage methods and retrieval systems. Magnetic disks and tape, optical scan equipment and other electronic mediums are being looked upon as saviours to the college world. Unfortunately, the reliance upon such equipment is not foolproof and that's where internal auditors come in.

Ask yourself, what are my district's storage policies and practices for critical information. Are we keeping everything required? Are we keeping too much information? (A common problem.) Is the information being kept secure from damage to be retrieved when needed?

Permanent storage and retrieval of critical information is a forgotten problem in community colleges. College administrators are being expected to track the progress of students while they're in school. Accordingly, they are seeking more cost effective means for doing so. In addition, with the continuing decline in our nation's economy, more and more graduates will be returning to their colleges to obtain verification of their degrees. Imagine how devastating it would be for a prior student to hear the words "We can't find your transcripts."

Given these needs, administrators are turning to electronic mediums to replace hard copy documents. Unfortunately, State regulations do not directly address the use of computers for record retention. Sections 59020, 59041 of Title 5 of the *California Code of Regulations* addresses the definitions and current handling procedures for records in community colleges. Identified in the regulations are four different types of student records:

- Continuing Records (Active)
- Class 3-Disposable
- Class 2-Optional (Not yet classified)
- Class 1-Permanent

"Continuing records" are not specifically defined in the regulations, but college staff generally have held them to be all records relating to actively enrolled students. Title 5 Section 59025 defines Class 3-Disposable records as all records not considered either Class 1-Permanent, Class 2-Optional or Continuing Records. Class 2-Optional are those records not yet classified as either permanent or disposable.

Section 59023 lists the types of records that are to be considered Class 1-Permanent. Among other information, permanent student records include enrollment and scholarship [academic] records which include the following data elements:

1. Name of student
2. Date of birth
3. Place of birth
4. Name and address of a parent having custody if the student is a minor

*** Continue Page 6 ***

What Do You Mean....Continued from Page 5

5. Entering and leaving date for each academic year
6. Subjects taken during each session
7. Grades and credits earned

Generally, student transcripts contain all these data elements. But if they do not, colleges generally store other documents to satisfy the legal requirements. Under current regulations, Class 1 records must be maintained either in hard copy or microfilm/fiche form (T5 Section 59022). It appears from the regulations that electronic media such as optical scan and magnetic disk or tape may be used as an administrative convenience or Class 1 information if it is not the sole media available. To satisfy legal restrictions, a college would still be required to maintain, as a backup, duplicate files in hard copy or on microfilm/fiche.

Unfortunately, such is not always the case. We know of at least one community college that does not keep hard copy or microfilm records of student transcripts. All historical and current student information is maintained on on-line magnetic disks. This allows the college to quickly access student transcripts but may put current and past students unduly at risk regarding their academic histories. (Imagine this scenario and the problems it would cause: We had a disk crash last night during backup and lost the entire disk pack containing all student records from academic year 1989-90.)

At the other end of the spectrum are colleges who store as permanent records all student-related documents including term-grade points, attendance sheets, registration and residency forms and other such documents generally considered to be Class 3-Disposable.

Improvements in optical scan technology have advanced the possibility of using only electronic media for Class 1 information; however, current State regulations require such permanent storage media be approved by the U.S. Bureau of Standards before using them without hard copy or microfilm/fiche backup. In contrast, the U.S. Department of Education has generally accepted electronic media for student records in financial aid programs. This acceptance has created some confusion at the local colleges, but is consistent with Title 5 policy because student financial aid information is, for the most part, Class 3-Disposable.

Class 2 and continuing records function as interim classifications and should be treated as either Class 1 or Class 3 depending on the information contained within. Class 3-Disposable records must be maintained for three- to five years with the longer retention period required for federally funded programs. As with Class 1 records, the regulations are silent on whether Class 3 records may be maintained solely on temporary media until they satisfy the three- and five-year retention requirements. Hard copy or microfilm/fiche are presently the only acceptable means mentioned in Title 5 to accomplish this.

There are community colleges that destroy hard copies of registration forms and other Class 3 documents after current enrollment information is transferred to magnetic disks. This practice, while less critical than creating electronic transcripts, still places the students at some risk. To minimize such risk, it is advised that hard copies of continuing records be available as backup until final classification of the records as Class 1 or Class 3 has been made. Also, as is standard operating procedure with electronic media, it is advised that the three generations of backup information be rigorously maintained.

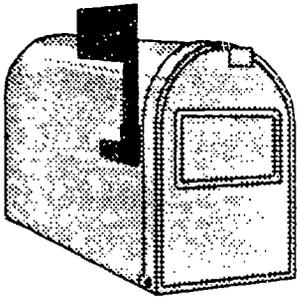
With all the different practices and increased use of electronic media, it is becoming more critical that staff at community colleges address these issues. So, what can you do to help?

*** Continue Page 7 ***

What Do You Mean....Continued from Page 6

First, you need to understand how permanent data is stored on your campus and in what form. Next, you need to assess whether there is extra or insufficient data contained in the "permanent data." In my experience, higher education professionals tend to keep more information than is absolutely necessary to fulfill legal requirements and, if storage space is limited, a greater service can be rendered by reducing the required information to its bare minimum. If electronic media is used, you have to

determine whether retention practices provide adequate protection to potential users given the various limitations of the media. Finally, help others on your campuses to understand the requirements and assist them to screen information when it is being created because the easiest way to administer record retention policies is to have someone else do it, and the second easiest way is to classify the information as disposal or permanent as it is created. Good Luck.



**WE WANT TO
HEAR
FROM
YOU!**

We are eager to hear from you! Please send us any news that would be of interest to your colleagues.

Have you read anything of interest? Audit Findings; Fraud Findings; Interesting books or articles? Is there a particular experience that was successful or not so successful that you wish to share? On a more personal note: Tell us about yourself, marriage, births, or educational experiences. How about your college or your department?

Send articles to: Coast Community College District,
1370 Adams Avenue, Costa Mesa, CA 92626.
Attention: Jim Williams, Internal Audit Services.

...Congratulations to Susan Bryant of Grossmont-Cuyamaca CCD on her marriage December 19, 1992. Ms. Bryant is now known as Mrs. Rearic and we wish her a long and happy marriage!.....

GOOD LUCK!!

...Congratulations are also in order to John Shaffer of Peralta CCD for receiving his designation as a Certified Fraud Examiner (CFE) on January 4, 1993, by the National Association of Certified Fraud Examiners. Keep up the good work!.....

SUSAN

JOHN

&

PAT

...Best wishes and good luck to Pat Sha of Peralta CCD on his new position as Chief of Audits for the City/County of San Francisco Tax Collector's Office. Pat's new work phone number is (415) 544-9486 and his address is 25 Van Ness Avenue, Suite 220, San Francisco, CA 94102. Thank you, Pat, for your past service to CCIA and we are surely going to miss you!.....

425

Page 7

396

Internal Revenue Service Regulations and Tax Deductibility

Perhaps one of the most difficult areas to learn and handle correctly for new foundations is tax regulations. Many donors give to public institutions, at least in part, because of the tax benefits they can receive. This is particularly true for planned and deferred giving where the entire gift is usually structured around the possible tax benefits.

In this section you will find copies of the most common IRS forms and regulations that apply to gifts to non-profit organizations. Forms and regulations change and interpreting them can be confusing. The ones included here are intended as guidelines only. We urge any foundation that is involved in non-cash gifts where tax deductibility is a consideration to consult with a tax attorney or qualified CPA regarding deductibility. Giving a prospective donor false or incorrect information can destroy both the potential gift as well as the foundation's credibility with other donors. It could even lead to a lawsuit and negative publicity. Be very careful when dealing with this subject.

Avoid setting prices on non-cash gifts. One easy way of dealing with such gifts is to let the donor establish its worth and acknowledge the gift with a "donor stated value of \$_____". Be sure to let the donor know that the college or the foundation is not certifying the value of the gift and that he or she will have to prove the value of the gift if challenged by the IRS. This keeps you and the foundation out of the middle of a potential no-win situation and is usually satisfactory to most donors. For major gifts and works of art, it may be worth the cost of hiring an outside appraiser to set the value of the gift. In such cases, the charity should hire the independent appraiser, not the donor.

Another common area where charities can create tax problems is special events. The fair market value for the goods or services received by the person who buys the event ticket must be deducted from the cost of the ticket before there is any charitable deduction. For example, a \$50 ticket to a concert with a reception would have to take into consideration the comparable cost of the food, wine, performance, gifts to attendees etc. even if these items are donated. This is often very difficult to determine and in some cases may exceed the cost of the ticket. If \$40 of value are given for a \$50 ticket, the tax deduction is only \$10. The best advice here would be to avoid any mention of tax-deductibility for special events if possible. Never tell people that their ticket to any special event is deductible. Additional information can be found in IRS Rule 67-246, contained in this *Manual*.

Audits

Every foundation should have an annual audit conducted by a reputable auditing firm. Many grant sources and corporate contributors require a copy of the donees most recent audit report before a gift or grant is made. Good audits - those without audit exceptions- are also an excellent way of creating and maintaining fiscal credibility and of improving financial operations by following the auditors suggestions.

If your foundation is new, or has not been audited yet, one suggestion is to begin to work with a reputable CPA auditing firm several months before the first audit. Many foundations seek-out a tax attorney, banker or CPA to sit on the foundation board, usually as treasurer to assist in establishing professional financial policies, procedures and records. It is usually not appropriate to ask a board member to keep the organization's books or to do the accounting, unless the organization is very small or just getting started. It is never appropriate for anyone on the board or closely associated with the foundation to conduct its formal audit.

Seek informal advice on procedures and record-keeping before they are formally reviewed by the auditors. This will help avoid audit exceptions. Audit exceptions are negative things that auditors find that are included in the official report and tend to decrease an organization's credibility. Auditors also usually include a separate list of audit recommendations that are not part of the official audit but are useful in tightening procedures and financial practices.

Formal audits can cost several thousand dollars or more depending on how complex your foundation is and the size of your assets. Often, audits can be done by the same firm that audits the college at a lesser price if negotiated as part of the college's contract. Since monitoring the operations of an independent college foundation is in the best interest of the college, audit expenses may be appropriate for a college to pay in support of its foundation, especially if it is part of the college's overall audit.



Department of the Treasury
Internal Revenue Service

Deductibility of Payments Made to Charities Conducting Fund-Raising Events

From the Commissioner

As Commissioner of Internal Revenue, I am sending this message to charities to ask your help in more accurately informing taxpayers as to the deductibility of payments by patrons of your fund-raising events.

I am concerned that sponsors of fund-raising events have often failed to provide written information on the extent to which payments for such affairs are deductible as charitable contributions. There has been widespread misunderstanding of the limitations on the deductibility of such payments. This misunderstanding has led, of course, to erroneous tax reporting of these payments by some patrons.

The Congress also has evidenced some concern in this area. The House Budget Committee, in its Report on the Omnibus Budget Reconciliation Act of 1987, page 1607, states that it "is concerned that some charitable organizations may not make sufficient disclosure, in soliciting donations, membership dues, payments for admissions or merchandise, or other support, of the extent (if any) to which the payor may be entitled to charitable contributions for such payments." The Report, on page 1608, then states:

"...the committee anticipates that the Internal Revenue Service will monitor the extent to which taxpayers are being furnished accurate and sufficient information by charitable organizations as to the nondeductibility of payments to such organizations, where benefits or privileges are received in return, so that taxpayers can correctly compute their Federal income tax liability. The committee also anticipates that groups representing the charitable community will further educate their members as to the applicable tax rules and provide guidance as to how charities can provide appropriate information in this regard."

Publication 1391 (6-88)



Rev. Rul. 67-246

Because of this expression of Congressional interest, as well as the continued concern of IRS, I shall institute a Special Emphasis Program for the 1988 tax year. It will focus on the fund-raising practices of charitable organizations, as well as organizations that perform fund-raising functions for charities. Through this Special Emphasis Program, the IRS shall seek to ascertain the extent to which taxpayers are furnished accurate and sufficient information concerning the deductibility of their contributions.

In applying the law, there is a presumption that the total amount paid represents the fair value of substantial benefits received in return—thus eliminating any charitable contribution deduction. Organizations, nevertheless, can use these fund-raising affairs to solicit gifts—and they can help ensure that these gifts will be recognized as deductible—if they follow certain relatively simple soliciting and receipting practices.

Revenue Ruling 67-246, 1967-2 C.B. 104, describes the rules on charitable contributions and gives a number of examples illustrating how the rules apply in common situations. The full text of the ruling follows this message. I hope you will keep this ruling in mind if your organization sponsors or participates in a fund-raising event.

I would particularly like to emphasize that part of the ruling which states the importance of determining, in advance of solicitation, the portion of payment attributable to the purchase of admission or other privilege and the portion solicited as a gift.

The ruling says that in those cases in which a fund-raising activity is designed to solicit payments intended to be in part a gift and in part the purchase price of admission or other participation in an event, separate amounts should be stated in the solicitation and clearly indicated on any ticket or other evidence of payment furnished to the contributor.

By following this rule, the organization engaged in fund-raising events will be helping taxpayers comply with the income tax laws, as well as avoiding possible embarrassment to itself and its patrons.

If you have any questions regarding Revenue Ruling 67-246, or you would like us to explain how the ruling applies to your particular situation, please contact your local Internal Revenue office.


Commissioner of Internal Revenue

Deductibility, as charitable contributions under section 170 of the Internal Revenue Code of 1954, of payments made by taxpayers in connection with admission to or other participation in fund-raising activities for charity such as charity balls, bazaars, banquets, shows, and athletic events.

Advice has been requested concerning certain fund-raising practices which are frequently employed by or on behalf of charitable organizations and which involve the deductibility, as charitable contributions under section 170 of the Internal Revenue Code of 1954, of payments in connection with admission to or other participation in fund-raising activities for charity such as charity balls, bazaars, banquets, shows, and athletic events.

Affairs of the type in question are commonly employed to raise funds for charity in two ways. One is from profit derived from sale of admissions or other privileges or benefits connected with the event at such prices as their value warrants. Another is through the use of the affair as an occasion for solicitation of gifts in combination with the sale of the admissions or other privileges or benefits involved. In cases of the latter type the sale of the privilege or benefit is combined with solicitation of a gift or donation of some amount in addition to the sale value of the admission or privilege.

The need for guidelines on the subject is indicated by the frequency of misunderstanding of the requirements for deductibility of such payments and increasing incidence of their erroneous treatment for income tax purposes.

In particular, an increasing number of instances are being reported in which the public has been erroneously advised in advertisements or solicitations by sponsors that the entire amounts paid for tickets or other privileges in connection with fund-raising affairs for charity are deductible. Audits of returns are revealing other instances of erroneous advice and misunderstanding as to what, if any, portion of such payments is deductible in various circumstances. There is evidence also of instances in which taxpayers are being misled by questionable solicitation practices which make it appear from the wording of the solicitation that taxpayer's payment is a "contribution," whereas the payment solicited is simply the purchase price of an item offered for sale by the organization.

Section 170 of the Code provides for allowance of deductions for charitable contributions, subject to certain requirements and limitations. To the extent here relevant a charitable contribution is defined by that section as "a contribution or gift to or for the use of" certain specified types of organizations.

To be deductible as a charitable contribution for Federal income tax purposes under section 170 of the Code, a payment to or for the use of a qualified charitable organization must be a gift. To be a gift for such purposes in the present context there must be, among other requirements, a payment of money or transfer of property without adequate consideration.

As a general rule, where a transaction involving a payment is in the form of a purchase of an item of value, the presumption arises that no gift has been made for charitable contribution purposes, the presumption being that the payment in such case is the purchase price.

Thus, where consideration in the form of admissions or other privileges or benefits is received in connection with payments by patrons of fund-raising affairs of the type in question, the presumption is that the payments are not gifts. In such case, therefore, if a charitable contribution deduction is claimed with respect to the payment, the burden is on the taxpayer to establish that the amount paid is not the purchase price of the privileges or benefits and that part of the payment, in fact, does qualify as a gift.

In showing that a gift has been made, an essential element is proof that the portion of the payment claimed as a gift represents the excess of the total amount paid over the value of the consideration received therefor. This may be established by evidence that the payment exceeds the fair market value of the privileges or other benefits received by the amount claimed to have been paid as a gift.

Another element which is important in establishing that a gift was made in such circumstances, is evidence that the payment in excess of the value received was made with the intention of making a gift. While proof of such intention may not be an essential requirement under all circumstances and may sometimes be inferred from surrounding circumstances, the intention to make a gift is, nevertheless, highly relevant in overcoming doubt in those cases in which there is a question whether an amount was in fact paid as a purchase price or as a gift.

Regardless of the intention of the parties, however, a payment of the type in question can in any event qualify as a deductible gift only to the extent that it is shown to exceed the fair market value of any consideration received in the form of privileges or other benefits.

In those cases in which a fund-raising activity is designed to solicit payments which are intended to be in part a gift and in part the purchase price of admission to or other participation in an event of the type in question, the organization conducting the activity should employ procedures which make clear not only that a gift is being solicited in connection with the sale of the admissions or other privileges related to the fund-raising event, but also, the amount of the gift being solicited. To do this, the amount properly attributable to the purchase of admissions or other privileges and the amount solicited as a gift should be determined in advance of solicitation. The respective amounts should be stated in making the solicitation and clearly indicated on any ticket, receipt, or other evidence issued in connection with the payment.

In making such a determination, the full fair market value of the admission and other benefits or privileges must be taken into account. Where the affair is reasonably comparable to events for which there are established charges for admission, such as theatrical or athletic performances, the established charges should be treated as fixing the fair market value of the admission or privilege. Where the amount paid is the same as the standard admission charge there is, of course, no deductible contribution, regardless of the intention of the parties. Where the event has no such counterpart, only that portion of the payment which exceeds a reasonable estimate of the fair market value of the admission or other privileges may be designated as a charitable contribution.

The fact that the full amount or a portion of the payment made by the taxpayer is used by the organization exclusively for charitable purposes has no bearing upon the determination to be made as to the value of the admission or other privileges and the amount qualifying as a contribution.

Also, the mere fact that tickets or other privileges are not utilized does not entitle the patron to any greater charitable contribution deduction than would otherwise be allowable. The test of deductibility is not whether the right to admission or privileges is exercised but whether the right was accepted or rejected by the taxpayer. If a patron desires to support an affair, but does not intend to use the tickets or exercise the other privileges being offered with the event, he can make an outright gift of the amount he wishes to contribute, in which event he would not accept or keep any ticket or other evidence of any privileges related to the event connected with the solicitation.

The foregoing summary is not intended to be all inclusive of the legal requirements relating to deductibility of payments as charitable contributions for Federal income tax purposes. Neither does it attempt to deal with many of the refinements and distinctions which sometimes arise in connection with questions of whether a gift for such purposes has been made in particular circumstances.

The principles stated are intended instead to summarize with as little complexity as possible, those basic rules which govern deductibility of payments in the majority of the circumstances involved. They have their basis in section 170 of the Code, the regulations thereunder, and in court decisions. The observance of these provisions will provide greater assurance to taxpayer contributors that their claimed deductions in such cases are allowable.

Where it is disclosed that the public or the patrons of a fund-raising affair for charity have been erroneously informed concerning the extent of the deductibility of their payments in connection with the affair, it necessarily follows that all charitable contribution deductions claimed with respect to payments made in connection with the particular event or affair will be subject to special scrutiny and may be questioned in audit of returns.

In the following examples application of the principles discussed above is illustrated in connection with various types of fund-raising activities for charity. Again, the examples are drawn to illustrate the general rules involved without attempting to deal with distinctions that sometimes arise in special situations. In each instance, the charitable organization involved is assumed to be an organization previously determined to be qualified to receive deductible charitable contributions under section 170 of the Code, and the references to deductibility are to deductibility as charitable contributions for Federal income tax purposes.

Example 1:

The M Charity sponsors a symphony concert for the purpose of raising funds for M's charitable programs. M agrees to pay a fee which is calculated to reimburse the symphony for hall rental, musicians' salaries, advertising costs, and printing of tickets. Under the agreement, M is entitled to all receipts from ticket sales. M sells tickets to the concert charging \$5 for balcony seats and \$10 for orchestra circle seats. These prices approximate the established admission charges for concert performances by the symphony orchestra. The tickets to the concert and the advertising material promoting ticket sales emphasize that the concert is sponsored by, and is for the benefit of M Charity.

Notwithstanding the fact that taxpayers who acquire tickets to the concert may think they are making a charitable contribution to or for the benefit of M Charity, no part of the payments made is deductible as a

charitable contribution for Federal income tax purposes. Since the payments approximate the established admission charge for similar events, there is no gift. The result would be the same even if the advertising materials promoting ticket sales stated that amounts paid for tickets are "tax deductible" and tickets to the concert were purchased in reliance upon such statements. Acquisition of tickets or other privileges by a taxpayer in reliance upon statements made by a charitable organization that the amounts paid are deductible does not convert an otherwise nondeductible payment into a deductible charitable contribution.

Example 2:

The facts are the same as in Example 1, except that the M Charity desires to use the concert as an occasion for the solicitation of gifts. It indicates that fact in its advertising material promoting the event, and fixes the payments solicited in connection with each class of admission at \$30 for orchestra circle seats and \$15 for balcony seats. The advertising and tickets clearly reflect the fact that the established admission charges for comparable performances by the symphony orchestra are \$10 for orchestra circle seats and \$5 for balcony seats, and that only the excess of the solicited amounts paid in connection with the admission to the concert over the established prices is a contribution to M.

Under these circumstances a taxpayer who makes a payment of \$60 and receives two orchestra circle seat tickets can show that his payment exceeds the established admission charge for similar tickets to comparable performances of the symphony orchestra by \$40. The circumstances also confirm that that amount of the payment was solicited as, and intended to be, a gift to M Charity. The \$40, therefore, is deductible as a charitable contribution.

Example 3:

A taxpayer pays \$5 for a balcony ticket to the concert described in Example 1. This taxpayer had no intention of using the ticket when he acquired it and he did not, in fact, attend the concert.

No part of the taxpayer's \$5 payment to the M Charity is deductible as a charitable contribution. The mere fact that the ticket to the concert was not used does not entitle the taxpayer to any greater right to a deduction than if he did use it. The same result would follow if the taxpayer had made a gift of the ticket to another individual. If the taxpayer desired to support M, but did not intend to use the ticket to the concert, he could have made a qualifying charitable contribution by making a \$5 payment to M and refusing to accept the ticket to the concert.

Example 4:

A receives a brochure soliciting contributions for the support of the M Charity. The brochure states: "As a grateful token of appreciation for your help, the M Charity will send to you your choice of one of the several articles listed below, depending upon the amount of your donation." The remainder of the brochure is devoted to a catalog-type listing of articles of merchandise with the suggested amount of donation necessary to receive each particular article. There is no evidence of any significant difference between the suggested donation and the fair market value of any such article. The brochure contains the further notation that all donations to M Charity are tax deductible.

Payments of the suggested amounts solicited by M Charity are not deductible as a charitable contribution. Under the circumstances, the amounts solicited as "donations" are simply the purchase prices of the articles listed in the brochure.

Example 5:

A taxpayer paid \$5 for a ticket which entitled him to a chance to win a new automobile. The raffle was conducted to raise funds for the X Charity. Although the payment for the ticket was solicited as a "contribution" to the X Charity and designated as such on the face of the ticket, no part of the payment is deductible as a charitable contribution. Amounts paid for chances to participate in raffles, lotteries, or similar drawings or to participate in puzzle or other contests for valuable prizes are not gifts in such circumstances, and therefore, do not qualify as deductible charitable contributions.

Example 6:

A women's club, which serves principally as an auxiliary of the X Charity, holds monthly membership luncheon meetings. Following the luncheon and any entertainment that may have been arranged, the members transact any membership business which may be required. Attendance of the luncheon meetings is promoted through the advance sale of tickets. Typical of the form of the tickets is the following:

Suburban Women's Club of X County LUNCHEON—ENTERTAINMENT Benefit of The Handicapped Childrens Fund of X Charity Readings by GASTON Noted Lecturer and Author THE Z COUNTRY CLUB Tuesday, October 31, 1967 12:00 Noon \$5.50 Donation	
---	--

While the ticket does not specifically state that the amount is tax deductible, the characterization of the \$5.50 price of the ticket as a "donation" is highly misleading in that it is done in a context which suggests that the price of the ticket is a charitable contribution and, therefore, tax deductible. On the facts recited, no part of the payment is deductible, since there is no showing that any amount in excess of the fair market value of the luncheon and entertainment.

Example 7:

In support of its summer festival program of 10 free public concerts, the M Symphony, a charitable organization, mails out brochures soliciting contributions from its patrons. The brochure recites the purposes and activities



of the organization, and as an inducement to contributors states that:

"A contribution of \$20 entitles the donor to festival membership for the season and free admission to the premiere showing of the motion picture . . . starring . . . and . . ."

Cocktails—7:00 P.M. Curtain—8:15 P.M.
This special premiere performance is not open to the public.

"Your contribution will benefit an important community function; it also entitles you to choice reserved seats for all summer festival concerts and events."

The envelope furnished for mailing in payments contains the following:

"Enclosed is my tax-deductible membership contribution to the M Symphony summer concert program in the amount of \$_____.

Send me _____ tickets to the May 1 premiere performance.

I do not desire to attend the special premiere performance for festival members, but I am enclosing my contribution."

A taxpayer mails in a payment of \$20, indicating on the envelope form that he desires a ticket to the premiere showing of the film.

No part of the payment is deductible as a charitable contribution. Payment of the \$20 entitles an individual not only to the privilege of attending the cocktail party and the premiere showing of the film, but also the privilege of choice reserved seats for the summer festival concerts. Under the circumstances, no part of the payment qualifies as a gift, since there is no showing that the payment exceeds the fair market value of the privileges involved. Even if a "contributor" indicates he does not desire to attend the cocktail party and premiere showing of the film, it would still be incorrect for the organization to characterize the \$20 payment as a deductible charitable contribution, since under these circumstances the fair market value of the privilege of having choice reserved seats for attending the concerts would, in all likelihood, exceed the amount of the payment. However, if the taxpayer wishes to support the M Symphony, and advises the organization that he does not desire the ticket to the premiere and does not want seats reserved for him, the amount contributed to M is deductible as a charitable contribution.

Example 8:

In order to raise funds, W Charity plans a theater party consisting of admission to a premiere showing of a motion picture and an after-theater buffet. The advertising material and tickets to the theater party designate \$5 as an admission charge and \$10 as a gift to W Charity. The established admission charge for premiere showings of motion pictures in the locality is \$5.

Notwithstanding W's representations respecting the amount designated as a gift, the specified \$10 does not qualify as a deductible charitable contribution because W's allocation fails to take into account the value of admission to the buffet dinner.

Example 9:

The X Charity sponsors a fund-raising bazaar, the articles offered for sale at the bazaar having been contributed to X by persons desiring to support X's charitable programs.

The prices for the articles sold at the bazaar are set by a committee of X with a view to charging the full fair market value of the articles.

A taxpayer who purchases articles at the bazaar is not entitled to a charitable contribution deduction for any portion of the amount paid to X for such articles. This is true even though the articles sold at the bazaar are acquired and sold without cost to X and the total proceeds of the sale of the articles are used by X exclusively for charitable purposes.

Example 10:

The members of the M Charity undertake a program of selling Christmas cards to raise funds for the organization's activities. The cards are purchased at wholesale prices and are resold at prices comparable to the prices at which similar cards are sold by regular retail outlets. On the receipts furnished to its customers, the difference between the amount received from the customer and the wholesale cost of the cards to the organization is designated by the organization as a tax-deductible charitable contribution.

The organization is in error in designating this difference as a tax-deductible charitable contribution. The amount paid by customers in excess of the wholesale cost of the cards to the organization is not a gift to the organization, but instead is part of the purchase price or the fair market value of the cards at the retail level.

Example 11:

In support of the annual fund-raising drive of the X Charity, a local department store agrees to award a transistor radio to each person who contributes \$50 or more to the charity. The retail value of the radio is \$15. B receives one of the transistor radios as a result of his contribution of \$100 to X. Only \$85 of B's payment to X qualifies as a deductible charitable contribution. In determining the portion of the payment to a charitable organization which is deductible as a charitable contribution in these circumstances, the fair market value of any consideration received for the payment from any source must be subtracted from the total payment.

Example 12:

To assist the Y Charity in the promotion of a Halloween Ball to raise funds for Y's activities, several individuals in the community agree to pay the entire costs of the event, including the costs of the orchestra, publicity, rental of the ballroom, refreshments, and any other necessary expenses. Various civic organizations and clubs agree to undertake the sale of tickets for the dance. The publicity and solicitations for the sale of the tickets emphasize the fact that the entire cost of the ball is being borne by anonymous patrons of Y and by the other community groups, and that the entire gross receipts from the sale of the tickets, therefore, will go to Y Charity. The price of the tickets, however, is set at the fair market value of admission to the event.

No part of the amount paid for admission to the dance is a gift. Therefore, no part is deductible as a charitable contribution. The fact that the event is conducted entirely without cost to Y Charity and that the full amount of the admission charge goes directly to Y for its uses has no bearing on the deductibility of the amounts paid for admission, but does have a bearing on the deductibility of the amounts paid by the anonymous patrons of the event. The test is not the cost of the event to Y, but the fair market value of the consideration received by the purchaser of the ticket or other privileges for his payment.



Form **8283**
(Rev. October 1985)

Noncash Charitable Contributions

OMB No 1545-0048
Expires 9-30-88
55

Department of the Treasury
Revenue Service
as shown on your income tax return

▶ Attach to Your Federal Income Tax Return

Identification number

Section A.—Contribution of property if the total claimed value of all property contributed exceeds \$500 (If the value of one item or group of similar items, other than publicly traded securities, exceeds \$5,000, complete only Section B for that property.)

Part I Information on Donated Property

1		(a) Name and address of the donee organization		(b) Description of donated property (attach a separate sheet if more space is needed)	
A					
B					
C					

	(c) Date of the contribution	(d) Date acquired by donor (mo. yr.)	(e) How acquired by donor	(f) Donor's cost or adjusted basis	(g) Fair market value	(h) Method used to determine the fair market value
A						
B						
C						

Part II Other Information—Complete questions 2 and 3 only if you gave less than the entire interest in property or if restrictions were attached to the contribution.

2 If less than the entire interest in the property is contributed during the year, complete the following.

(a) Total amount claimed as a deduction for the property listed in Part I for this tax year _____; for any prior tax year(s) _____.

(b) Name and address of each organization to which any such contribution was made in a prior year (complete only if different from the donee organization above).

Charitable organization (Donee) name _____

Number and street _____

City or town, state, and ZIP code _____

(c) The place where any tangible property is located or kept _____

(d) Name of any person, other than the donee organization, having actual possession of the property _____

3 If conditions were attached to the contribution, answer the following questions:

(a) Is there a restriction either temporarily or permanently on the donee's right to use or dispose of the donated property? .

(b) Did you give to anyone (other than the donee organization or another organization participating with the donee organization in cooperative fundraising) the right to the income from the donated property or to the possession of the property, including the right to vote donated securities, to acquire the property by purchase or otherwise, or to designate the person having such income, possession, or right to acquire? .

(c) Is there a restriction limiting the donated property for a particular use? .

	Yes	No
(a)		
(b)		
(c)		

For Paperwork Reduction Act Notice, see separate instructions.

Form **8283** (Rev. 10-85)

Name(s) as shown on your income tax return (Do not enter name and identification number if shown on the other side.)

Identification Number

Section B.—Appraisal Summary—Contribution of property if the claimed value of one item or group of similar items exceeds \$5,000 (Report contributions of publicly traded securities only in Section A.)

Part I Donee Acknowledgement (To be completed by the charitable organization)

1 This charitable organization acknowledges that it is a qualified organization under section 170(c) and that it received the donated property as described in Part II on _____ (Date)

Furthermore, this organization affirms that in the event it sells, exchanges, or otherwise disposes of the property (or any portion thereof) within two years after the date of receipt, it will file an information return (Form 8282, Donee Information Return) with the IRS and furnish the donor a copy of that return. This acknowledgement does not represent concurrence in the claimed fair market value.

Form with fields: Charitable organization (Donee) name, Employer identification number, Number and street, City or town, state, and ZIP code, Authorized signature, Title, Date

Part II Information on Donated Property (To be completed by the taxpayer and/or appraiser)

Table with 5 columns: (a) Description of donated property, (b) Date acquired by donor, (c) How acquired by donor, (d) Donor's cost or adjusted basis, (e) Appraised fair market value

3 If tangible property was donated, a brief summary of the overall physical condition of the property at the time of the gift.

Part III Certification of Appraiser (To be completed by the appraiser of the above donated property)

I declare that I am not the donor, the donee, a party to the transaction in which the donor acquired the property, employed by or related to any of the foregoing persons, or a person whose relationship to any of the foregoing persons would cause a reasonable person to question my independence as an appraiser.

Also, I declare that I hold myself out to the public as an appraiser and that because of my qualifications as described in the appraisal, I am qualified to make appraisals of the type of property being valued. I certify the appraisal fees were not based upon a percentage of the appraised property value. Furthermore, I understand that a false or fraudulent overstatement of the property value as described in the qualified appraisal or this appraisal summary may subject me to the civil penalty under section 6701(a) (aiding and abetting the understatement of tax liability). I affirm that I have not been barred from presenting evidence or testimony by the Director of Practice.

Form with fields: Please Sign Here, Signature, Title, Date, Identification number, Business address, City or town, state, and ZIP code

434

BEST COPY AVAILABLE

405



Instructions for Form 8283

(Revised October 1985)

Noncash Charitable Contributions

(Section references are to the Internal Revenue Code, unless otherwise noted.)

General Instructions

Paperwork Reduction Act Notice.—We ask for this information to carry out the Internal Revenue laws of the United States. We need it to ensure that taxpayers are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

Purpose of Form

You must attach Form 8283 to your return if you claim a deduction for a charitable contribution of property other than cash if the total claimed value of all property contributed exceeds \$500. Depending on the value and type of property, you may need to complete Section A, Section B, or both.

Who Must File

- Individuals
- Closely held corporations
- Personal service corporations
- Partnerships
- S corporations.

When to File

File this form with your tax return for the tax year in which you contributed the property and first deducted it on your return.

Specific Instructions

Identification Number.—Individuals must enter their social security number, all others should enter their employer identification number.

Section A

If you are required to file Form 8283, as explained under Purpose of Form, complete Section A for contributions of property with a claimed value of \$5,000 or less, or publicly traded securities. If the value of any item, or group of similar items (other than publicly traded securities), is more than \$5,000, complete only Section B for that item(s). Contributions of publicly traded securities should be reported in Section A only.

Partnerships and S corporations.—A partnership (S corporation) that makes contributions of property with a claimed fair market value over \$500 must file Form 8283 with its tax return. However, it does not have to provide a copy of this form to the partners (shareholders) unless the fair market value of any item or group of similar items exceeds \$5,000. For contributions of property over \$5,000, see the Note under Section B for additional information.

Partners and Shareholders.—The partnership (S corporation) must provide you with additional information with your

Schedule K-1 (Form 1065 or Form 1120S) showing your share of the fair market value of contributed property. Combine this amount with any noncash contributions which you made to see if you must file Form 8283.

You do not have to provide all the information requested in Section A for your share of the partnership (S corporation) contributions not in excess of \$5,000. Do not complete line 1, columns (a)-(f) and (h). Instead, write "From Schedule K-1 (Form 1065 or Form 1120S)" across columns (c)-(f). You must enter your share of the claimed fair market value on line 1, column (g).

Part I, Information on Donated Property

Line 1, column (a).—Enter the name and address of the donee organization to which the property was contributed.

Line 1, column (b).—Describe the property in reasonably sufficient detail. The greater the value of the property the more detail is needed, for example, a car should be described in greater detail than a contribution of pots and pans to a donee organization.

For securities, the description should include

- name of the issuer;
- kind of security, and
- whether or not the security is regularly traded on a stock exchange or in an over-the-counter market.

Line 1, column (d).—Enter the approximate date you acquired the property. If the property was created, produced, or manufactured by or for you, enter the date the property was substantially completed.

Line 1, column (e).—State how you acquired the property, i.e. by purchase, gift, inheritance, or exchange.

Line 1, column (f).—Complete this column, cost or adjusted basis, for all property except

- Publicly traded securities; or
- Property held six months or more for which the information is not available.

If you do not have to complete column (f), be sure to keep your records regarding the property's cost or other basis.

Note: If you have reasonable cause for not providing the acquisition date in column (d) or the cost basis when required in column (f), attach an explanation.

Line 1, column (g).—Enter the fair market value of the property on the date you contributed it. The fair market value is the price a willing buyer would pay a willing seller when neither has to buy or sell and

18.0.2.
both are aware of the conditions of the sale. If you donate property, other than certain publicly traded stock, with a fair market value that is more than your basis in it, you may have to reduce the fair market value all or part of the increase in value when you figure your deduction. The amount of the reduction depends on whether the property is ordinary income property or capital gain property.

Property is ordinary income property if sale on the date it was contributed would have resulted in ordinary income or in short-term capital gain. Examples of ordinary income property are inventory, works of art created by the donor, manuscripts prepared by the donor, and capital assets held for six months or less (one year or less if acquired before June 2, 1984). The deduction for a gift of ordinary income property is limited to the fair market value less the amount that would be ordinary income if the property were sold at its fair market value.

Capital gain property is property that would result in long-term capital gain if it were sold at its fair market value on the date of contribution. It includes certain real property and depreciable property used in your trade or business, and generally held for more than 6 months (one year for property acquired before June 23, 1984). You usually may deduct gifts of capital gain property at their fair market value. However, you must reduce the fair market value by 40% of the appreciation if the capital gain property is contributed to certain private nonoperating foundations; you choose the 50% limit instead of the special 30% limit, or the contributed property is tangible personal property that is put to an unrelated use by the charity.

Attach a computation showing your reduction to the fair market value. For more information, get Publication 526, Charitable Contributions. If you contribute depreciable property, also get Publication 544, Sales and Other Dispositions of Assets.

If your donation qualifies as a "qualified conservation contribution" under section 170(h), attach a statement that shows the claimed fair market value of the underlying property before and after the gift and the conservation purpose furthered by the gift.

For additional information, see Publication 526.

Line 1, column (h).—Enter the method you used to determine the fair market value of your donation. The fair market value of used household goods and clothing is usually much lower than the price paid when new. For this reason, standard formulas or methods to value this kind of property are generally not appropriate. A good measure of value for this kind of property might be the price that buyers of these used items actually pay in consignment or thrift shops.

If household items are valuable because of their age or uniqueness or for clothing such as furs or very expensive gowns, a written appraisal from a qualified and reputable source might be appropriate.

Other items which lend themselves to appraisals are jewelry and gems (other than "costume" jewelry), paintings, antiques, and real estate.

For hobby collections, indicators of fair market value are trade publications, catalogs, dealers' price lists, and specialized hobby periodicals. However, these sources are not always reliable. For example, a dealer may sell an item for much less than shown on a price list. If you are donating a valuable collection, you should get an appraisal.

For vehicles, certain commercial firms and trade organizations publish dealer sales prices or dealer-average prices. These prices are not "official" and are not considered an appraisal. However, they do provide a suggested price for comparison with current sales and offerings in your area.

Examples of entries to make in this column include:

- "Appraisal."
- "Thrift Shop Value" (for clothing or household goods).
- "Catalog" (for stamp or coin collections, etc.).
- "Comparable Sales" (for real estate and other kinds of assets).

See Publication 561, Determining the Value of Donated Property, for more information on methods of valuing different kinds of property.

Part II, Other Information

Attach a separate statement if there is more than one property to which Part II applies. Give the information which the form requires for each property separately.

Line 2.—Complete lines 2(a)–2(d) only if you contributed less than the entire interest in the donated property during the tax year. Enter on line 2(a) the amount claimed as a deduction for this year and in any earlier tax years for gifts of a partial interest in the same property. If the organization that received the prior interest in the property is the same as the one listed on line 1 column (a), you do not have to complete line 2(b). Enter the name and address of the organization only if it is different from the one entered in Part I.

If the donated property is tangible property, state on line 2(c) where it is located. If any person other than the donee organization has possession of the donated property, include the name of the person on line 2(d).

Line 3.—Complete lines 3(a)–3(c) only if you attached restrictions to the right to the income, use, or disposition of the donated property. Check the appropriate "yes/no" block. Attach a statement explaining.

- The terms of any agreement or understanding that relates to the income, use, sale, or other disposition of the property; and
- Whether the property is designated for a particular use; e.g., the use of donated furniture in the reading room of the organization's library.

Section B

Complete only Section B for an item of property (or group of similar items) whose total claimed value exceeds \$5,000. An exception to this rule is publicly traded securities, which should be reported in Section A only. Also report only in Section A any other item(s) of property with a claimed value of \$5,000 or less.

Note: A partnership or S corporation must attach Form 8283, Section B, to its Form

1042 (or Form 1120S) if such otherwise contributions allocated to all the partners (or shareholders) are greater than \$5,000 even though the amount allocated to each individual partner (or shareholder) is \$5,000 or less.

In addition, the partnership (or S corporation) must give a copy of Form 8283 to every partner (or shareholder) who receives an allocation of a deduction for the charitable contribution of property shown in Section B.

The partner (or shareholder) must attach the copy of Form 8283 to the partner's (or shareholder's) tax return.

Caution: Partners (or shareholders) should deduct the amount shown on Schedule K-1 (Form 1065 or Form 1120S), not the amount shown on Form 8283.

Failure to File Form 8283, Section B.—If you give property required to be reported in Section B and you fail to attach Form 8283 to your return, the deduction will not be allowed unless your failure was due to a good faith omission. If the IRS requests that you submit this form because you had not attached it to your return, you have 90 days to submit a completed Section B of Form 8283 before the charitable deduction is disallowed.

Part I, Donee Acknowledgement

The donee organization must complete Part I. Before submitting Form 8283 to the donee for acknowledgement, complete at least your name, identification number, and description of the donated property (line 2, column (a)). If tangible property is donated, you must also describe the physical condition of the property (line 3) at the time of the gift.

The person acknowledging the gift must be an official authorized to sign the tax returns of the organization, or a person specifically designated to sign Form 8283. After completing Part I, the organization must return Form 8283 to you, the donor. A copy of this form must be provided to the donee organization for its records. You may then complete any remaining information required in Part II. Also, Part III may be completed at this time by the qualified appraiser.

Note: If the donee organization sells, exchanges, transfers, or otherwise disposes of the property within two years after the date of the receipt of the contribution, the organization must file an information return on Form 8282, Donee Information Return, with the IRS and send a copy to the donor.

Part II, Information on Donated Property

The information provided in Part II must be based on a written appraisal by a qualified appraiser, unless the property donated is nonpublicly traded stock valued at \$10,000 or less. Use Part II to summarize your appraisal or appraisals. You do not need to attach the appraisals, but you should keep them for your records.

The appraisal must be made not earlier than 60 days before the date you contribute the property and must be received before the due date (including extensions) of the return on which the deduction is first claimed. For a deduction first claimed on an amended return, the appraisal must be received before the date the amended return was filed.

A separate qualified appraisal and a separate Form 8283 is required for ea. h

item of property except for an item which is part of a group of similar items of property. Similar items of property are items of the same generic category or type, such as stamps, coins, lithographs, paintings, photographs, books, nonpublicly traded stock, land, or buildings. Only one qualified appraisal is required for a group of similar items of property contributed in the same tax year, provided the appraisal includes a the required information for each item.

The appraiser may select any items whose aggregate value is appraised at \$100 or less for which a group description rather than a specific description of each item will suffice.

If similar items of property are given to more than one donee and the total is more than \$5,000, a separate Form 8283 must be attached for each donee. For example, you deduct \$2,000 for books given to College A, and \$2,500 for books given to College B, and \$900 for books given to a public library, you must attach a separate Form 8283 for each donee.

See Temporary regulations section 1.170A-13T(c)(3)(i)-(ii) for a definition of qualified appraisal and for information to be included in the appraisal.

Line 2.—In column (a) describe the property in enough detail so that a person who is not familiar with the type of property could determine that the property appraised is the property that was contributed.

Include in column (e) the fair market value from the qualified appraisal. For nonpublicly traded stock for which a qualified appraisal was not required, include the fair market value you determine to be correct.

If you have reasonable cause for being unable to provide the information for columns (b), (c), and (d), attach an appropriate explanation to Form 8283 to prevent your deduction from being automatically disallowed.

Part III, Certification of Appraiser

You must have an appraiser complete Part III for any property for which an appraisal is required. This section **MUST** be completed in order for the individual to be considered a qualified appraiser. See Temporary regulations section 1.170A-13T(c)(5) for a definition of a qualified appraiser.

Persons who cannot be qualified appraisers are listed in the Certification of Appraiser (Part III) of Form 8283. Usually, a party to the transaction will not qualify to sign the certification. However, a person who sold, exchanged, or gave the property to the donor may sign the certification if the property is donated within two months of the date the donor acquired it, and the property's appraised value does not exceed its acquisition price.

An appraiser may not be considered qualified if the donor had knowledge of fact which would cause a reasonable person to expect the appraiser to falsely overstate the value of the donated property. An indication that this is true is an agreement between the donor and the appraiser concerning the amount at which the property will be valued and such amount exceeds the fair market value of the property.

Usually, appraisal fees cannot be based on a percentage of the appraised property value, unless the fees were paid to certain not-for-profit associations. See Temporary regulations section 1.170A-13T(c)(6)(ii) for the requirements which have to be met.


**Department of the Treasury
Internal Revenue Service**
Notice 835

January 1988)

Major New Tax Law Changes Affecting Exempt Organizations

Legislation signed into law by the President on December 22, 1987, contains a number of significant provisions affecting tax-exempt organizations described in section 501(c) of the Internal Revenue Code. These provisions include new public disclosure requirements imposed on the organizations, penalties for not complying with the new requirements, and taxes on political expenditures and lobbying beyond allowable amounts by certain types of exempt organizations. Some of these provisions were effective on the date of enactment or the day following, and some become effective January 21 or February 1, 1988.

Exempt organizations need to familiarize themselves with these tax law changes in order to bring themselves into compliance. This Notice attempts to alert you to the major new provisions affecting tax-exempt organizations. In some cases, the new law requires important changes in how you conduct certain activities, such as when a noncharitable organization solicits contributions. In other instances, the new law will require changes in how you maintain accounting and other types of records, such as when a charitable organization has certain types of transactions or relationships with noncharitable organizations. Set forth below are brief descriptions of the new law's key provisions. The Service plans to provide further guidance in the near future.

Public Disclosure Requirements

Solicitations of Nondeductible Contributions.—Beginning February 1, 1988, any fundraising solicitation by or on behalf of any section 501(c) organization that is not eligible to receive contributions deductible as charitable contributions for Federal income tax purposes must include an express statement that contributions or gifts to it are not deductible as charitable contributions. The statement must be in a conspicuous and easily recognizable format whether the solicitation is made in written or printed form, by television or radio, or by telephone. However, this provision applies only to those organizations whose annual gross receipts are normally more than \$100,000. Religious and apostolic organizations described in section 501(d), as well as political organizations (including PACs) described in section 527(e), are also required to comply with this provision.

Failure to disclose that contributions are not deductible could result in a penalty of \$1,000 for each day on which a failure occurs, up to a maximum amount upon any organization of \$10,000. In cases where the failure to make the disclosure is due to intentional disregard of the law, the \$10,000 limitation does not apply and more severe penalties are applicable. No penalty will be imposed if the failure is due to reasonable cause.

Public Inspection of Annual Returns.—Any organization that files a Form 990, Return of Organization Exempt From Income Tax, for a tax year beginning after 1986 must make its return available for public inspection upon request within the 3-year period beginning with the due date of the return (including extensions, if any). All parts of the return and all required schedules and attachments other than the list of contributors to the organization must be made available. Inspection must be permitted during regular business hours at the organization's principal office and at each of its regional or district offices having 3 or more employees. This provision applies to any organization that files a Form 990, regardless of the size of the organization and whether or not it has any paid employees.

Any person who does not comply with the public inspection requirement may be assessed a penalty of \$10 for each day that inspection was not permitted, up to a maximum of \$5,000 with respect to any one return. Any person who willfully fails to comply may be subject to an additional penalty of \$1,000. No penalty will be imposed if the failure is due to reasonable cause.

Public Inspection of Exemption Applications.—Beginning January 21, 1988, any section 501(c) or 501(d) organization that submitted an application for recognition of exemption (including Forms 1023 and 1024) to the Internal Revenue Service after July 15, 1987, must make available for public inspection a copy of its application (together with a copy of any papers submitted in support of its application) and any letter or other document issued by the Service in response to the application. An organization that submitted its exemption application on or before July 15, 1987, must also comply with this requirement if it had a copy of its application on July 15, 1987. As in the case of annual returns, the copy of the application and related documents must be made available for inspection during regular business hours at the organization's principal office and at each of its regional or district offices having at least 3 employees.

The penalties for failure to comply with this provision are the same as those discussed in "Public Inspection of Annual Returns" above, except that the \$5,000 limitation does not apply. No penalty will be imposed if the failure is due to reasonable cause.

Both exempt organization returns and approved exemption applications will continue to be available for public inspection at IRS district offices and at the IRS National Office in Washington, D.C.

Disclosures Regarding Certain Information and Services Furnished.—A section 501(c) organization that offers to sell (or solicits money for) specific information or a routine service to any individual which could be readily obtained by that individual from an agency of the Federal Government free of charge or for a nominal charge must disclose that fact in a conspicuous manner when making any such offer or solicitation after January 31, 1988. Any organization that intentionally disregards this requirement will be subject to a penalty for each day on which the offers or solicitations were made. The penalty imposed for a particular day is the greater of \$1,000 or 50 percent of the aggregate cost of the offers and solicitations made on that day which lacked the required disclosure.

Disclosures Regarding Certain Transactions and Relationships.—In their annual returns on Form 990 or 990-PF for years beginning after 1987, section 501(c)(3) organizations must disclose information with respect to their direct or indirect transfers to, and other direct or indirect relationships with, other organizations described in section 501(c) (not including other section 501(c)(3) organizations) or in section 527, relating to political organizations. The purpose of this provision is to help prevent the diversion or expenditure of a section 501(c)(3) organization's funds for purposes not intended by section 501(c)(3) of the Code Forms 990 and 990-PF for 1988 will require this additional information. All section 501(c)(3) organizations are now obliged to begin maintaining records regarding all such transfers, transactions and relationships.

Political and Legislative Activities

Political Activities by Section 501(c)(3) Organizations.—Section 501(c)(3) has been clarified so that it now explicitly bars not only activities and expenditures "in support of" any candidate for public office, but also activities and expenditures "in opposition to" any such candidate. Other sections allowing a charitable contribution deduction for Federal income, estate, and gift tax purposes have been amended in an identical fashion. These amendments took effect on December 23, 1987.

Another amendment taking effect on the same date precludes qualification under section 501(c)(4) for any organization that lost its section 501(c)(3) status because of its intervention in a political campaign. This ensures that such an organization would be subject to Federal income tax for at least one year before its tax-exempt status under section 501(c)(3) could be reinstated. Prior to this amendment, section 504 of the Code barred section 501(c)(4) qualification only for those organizations that lost their section 501(c)(3) status because of substantial lobbying activities.

Tax on Political Expenditures by Section 501(c)(3) Organizations.—For taxable years beginning after December 22, 1987, an initial excise tax under new section 4955 is imposed on any amount paid or incurred by a section 501(c)(3) organization in connection with any intervention in a political campaign on behalf of, or in opposition to, any candidate for public

office. The tax is imposed even if the political expenditure gives rise to a revocation of the organization's section 501(c)(3) status. The initial tax on the organization is equal to 10 percent of the amount involved. An additional tax of 100 percent of the amount involved is also imposed on the organization if it fails to correct the expenditure timely. The initial tax may be abated if the organization can establish that its making of the political expenditure was not willful and flagrant.

An initial tax of 2½ percent of the amount involved (limited to \$5,000 of tax with respect to any one expenditure) is imposed on any manager of the organization who, knowing that an expenditure is a political expenditure, agrees to the making of the expenditure, unless such agreement is not willful and is due to reasonable cause. A manager who refuses to agree to part or all of the required correction of the political expenditure may also be subject to an additional tax of 50 percent of the amount involved (subject to a \$10,000 maximum).

These new taxes apply in the case of both public charities and private foundations. When tax is imposed under the new provision in the case of a private foundation, however, the expenditure in question will not be treated as a taxable expenditure under section 4945.

For purposes of this new excise tax, in the case of an organization which was formed primarily to promote the candidacy or prospective candidacy of an individual for public office (or which is effectively controlled by a candidate or prospective candidate and which is availed of primarily for such purposes), amounts paid or incurred for any of the following purposes are deemed political expenditures:

- (1) Remuneration to the individual (a candidate or prospective candidate) for speeches or other services.
- (2) Travel expenses of the individual.
- (3) Expenses of conducting polls, surveys, or other studies, or preparing papers or other material for use by the individual.
- (4) Expenses of advertising publicity and fundraising for such individual, and
- (5) Any other expense which has the primary effect of promoting public recognition or otherwise primarily accruing to the benefit of the individual.

Tax on Lobbying Expenditures of Former Section 501(c)(3) Organizations.—For years beginning after December 22, 1987, certain organizations whose section 501(c)(3) status is revoked because of excess lobbying activities will be subject to a new 5 percent excise tax on their lobbying expenditures. A similar tax at the same rate is also imposed on any manager of the organization who willfully and without reasonable cause consented to the making of the lobbying expenditures knowing that they would likely result in the organization's no longer qualifying under section 501(c)(3). There is no limit on the amount of this tax that may be imposed against either the organization or its managers.

These taxes are not imposed in the case of a private foundation (whose lobbying expenditures may be subject to the section 4945 tax on taxable expenditures). The new taxes also are not imposed in the case of any organization for which a section 501(h) election was in effect at the time of the lobbying expenditures or which was not eligible to make a section 501(h) election.

Injunction To Prevent Flagrant Political Expenditures.—In appropriate circumstances, the Service may seek a U.S. district court injunction barring additional political expenditures by a section 501(c)(3) organization. The Service may take this action after it has notified the organization of its intention to seek an injunction if the organization does not immediately cease making political expenditures and after the Commissioner of Internal Revenue has personally determined that the organization has flagrantly participated in a political campaign and that, under the circumstances, an injunction is appropriate to prevent further abuse. The Service may also seek (and the court may grant) such other injunctive relief as may be appropriate to ensure that the organization's funds are preserved for section 501(c)(3) purposes. This provision became effective on December 22, 1987.

Other Provisions

Form 990/990-PF Delinquency Penalty.—In the case of Forms 990 and 990-PF filed for years beginning after 1986, the \$10 per day penalty imposed on the organization for failure to file its return

timely without reasonable cause has been modified as to the maximum penalty that may be imposed. The maximum penalty for any one return is now limited to the lesser of \$5,000 or 5 percent of the organization's gross receipts for the year involved.

User Fees for Exempt Organization Ruling and Determination Requests.—Beginning February 1, 1988, the Service is required to collect a fee from any organization seeking an IRS determination of its exempt status as an organization described in section 501(c), 501(d), or 521 of the Internal Revenue Code. A fee will also be imposed in connection with any exempt organization request for a private-letter ruling.

The nonrefundable fee must be submitted with the application or ruling request. Otherwise, the request will be returned to the submitter without any action being taken on it.

The fees imposed will be reflected in Form 8718, User Fee for Exempt Organization Determination Letter Request, which will be used to transmit both the appropriate fee and the application or ruling request.

Income From Publicly Traded Partnerships.—Prior to amendment, section 512(c) provided that a section 501(c) organization's distributive share of partnership income would retain the same character as in the hands of the partnership for purposes of computing the section 501(c) partner's unrelated business taxable income. Thus, income earned by a partnership that was of a type which would not be unrelated business income if earned directly by the section 501(c) partner would not be treated as unrelated business income to that partner.

Section 512(c) has been amended to provide that this rule does not apply to income from a publicly traded partnership and that ALL such income is treated as unrelated business income to a section 501(c) partner. A publicly traded partnership is one whose partnership interests are traded on an established securities market or are readily tradable on a secondary market or substantial equivalent. This change applies to publicly traded partnership interests acquired after December 17, 1987.

Internal Revenue Service
P.O. Box 6940
Florence, KY 41042

Official Business

Penalty for Private Use \$300
Do Not Forward

First Class

Postage and Fees Paid
Internal Revenue Service
Permit No. G-48

33-0094898 06 3 17 03
COASTLINE COMMUNITY COLLEGE
FOUNDATION
11460 WARNER AVE
FOUNTAIN VALLEY CA 92708-2597
I
R
S

430

410

Management Issues

Reprinted with permission, 9/90

A Newsletter for Governing Boards and Senior Management

March 1990

An Audit Challenge to the Nonprofit Sector: The Impact of OMB Circular A-133

by Herbert K. Folpe, New York and Dan W. Hamlin, Washington, D.C.

A great number of the nation's vast community of nonprofit institutions—colleges and universities and the many other types of organizations in the "independent sector"—are facing a serious challenge just placed before them by the federal government. A new set of regulations will require them to commission extensive independent audits, at least biennially, if they receive even modest amounts of federal funds.

This challenge is formalized in the Office of Management and Budget's (OMB) recently issued (March 8, 1990) Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions."

KPMG Peat Marwick seeks in this brief paper to alert executives of these institutions, as well as their governing boards of directors, to the far-reaching implications of this new challenge and to show why it is so important for them to devote close attention to planning and executing decisions and processes that will ensure proper compliance.

Herbert K. Folpe is KPMG Peat Marwick's national director of auditing services—federal programs. He is based in New York. Dan W. Hamlin is KPMG Peat Marwick's national marketing director for grant and contractor advisory services. He is based in Washington, D.C.

An Overview

In essence, the action just taken by the federal government formalizes and establishes the process for shifting audit responsibility for compliance with federal regulations to these institutions and their independent auditors. Audits will emphasize the evaluation of a recipient institution's internal financial control systems and of its compliance with federal regulations.

While the federal government retains its authority to conduct audits, it is expected to do so on a selective basis, concentrating on what it regards as areas of "high risk." The main audit burden, therefore, rests with the institutions themselves and their independent auditors.

This is probably the most significant step in assigning audit responsibilities that has occurred since the enactment by Congress of the securities legislation of the 1930s and the creation of the Securities and Exchange Commission, which affected profit-making enterprises. While Congress gave the SEC the underlying authority to establish accounting principles and conduct audits, it chose to avoid the creation of "an army of government auditors" by assigning these functions to the private sector. Conceptually, this pattern is now being applied to the nonprofit community.

Institutions should realize that the government and Congress will be watching closely to see how well the

Inside

What Does it Mean to Your Institution—and You?

When Does it Become Effective?

What Should Be Your Strategy for Action?



nonprofit institutions fulfill their expanded responsibilities. This is one reason why it is important for the nonprofit institutions affected to initiate action that will ensure continued compliance.

The Historical Setting

In assessing the impact of this new circular, it is important to be aware of dramatic changes that have taken place over the last decade or so in auditing of the overall nonprofit sector, including state and local governments. These changes have resulted in much more extensive and costly audit requirements for institutions that participate in federal programs.

The changes stem in part from adverse criticism in the 1970s by the General Accounting Office of the

federal audit effort affecting these institutions, which the GAO found in general to be duplicative, inefficient, and ineffective. Responding to these criticisms, the Office of Management and Budget issued circulars to establish uniform federal rules for audits (A-110 and A-102), but they did not detail the specific processes to follow in performing the audits. Moreover, they were enforced by different agencies with different degrees of energy, and their application was, in general, spotty.

A principal result was the eventual enactment by Congress in 1984 of the Single Audit Act, an attempt to eliminate excessive duplication in the audit of a given institution by several agencies and to achieve a high measure of uniformity among the reports issued by different agencies. Its main thrust, however, was towards the audit of state and local governments, and it resulted in the issuance by the OMB of Circular A-128, which governs these audits.

Although the act excluded colleges and universities and other nonprofit organizations from its provisions, the OMB at the time made a commitment to Congress to develop a "single audit" policy for these organizations that would be consistent with the provisions of the act. Six years later, Circular A-133 was issued. During this same period, tighter audit requirements had been issued for student financial aid (SFA) grant programs. In the intervening period, the auditing profession has moved to achieve a more careful definition of its responsibilities in auditing federally funded programs of nonprofit organizations. In particular, Statement on Auditing Standards 63 (*Compliance Auditing Applicable to Governmental Entities and Other Recipients of Governmental Financial Assistance*), issued by the American Institute of Certified Public Accountants in early 1989, defines more rigor-

ously the nature of the attestation required in a compliance audit. Instead of the broad attestation previously called for, SAS 63 defines attestation in terms of specific items to be encompassed.

Against the background of these developments, it can be seen that the action taken by OMB in issuing A-133 is part of an overall pattern, and it should be recognized that pressures for auditing of the highest quality, which for a variety of reasons have mounted in recent years, are not likely to diminish in the years ahead.

Just What is Circular A-133?

The circular establishes requirements for an audit at least biennially, on an organizationwide basis, for institutions of higher education and other nonprofit institutions receiving federal funds. It does not apply to hospitals that are not affiliated with an institution of higher education, nor does it apply to state and local governments and Indian tribes covered by OMB Circular A-128. "Audits of State and Local Governments." Specifically, it does not apply to public colleges and universities that are included and audited as part of single audits of state and local governments in accordance with Circular A-128.

It applies in full to institutions that receive \$100,000 or more a year in federal awards. Those institutions receiving between \$25,000 and \$100,000 may either have an audit made in accordance with the circular or an audit of each federal award.

One of the basic purposes of the circular is to ensure that institutions receiving federal awards have internal control structures providing reasonable assurance that the use of resources is

consistent with laws, regulations, and award terms; that resources are safeguarded against waste, loss, and misuse; and that reliable data are obtained, maintained, and fairly disclosed in reports.

Moreover, a recipient that provides \$25,000 or more to a subrecipient must determine whether the subrecipient meets the audit requirements of the circular and has spent the federal funds in accordance with applicable laws and regulations.

The independent auditor's report is to consist of at least three main sections: a report on the financial statements and a schedule of federal assistance, a report on the internal control structure, and a report on compliance. The latter is to contain an opinion as to whether major federal programs were being administered in compliance with laws and regulations.

Illegal acts and irregularities—including such matters as conflicts of interest, falsification of records or reports, and misappropriation of funds or other assets—are to be reported promptly by the auditor to an institution's top management and also to the proper federal officials.

The circular focuses on "major programs," and it defines a major program as either an individual award or a number of awards in a category of federal assistance or support for which total expenditures are the larger of three percent of total federal funds expended or \$100,000.

Moreover, the circular emphasizes that each of three categories of federal awards—research and development, student financial aid, and individual awards not in these two categories—will constitute a major program if total expenditures for each are the larger of three percent of federal funds expended or \$100,000.

The circular makes it clear that its provisions apply to awards (or "financial assistance") received either directly from federal agencies or indirectly through other recipients. Thus, the federal flow of funds could go to states, from them to counties and municipalities, and thence to institutions in the nonprofit sector, further complicating the audit challenge.

Financial assistance, moreover, is quite broadly defined as being assistance provided by a federal agency "in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance, or direct appropriations."

What Does It Mean to Your Institution—and You?

Circular A-133 will have a profound impact on nonprofit institutions—including, of course, their management executives, professional personnel, and directors—in two principal ways. There will be an increased exposure to possible disallowance by federal agencies of disbursements made under federal awards and increased administrative costs.

The increased exposure to disallowance will occur partly because the increased level of review that must be conducted will increase the likelihood that errors will be discovered. Of possibly greater significance, however, is the fact that auditors will be required to submit their audit sampling techniques to the federal agencies concerned with the institution being audited (generally called "cognizant agencies").

Thus, for the first time these agencies will be able to extrapolate from errors discovered and reported in order to arrive at much larger disallow-

ance amounts. While the steps they are likely to take cannot be fully anticipated, it seems reasonable to suppose that the conclusions they draw from their analysis of a sampling plan will have an impact on their disallowance decisions.

For example, if an auditor's sample revealed errors of \$10,000 this might result, under certain circumstances, in extrapolated disallowances in the millions of dollars.

Nonprofit institutions, affected as they are by mounting budgetary problems, could well find themselves seriously disadvantaged by sharp and sudden increases in disallowances, together with subsequent audit resolution processes and appeals that could be contentious and costly.

Administrative costs will go up in part because so many additional steps will have to be taken in conducting the audit so that the auditor can provide the required reports. The most obvious expansion of work is the increase in the size and complexity of the audit sample. The circular indicates, however, that the audit cost will be recoverable from the government, either as a direct cost or as an allocated indirect cost.

It should be pointed out that one opportunity for managing audit costs emerges from the circular's emphasis on the desirability of what it calls a "coordinated audit approach." In general, this seeks an audit in which the independent auditor and other auditors, such as federal resident auditors and internal auditors, consider each other's work in planning their own, with the hope of minimizing the duplication of audit efforts to the extent possible.

Another potentially significant and

costly effect the circular will have on recipient institutions lies in the requirements it imposes on them with respect to the oversight of subrecipients. For one thing, an institution must ensure that a subrecipient has met the audit requirements of A-133 or A-128, as appropriate.

If instances in which a subrecipient has not complied with federal laws and regulations have been discovered, the recipient must ensure that appropriate corrective action is taken within six months after receipt of the audit report. In addition, the recipient must require a subrecipient to permit independent auditors to have such access to its records and financial statements as they find necessary to comply with the circular.

In short, Circular A-133 will have a profound effect on the policies, procedures, and practices that nonprofit organizations follow in receiving, using, and accounting for federal funds. This will happen because the federal government—and Congress—want institutions to undergo a much more rigorous process of audit and control in return for their opportunities to use federal funds.

When Does It Become Effective?

The circular applies to audits of nonprofit institutions for fiscal years that begin after January 1, 1990, but because the audits may be biennial an institution has certain options in determining the period to be covered by its first audit under the new provisions.

This determination will depend on when its last audit occurred, the nature of findings presented, and the status of any corrective action that may have been indicated.

This timing decision should be made in concert with the strategic steps outlined below.

What Should Be Your Strategy for Action?

Six steps should be taken by a nonprofit institution in building a strategy to respond to the federal government's new audit challenge.

▲ **Step One:** The essential first step is to establish an "A-133 Coordinating Team," involving a broad range of responsible managers from within the institution and from key external sectors. In the case of a university, for example, team members could include representatives from the financial vice president's office and the Student Financial Aid office, as well as key research administrators, the director of internal audit, the university's independent public accountant, and possible state government officials. For other types of nonprofit institutions, the team would represent a similar mix of internal and external elements.

▲ **Step Two:** The institution's audit history should be reviewed, partly in order to decide on the fiscal year in which the audit is to start. Questions to be answered include how the last audit was accepted, what deficiencies were noted, and what steps were taken to correct them.

In addition, there should be a review of the respective roles played in the past by federal, state, and internal auditors,

as well as by the independent public accountants, in order to ascertain what roles they should play under a coordinated audit approach.

▲ **Step Three:** An assessment or review should be conducted to determine the institution's situation in terms of compliance with administrative and accounting requirements for federal grants and contracts.

This review, which Peat Marwick calls a "vulnerability assessment," is of such importance that it must be conducted by individuals who are not only professionally competent and well-versed in an institution's operations but who also have a firsthand technical understanding of federal regulatory agencies and the processes followed by federal auditors.

The essential objective of the review is to pinpoint areas that may represent potential financial exposure, with the risk of possible disallowances, and which therefore should be corrected. Those conducting the vulnerability assessment should be capable of addressing the specific concerns of federal grantors, thus enabling the institution to anticipate problems these grantors would be likely to identify. It should be noted that the purpose of this vulnerability assessment is to identify all possible problems prior to the official A-133 audit, so that corrective action can be taken. Consequently, an extremely critical look should be taken at all institutional contract or grant administration processes.

The assessment should be based on a detailed work plan specifying the areas to be covered and the actions to be taken. The scope would include all the areas

indicated in OMB Circulars A-133 and A-110, such as the accounting system, the effort reporting system, cash management, financial and technical reporting systems, property management, procurement standards, bonding and insurance, record retention, revision of financial plans, and closeout procedures.

▲ **Step Four:** Once the vulnerability assessment has identified problem areas, a plan for taking corrective action should be set in motion. This naturally necessitates prioritizing problems, so that those threatening the greatest exposure can be attacked first.

At Peat Marwick, a *high priority* is given to areas that require immediate corrective action in order to comply with federal requirements and could otherwise result in negative findings and disallowances. A *medium priority* is given to areas that require attention to ensure compliance but probably would not result in any federal liability. A *low priority* is given to areas that need improvement in order to achieve better management of federal grants and contracts, but which do not represent any immediate threat of vulnerability.

▲ **Step Five.** A comprehensive training program should be launched, either subsequent to Step Four or possibly simultaneously with it, covering not only the general group represented on the Coordinating Team established under Step One but also.

with more detailed emphasis, the various audit personnel—both internal and external—who should be involved.

▲ **Step Six.** As a final step, the independent auditors should structure the audit, working closely with the internal auditors of the institution and other key personnel.

Some Ongoing Concerns

As in the case of any new regulatory requirement, it will be difficult to anticipate the full impact of OMB Circular A-133 until a certain amount of experience has been accumulated. Nonetheless, Peat Marwick is concerned about the implications of certain points and will be monitoring developments closely to determine to what extent these concerns have continuing validity.

One major concern is whether the broad scope of auditing required, particularly through the circular's definition of major programs, will prove to be excessive and therefore not cost-effective.

Our concern in this area is heightened even more by the fact that certain federal agencies, as well as Congress, have already publicly voiced concern over the high cost of conducting research and other federally funded programs at private nonprofit institutions.

Another concern is the required disclosure of auditor sample sizes, as well as sizes of populations being audited. These requirements go beyond those of both OMB Circular A-128, for state and local governments, and government auditing standards. As indicated above, the federal government's use of this information could have a substantial impact on

disallowances.

Moreover, it will be important to know how the federal agencies will use the audit findings produced by the new requirements. Will their approach be constructive and positive, or will it tend to be primarily punitive in nature?

As Peat Marwick monitors the implementation of this new circular, we shall review and analyze our experiences and provide the benefit of our observations to our clients.

Further information about OMB Circular A-133 and its implications can be obtained by contacting Frederick J. Turk, KPMG Peat Marwick, 345 Park Avenue, New York, NY 10154, 212-872-5848 or 212-872-3034.

Those who wish to review the technical provisions summarized in this paper should find it helpful to consult the following chart, presenting "An Analysis of Provisions of OMB Circular A-133."

Contributors

The following KPMG Peat Marwick partners, who form the Firm's A-133 Task Force, have contributed to this publication.

John Anderson, Fort Worth

Steven Anderson, Seattle

Rafael Babilonia, San Juan

Greg Baroni, Washington, D.C.

Tony Brill, Birmingham

Steve Caron, Boston

James Dykhouse, Atlanta

John Fitzgibbon, Nashville

Wayne Frankenfield, Princeton

Britton Glisson, Richmond

William Hoffman, New Orleans

John Keenan, Baltimore

Frank Kinney, Chicago

Thomas Kunder, Denver

Steven Laible, Minneapolis

Robert Lipstein, Philadelphia

John McCready, Oakland

Gilbert McGeorge, Greensboro

John McLaughlin, New York

Louis Mezzina, New York

Edward Molloy, White Plains

John Moriarity, Springfield

Robert Rivero, Miami

Frank Ross, Washington, D.C.

Ronald Salluzzo, Rochester

John Schlitt, New York

Thomas Snow, Los Angeles

Thomas Stahlschmidt, Chicago

Ronald Steger, Long Island

Anthony Strati, Albuquerque

Fred Turk, New York

Paul Zucconi, Dallas

Analysis of Major Provisions of OMB Circular A-133

Purpose

- ▲ Establishes audit requirements for institutions of higher education and other nonprofit institutions receiving federal funds; it does not include:
 - Public colleges and universities audited as part of single audits in accordance with OMB Circular A-128.
 - Hospitals that are not affiliated with an institution of higher education, or
 - State and local governments and Indian tribes.
- ▲ Supersedes Attachment F, subparagraph 2h, of Circular A-110.
- ▲ Requires nonprofit institutions that receive \$100,000 in federal funds to be audited in accordance with the circular.

Scope of Audit

- ▲ Audit, at least biennially, by independent auditor in accordance with government auditing standards covering financial audits. The audit may be performed using a coordinated audit approach whereby independent public accountants, federal auditors, and nonfederal auditors (such as internal auditors) consider each other's work in determining the nature, timing, and extent of their own auditing procedures to support the required reports.
- ▲ The auditor shall determine whether
 - An institution's financial statements present fairly its financial position and the results of its financial operations in accordance with generally accepted accounting principles.
 - The institution has an internal control structure to provide reasonable assurance that it is managing federal awards in compliance with applicable laws and regulations, as well as controls that ensure compliance with laws and regulations that could have a material impact on the financial statements, and
 - The institution has complied with laws and regulations that may have a direct and material effect on its financial statement amounts and on each major federal program.
- ▲ Major program means an individual award or a number of awards in a category of federal assistance or support for which total federal expenditures during the applicable year exceed the larger of \$100,000 or 3 percent of the total federal funds expended. Each of the following categories of federal awards shall constitute a major program, where the test described above is met.
 - Research and development
 - Student financial aid
 - Individual awards not in the two previous categories

Internal Control and Compliance Reviews

- ▲ Internal Control Review
 - Auditor must obtain an understanding of the internal control structure and assess levels of internal control risk.
- ▲ Compliance Review
 - Recipients shall identify in their accounts all federal funds received and expended and the programs under which they were received. This shall include funds received directly from federal agencies or indirectly, through state and local governments or other recipients.
 - Auditor's review must include the selection and testing of an adequate

number of transactions from each major federal program. In making this test, auditor shall determine whether:

- Expenditures were for allowable services; and
- Records show that those who received services or benefits were eligible to receive them.
- In addition to transaction testing, auditor shall determine whether:
 - Matching requirements, levels of effort, and earmarking limitations were met;
 - Federal financial reports and the like contain information that is supported by books and records from which the basic financial statements have been prepared; and
 - Amounts claimed or used for matching were determined in accordance with applicable cost principles or other federal regulations.

Audit Reports

Audit reports shall state that the audit was made in accordance with the provisions of the circular and shall be made up of at least:

- ▲ Auditor's report on the financial statements and the schedule of federal assistance.
- ▲ Auditor's report on the internal control structure.
- ▲ Auditor's report on compliance containing:
 - An opinion as to whether major federal programs were being administered in compliance with laws and regulations
 - A statement of positive assurance with respect to those items tested for compliance relative to the financial statements, including compliance with laws and regulations pertaining to financial reports and claims for advances and reimbursement
 - Negative assurance on those items not tested
 - Material findings of noncompliance including:
 - Size of universe in number of items and dollars
 - Number and dollar amount of transactions tested by the auditor
 - Number and corresponding dollar amounts in instances of non-compliance
 - Identification of total amounts questioned for each federal award as a result of noncompliance, where findings are specific to a particular federal award
 - The auditor's recommendations for necessary corrective action
- ▲ All fraud or illegal acts, including all questioned costs found as a result of these acts, may be covered in a separate written report.
- ▲ Recipients shall include comments on the auditor's findings and a plan for corrective action.

Audit Costs

- ▲ Costs of audits made in accordance with the provisions of this circular are allowable charges to federal awards.
- ▲ The charges may be considered a direct cost or an allocated indirect cost determined in accordance with applicable federal cost principles (i.e., OMB Circulars A-21 or A-122).

Application for Tax-Exempt Status

Most charitable organizations in California seek income tax-exempt status under federal Internal Revenue Code (IRC) section 501 (c)(3) and California Revenue and Taxation Code section 23701(d). These provisions generally exempt a charity from federal or state income tax on all forms of income derived from the charity's exempt purposes. Individuals who itemize and corporate donors may deduct contributions to "section 501 (c)(3) organizations," subject to various limitations set forth in IRC section 170.

What is 501 (c)(3) Status?

A section 501 (c)(3) organization must be "organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purpose." To qualify, an organization must satisfy an organizational test and an operational test. The organization test is met if the articles of incorporation include language limiting the purposes of the organization to one or more of the exempt purposes set forth in section 501 (c)(3) and do not empower the organization to engage in any substantial activities which do not further one or more exempt purposes. In addition, the organizational documents (or applicable state law) must require the organization to expressly dedicate its assets to exempt purposes in the event of a dissolution.

The operational test requires the organization to be engaged primarily in activities which accomplish one or more of the exempt purposes specified in section 501 (c)(3). The test will not be met if "more than an insubstantial part" of the organization's activities is not in furtherance of exempt purposes. Examples of impermissible conduct include inurement of net earnings to private individuals and engaging in certain prohibited political activities, such as substantial lobbying or participation in political campaigns on behalf of or in opposition to candidates for public office. Nonprofit California public benefit corporations also may be required to show that no more than 49% of the organization's directors are "interested person" or their close relatives, as defined in California Corporations Code section 5227.

'Public Charity' or 'Private Foundation'?

Organizations that qualify for exemption under IRC section 501 (c)(3) will be classified by the IRS as either a public charity or a private foundation. Most organizations (with a few exceptions, such as churches) are presumed to be private foundations unless they receive a determination from the IRS that they are a "public charity". In general, an organization will be classified as a public charity if it receives a certain percentage of its total support from government sources, other public charities, or a broad base of individual donors. An organization also may avoid being classified as a private foundation if it maintains a support relationship with one or more public charities or governmental entities; this relationship may be either financial or programmatic.

Classification as a private foundation carries with it several disadvantages, including a 2% excise tax on the organization's net investment income.

11.0.72

certain limitations on the deductibility of charitable contributions by individual donors, a wide range of operational requirements and restrictions, and more burdensome reporting requirements.

Unrelated Business Income is Taxed

Regardless of their private foundation classification, section 501 (c)(3) organizations are subject to tax on income derived from actively conducted business activities that are substantially unrelated to the organization's exempt purposes. (*Community college foundations are generally able to qualify as a public charity because of their close relationship with the community college*).

How to File for Income Tax-Exempt Status

An organization that wishes to obtain income tax-exempt status must file applications with the appropriate federal and state authorities. Obtaining a federal tax exemption under IRC section 501 (c)(3) requires the submission to the IRS of Form 1023 (Application for Recognition of Exemption under Section 501 (c)(3)). The application generally must be filed within 15 months from the end of the month of incorporation. Income tax-exempt status, if granted by the IRC, will be retroactive to the date of incorporation. Under recently enacted legislation, an organization filing an initial application for income tax-exempt status also must pay a fee ranging from \$150 to \$300. A similar procedure requires the submission to the California Franchise Tax Board of Form 3500 to obtain tax-exempt status in California. More information on the criteria and procedures for applying for federal tax exemption can be found in IRS publication 557 (How to Apply for and Retain Exempt Status for Your Organization).

In general, IRS Form 1023 requires the organization to submit the following documents:

1. A conformed copy of the organization's articles of incorporation (or trust instrument).
2. The bylaws (if a nonprofit corporation).
3. The Employer Identification Number of the organization or an application therefor on Form SS-4.
4. A statement of receipts and disbursements.
5. A current balance sheet.
6. Other financial information, including a proposed budget for two years in the case of newly formed organizations.
7. An executed copy of a consent to extend the period in which to assess tax (Form 872-C).

Federal laws enacted in 1988 require all tax-exempt organizations to make available for public inspection at their offices during regular business hours a copy of the three most recent annual information returns (Form 990 or 990-PF for IRC 501 (c)(3) organizations), exemption applications, and determination letters.

Property Tax Exemption

The California State Board of Equalization, together with county assessors, are the administrators of the welfare exemption from property taxation (Cal. Rev. & Tax Code, SS214 et seq.). There are many requirements for obtaining a welfare exemption from property taxes, and income tax-exempt status is one of them. *(Under this exemption, real property (land and/or buildings) may be exempt from property tax).*

Sales Tax Exemption

A charity that sells items may be required to collect and remit to the state sales tax on goods sold. The rules for sales tax exemption are different from the rules for income tax-exempt status. The exemption for sales tax related to the charitable purpose is subject to many regulations. *(Generally, community college foundations are not eligible for sales tax exemptions).*

Source: Attorney General's Guide for Charities
California Attorney General's Office, October 1988

Income Tax Exempt Status

One of the most important benefits available to a charity is its ability to qualify under federal and state income tax laws for "tax exempt status." Income tax exempt status confers on the charitable organization exemption from payment of income tax and may also allow charitable donors to deduct from their taxable income contributions made to the organizations.

Legal Forms

A charity may operate in California under any of several legal forms, including a nonprofit corporation, a trust, or an unincorporated association. Most California charities are organized as nonprofit corporations. The three most common types of nonprofit corporations under California law are: public benefit corporations, mutual benefit corporations, and religious corporations. The majority of the registered nonprofit corporations in California are organized as public benefit corporations.

Under California law, a public benefit corporation must be formed for public or charitable purposes and may not be organized for the private gain of any person. A public benefit corporation cannot distribute "profit," gains, or dividends to any person. Public benefit corporations often qualify for income tax exempt status. Public benefit corporations (except for educational institutions and hospitals) must register and rep to the Attorney General's Registry of Charitable Trusts.

Source: Attorney General's Guide for Charities
California Attorney General's Office, October 1988

The Fundraising Plan

Up to this point, our commentaries have dealt with items necessary to operate a foundation, assuming it has funds. We must now attack the controlling focus of any foundation, raising funds.

First, the board of directors must establish a fundraising goal. To begin the process, the college president and staff identify their spending priorities, down to brand names and specific price tags. To properly focus the board discussion, the chair must remind the board that the agreed-upon fundraising goal should be generated equally by each member. It is critical to remember that it is better to exceed a smaller goal than fail to reach a larger one. In the goalsetting process, the fundraising committee may report on expected income from special events, programs, and campaigns. Try to keep requests for scholarship funds a separate item since it is the easiest money to raise and not at the top of the priority list for most community colleges.

Once the board sets a fundraising goal it decides which projects will receive portions of the funds raised. A community college will often hold a special event with the proceeds to benefit one specific program rather than to reach an overall college goal. It's usually best to keep the board pulling together, with all fundraising efforts going toward the general goal.

One of the first fundraising activities of the board and foundation staff is to evaluate potential donors. Who, most logically, will donate to the community college foundation? Normally, one thinks of former students and graduates as the largest potential donor base. Next, they must review employers who hire the college's students. And what about college staff and the parents of students? Soon a well-rounded donor list emerges.

Now those donors must be cultivated. Many college staff members believe the foundation should only have to ask in order to receive donations from the prospects. This notion is absolutely incorrect! Every potential donor appreciates some form of cultivation and a first step in this process is written communication about the college, usually in the form of a newsletter. Next, prospects are invited to a college-sponsored activity. If that goes well, they can be asked to serve on a college focus group or an advisory or program committee.

According to Peter McDougal, President of Santa Barbara City College, it takes three years of cultivation before the staff and/or board of this very successful foundation will ask for donations of \$1,000 or more. You must "friendraise" before you fundraise.

Strategic Development for Community Colleges

Strategic development is a more comprehensive way of looking at college fundraising. It examines a wide variety of planning-linked strategies and then defines the role of each person, from the trustee and the president to the community volunteer in implementing the strategies. Timing, resource allocation, and integration of effort are all part of strategic development.

Starting out, community colleges have approached development using many different strategies. Many have started with special events, others with annual fund campaigns, others with business solicitations, and still others with grant strategies. No one starting approach is better than any other; it's simply a matter of what's most appropriate for each institution at any given point in time. In the long run, however, successful development should become a well-integrated combination of many strategies, each designed to tap funds and cultivate institutional support in a different and complimentary way. The overall process must be linked to institutional planning and be supported and understood at all levels if it is to succeed.

Development is becoming a more prominent aspect of job descriptions for new CEOs. Forward-thinking trustees are becoming personally involved in generating alternative sources of revenue by using their personal networks and political contacts. Development strategies employed by community colleges include incorporation of college foundations, using economic development or entrepreneurial strategies, the creation of business partnerships, and renewed emphasis on grant sources. Another strategy has been political activism to increase local and state support through bond campaigns, redevelopment agreements and other forms of partnerships with local government and other agencies. A strong college foundation can be useful in supporting all of the above strategies.

Successful development efforts for community colleges, however, are not simply a matter of hiring a development officer and waiting for the money to roll in. Recent research indicates that development success requires the following four elements:

1. Understanding by and commitment of the college's trustees, as well as the college faculty, staff and students.
2. Direct and active involvement of the college's CEO.

3. A comprehensive plan for developing the institution and demonstrating how the development effort will support the college's priorities and relate to the overall financing of the institution.
4. Well-trained professional staff and foundation board members who are supported by sufficient resources and time necessary to do the job.

Colleges often undertake initial development efforts without a plan or with unreasonable expectations as to what can be accomplished, how much it will cost, or how long it will take. Money goals are set without prioritizing how the funds will be spent. Without a strong case for why funds are needed and how they will be put to good use, the effort is doomed before it gets off the ground.

Staff is often hired or reassigned to development without training, and development office budgets are often non-existent. It is no wonder that initial development efforts are often disappointing. Strategic development techniques are desperately needed.

Development is a major part of the job description of the CEO at almost all private colleges and most public universities. Unfortunately, development is not seen as a major responsibility for most community college presidents, although as public funds become scarcer this is rapidly beginning to change. Those CEOs who are expected to support development efforts or who want to champion this effort at their institution need support and some training if they are to succeed. Currently, very few opportunities are available to give CEOs the information and support they need.

And finally, college trustees need to understand the importance and benefits of the development process. Without the support and understanding of the governing boards, the CEOs are at risk in supporting a development effort. Also, the necessary resources are not likely to be made available to support the process. If the board and CEO are not demonstrating commitment and involvement, why should the faculty, staff or community? Successful development efforts start with a commitment of the board.

In short, this complete process requires the following six components to be successful:

1. Commitment
2. Leadership
3. Adequate fundraising resources
4. A comprehensive fundraising plan with clear priorities
5. Professional staff and volunteers
6. Enough time to do the job.

This total process is called strategic development. Strategic development recognizes the inevitable shift away from community colleges that are 100% supported by public funds, to a system that is publicly assisted in partnership with a variety of private sources and entrepreneurial activities. Strategic development may be defined as the planning process necessary to identify an institution's goals coupled with a comprehensive strategy to provide the support necessary to achieve those goals. Strategic support includes friendraising as well as whatever sources are appropriate including public funds, grants, contracts, gifts, bequests, partnership opportunities, asset management, as well as other forms of revenue generation, entrepreneurship and fundraising.

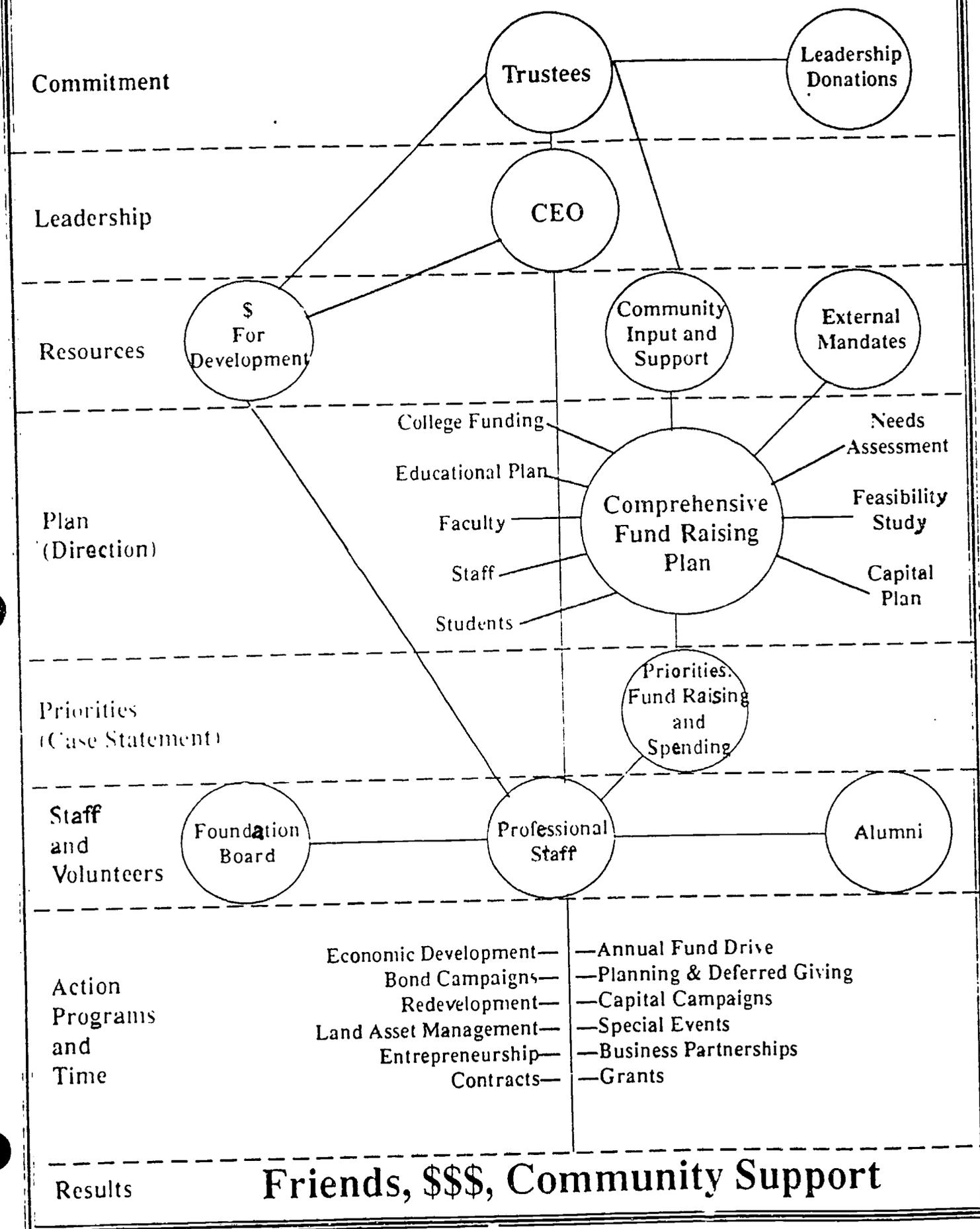
How strategic development can work is shown in the following flow chart:

James M. Anderson, September, 1993

453

424

Strategic Development Flow Chart



Strategic Development for Community Colleges

By James Anderson

Most California community colleges are either not involved in external fund raising or are very new to the process. Although there are a few notable exceptions, community colleges in this state have not yet developed the expertise or the support systems necessary to compete effectively with the private colleges and universities that have been in the development field a long time.

As examples, only a handful of community college foundations have endowments or planned giving programs, development staffing is usually minimal or non-existent, and trustees and CEOs do not usually see fundraising as one of their responsibilities.

Shrinking public funds, however, are forcing more and more community colleges to explore a variety of development options.

Development strategies employed by community colleges include incorporation of college foundations, using economic development or entrepreneurial strategies, the creation of business partnerships, and renewed emphasis on grant sources. Another strategy has been political activism to increase local and state support through bond campaigns, redevelopment agreements and other forms of partnerships with local government and other agencies.

Successful development efforts for community colleges is not simply a matter of hiring a development officer and waiting for the money to roll in. Successful development efforts require the following four elements:

1. Commitment of the college's trustees and CEO, as well as the college faculty, staff and students is essential.

College trustees need to understand the importance and benefits of the development process. Without the support and understanding of the governing boards, the CEOs are at risk in supporting a development effort. Also, the necessary resources are not likely to be made available to support the process. If the board and CEO are not demonstrating commitment and involvement, why should the faculty, staff or community? Successful development efforts start with a commitment of the board.

2. Leadership through direct and active involvement of the college's CEO.

Development is a major part of the job description of the CEO at almost all private colleges and most public universities. Unfortunately, development is not seen as a major responsibility for most community college presidents, although as public funds become scarcer this is rapidly beginning to change. Those CEOs who are expected to support development efforts or who want to champion this effort at their institution need support and some training if they are to succeed.

3. Comprehensive planning that demonstrates how the development effort will support the college's priorities and relate to the overall financing of the institution.

Colleges often undertake initial development efforts without a plan or with unreasonable expectations as to what can be accomplished, how much it will cost, or how long it will take. Money goals are set

without prioritizing how it will be spent. Without a strong case for why funds are needed and how they will be put to good use the effort is doomed before it gets off the ground.

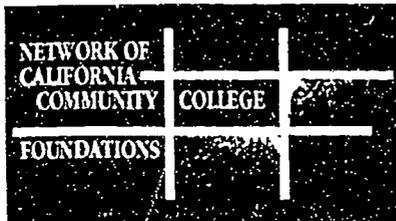
4. Well-trained professional staff and foundation board members who are supported by sufficient resources and time necessary to get the job done.

Staff is often hired or reassigned to development without training and without adequate development office budgets. It is no wonder that initial development efforts are often disappointing. In short, successful fundraising requires six components to be successful: Commitment, leadership, adequate fundraising resources, a comprehensive fundraising plan with clear priorities, and finally, professional staff and volunteers given enough time to do the job. This total process is called strategic development.

Strategic development recognizes the inevitable shift away from community colleges that are 100% supported by public funds, to a system that is publicly-assisted in partnership with a variety of private sources and entrepreneurial activities. Strategic development may be defined as the planning process necessary to identify an institution's strategic goals coupled with a comprehensive strategy to provide the strategic support necessary to achieve those goals. Strategic support includes fundraising as well as funding sources including public funds, grants, contracts, gifts, bequests, partnership opportunities, asset management, as well as other forms of revenue generation, entrepreneurship and fundraising.

When implemented with commitment and adequate support, strategic development can help provide community colleges with the additional resources necessary to promote instructional excellence, increased access and community support. ♡

James Anderson is Vice President for Planning and Development at Chaffey College and President of the Network of California Community College Foundations.



FOUNDATION DEVELOPMENT

Abstracts

CALIFORNIA COMMUNITY COLLEGE FOUNDATIONS FUND RAISING APPROACHES

Dr. William E. Piland

California's community colleges are in a position shared by some other states in that they are primarily funded by the state and, therefore, subject to the sometimes unstable budgetary climate imposed by the governance structure. State systems of community colleges across the country are experiencing hardships similar to the California system. A recent study published in the *Grapevine*, an Illinois State University publication reporting on state funding for higher education, showed state funding for community colleges eroding in over 80 percent of the states from 1990 to 1991. Alternative sources of income are becoming a much more important revenue stream since state funding, local property taxes, and, in some cases, tuition are at maximum levels.

Being traditionally innovative, California's community colleges have chosen a more direct, albeit sometimes rocky, path to garnering funding in order to continue and expand their programs and facilities—the foundation. Community colleges, in many states, are recognizing the potential foundations have for bringing in new resources during a time of limited state funding. While the concept of a foundation is certainly not a new one to academic institutions, the community college foundation did not come into its own until the mid-1970s. College administrators saw the importance of alternative fund-raising and resource development to help them achieve their missions and goals through community involvement.

RELATED RESEARCH

The community college faces several inherent obstacles in establishing an effective foundation. The lack of alumni organizations, the high number of commuters and part-time students have all impeded the growth of the foundation. In addition, some potential donors are reluctant to donate money to an institution that receives tax funds. However, a 1980 study by Graham found that if the community college is found to be a viable, integral part of the community, worthy of its support, the groundwork has been provided for seeking donations through the community. Walters' 1988 work reaffirmed this in his study, which found donors give money for personal reasons other than tax breaks.

A 1980 study by Duffy identified the characteristics of a successful community college foundation and the conditions that foster success. The top-ranked characteristics were a strong public relations program, involvement of community leaders and potential donors as members of the foundation, and the use of the foundation as a vehicle for community involvement in the college. In addition, the top-ranked conditions that foster success were: organized and defined planning efforts, a governing board that is aware of its roles and responsibilities, and a clear purpose statement for the foundation.

METHOD

Fifty foundation directors who are members of the Network of California Community College Foundations were surveyed to

determine how their foundation raised monies, to what use these monies were put, what obstacles they faced in fund raising, and other pertinent information about their foundation's history and structure. Forty-eight, or 96 percent, responded to the one-page survey. Questions were designed for simple, one-word answers, or in multiple choice form, with additional space left for comments.

RESULTS

Results from the survey were as varied as the community colleges themselves. Substantial disparities were found in amounts of money raised and length of the foundations' existence, with no clear-cut pattern emerging. Other significant data indicated strongly that the foundation emphasis is on raising immediate cash (78%) as opposed to planned-giving programs such as real estate and stock. Twenty percent placed equal emphasis on both cash and planned giving.

Disparities on length of the foundation's existence are very prominent. The oldest foundation has been in place for 32 years, while the youngest has been in existence for less than a year, with the median being 13 years.

Seventy-three percent of the foundations have paid staff. Of these 35 foundations, 97 percent have an average of 1.1 paid professionals, while 88 percent have clerical support. Answers indicate that, often, the foundation is allotted a clerical support person, but only part-time.

The president of the college sits on the foundation board at 44 of the colleges, or 92 percent. Of the four foundations in which the president of the college does not sit on the board, two indicated that the president attended the board meetings. The two remaining foundations that did not have the college president's active support on the board raised an insignificant amount of money in comparison to those foundations that did.

As stated earlier, the greatest disparity came in the amount of money the foundations raised in the 1990/91 fiscal year. While the mean was \$458,303, the low ranged from 0\$ to a high of \$4 million, with the median falling at \$180,000. Of the 46 community colleges that responded to the question, 12 raised under \$50,000, four raised over \$50,000 but less than \$100,000, 18 raised over \$100,000 but under \$500,000, and twelve raised over \$500,000. Six foundations raised over \$1 million.

The community college foundations primarily solicit from four groups. Business and professional leaders were cited most frequently, followed closely by local businesses, college employees, and the community at large. In descending order, the other groups solicited for donations are alumni, other foundations, current students, and celebrities. Service clubs and retirees of the district were also cited as sources for solicitation.

The majority of foundations raised funds successfully through personal solicitation, followed by special events, such as dinners, sporting events, auctions, festivals, and direct-mail solicitation. Only 21 of the foundations worked in cooperative programs with busi-

ness, and only five solicited over the telephone. Grant writing, planned giving, and bequests were other ways in which the foundations raised funds.

The most successful fund-raising technique was cited as personal solicitation (56%). Next was special events, which garnered 32 percent, followed by cooperative programs with business, and direct-mail solicitation.

The largest number of foundations (96%) expended monies they raised on student scholarships. Following scholarships, monies were also expended on instructional equipment, facilities, operating expenses, special seminars or educational programs, the library, and guest lecturers. Other areas foundations support are faculty grants, endowments, emergency loans, disabled students funding, theatrical events, hospitality and banquets, and athletics. Additionally, foundations expended most of the money raised on student scholarships, with 61 percent of respondents selecting this option. This compares with 10 percent of respondents indicating the largest amount of money was spent on operating expenses, the second highest response.

In discussing the difficulties the foundations had in raising money, the number one problem cited was lack of a comprehensive fund-raising program (48%), followed closely by the public's reluctance to donate money to an institution that receives tax funds (44%) and lack of fund-raising experience and expertise (42%). Lack of paid professional staff (40%), competition (39%), and the community college's image (27%) followed closely behind. Other factors were lack of proper contacts, lack of vision, lack of organization, and the economy.

STATISTICAL COMPARISONS

Five variables were selected to compare the responses of foundation directors to determine significant differences. The variables were: college size, college location, years the foundation has been in existence, paid staff, and amount of funds raised.

Interestingly, there were no significant differences based on size and location of college. The variable which produced the largest number of significant differences (seven) was paid staff. Four differences related to the groups from which the foundations solicit. The groups were alumni, local businesses, the community at large, and other foundations. In every instance, foundations with paid staff solicited these groups to a much greater extent than did those foundations without paid staff. Two differences were connected with the ways in which the foundations raise funds. Paid staff provided for greater use of personal solicitation and direct mail as fund-raising methods.

The variables of amount of funds raised and years the foundation has been in existence each produced two statistically significant differences. One of the differences, paid staff, was shared by both variables. Those foundations which raised the highest amount of money had paid staff (92%), while those that raised the lowest amount were split between paid and unpaid staff. Similarly, those foundations in existence the longest amount of time tended to have paid staff while those newer foundations did not have this staffing pattern. Further, foundations raising the highest amount of funds solicited from alumni, at a two-to-one ratio, compared to the lowest fund raisers.

CONCLUSIONS

California community college foundations vary from unsophisticated, poorly organized and staffed operations, raising inconsequential amounts of money to competently staffed operations with a focused and motivated solicitation program raising large amounts of money for their colleges. A major key for success seems to be paid staff, consisting of professionals with clerical support. Paid staff

seem to provide fund-raising experience and expertise leading to the development of a comprehensive fund-raising program using a variety of methods geared to a number of different potential contributing groups. The active involvement of the college president with the foundation is very prevalent, also.

College foundations concentrate on raising immediate cash from employees and the local community, much of which is immediately spent through student scholarships. There seems to be little effort to develop long-range giving programs which might have longer-range and more systemic impacts on the colleges. Foundation directors have identified personal solicitation as a primary fund-raising activity. This method requires a huge time commitment and is effective at securing large donations from a small number of individuals. Corporate sponsorship, vital for keeping athletic programs afloat in colleges and universities, is not a prevalent solicitation venue.

Fund-raising difficulties, while not perceived as problems by most foundation directors, tend to be internal, controllable ones. Paid professional staff, an involved college president, and an active, committed board should be equipped to overcome these difficulties. A sound fund-raising program also can offset some of the external forces identified as barriers to fund raising.

While the overwhelming majority of foundations have been in existence for more than five years, many appear to be in transition. The wheels of change are starting to roll as the importance of fund raising increases. The vision needs to be broadened and change facilitated through leadership and commitment on the part of all community college leaders—trustees, administrators, and faculty.

RECOMMENDATIONS

Following is a list of recommendations which should assist foundations to reach their potential:

1 The hiring of paid professional and clerical staff is a must for foundations to grow and prosper. The relationship between paid staff and revenue generated strongly suggests that the paid staff cause the revenue. Maintaining a foundation on an informal, bare-bones basis will not bring about fund-raising successes. The expertise, energy, and commitment of staff are needed for a viable foundation.

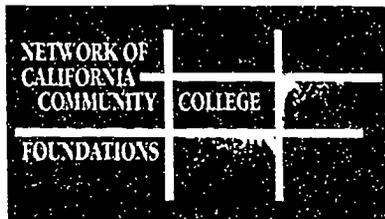
2 Paid staff is not enough to guarantee success. A comprehensive, visionary fund-raising program must be developed and pursued by staff. The program should target the traditional and nontraditional groups which might contribute to the foundation. Seeking corporate sponsorships for the foundation and working cooperatively with community business and industrial concerns on fund-raising events and projects may prove to be profitable.

3 The fund-raising program must contain a long-range component of planned giving. The degree of emphasis should shift in this direction to provide for continued growth into the future. A planned-giving program component should allow for a long-range expenditure plan which ought to relate to the college's long-range planning efforts. This approach will help provide resources for systemic college changes needed to meet a changing college mission.

4 College presidents, trustees, other administrators, faculty, and student leaders must actively support and become involved with foundation efforts. Support from these groups, as well as community leaders, is vital for successful fund-raising endeavors.

Dr. William E. Piland is the Director of Doctoral Education at San Diego State University, San Diego, California

Foundation Development Abstracts is published by the Network of California Community College Foundations. For further information or additional copies, please contact Jim Anderson at Chaffey College, 5885 Haven Ave., Rancho Cucamonga, CA 91737-3002, or call (909) 11-2112



FOUNDATION DEVELOPMENT

Abstracts

FUND RAISING IN A CHANGING ECONOMY: NOTES FOR PRESIDENTS AND TRUSTEES

Glenn L. Essex and Charles Ansbach

Despite California's current recession, people are still signing big checks for good projects. The challenge now is that donors are a lot more picky about what they support. Everyone is asking for money so the pressure is on to make sure that your project is appealing to your donors, that all of the information needed to explain it has been gathered, and that other methods of funding have been exhausted.

Education is still a top priority among many donors and volunteers. Community colleges have a chance to get more support than they have ever received in the past because they can be more responsive than many other schools in meeting the real needs of their local business communities. It will not be easy, but with a well organized, on-going fund-raising program that has a clear sense of vision, the involvement of top college trustees, administrators and faculty and the necessary funds to maintain a consistent effort. It can be done.

Success generally begins with a compelling vision for where a college is going, which provides the context for new projects. Among the key roles the president of a college can play is to provide that sense of vision, to get personally involved in soliciting select major donors and to provide the funds needed to support an effective fund-raising program. These are some of the most vital aspects of a successful community college fund-raising effort.

THE BASICS OF FUND RAISING REMAIN CONSTANT

Time-tested fund-raising principles for conducting major campaigns have not changed. They are:

- 1 The leadership of the college and its potential donors must believe that the need for which funds are to be sought is crucial and that the college's plan to meet that need is correct and compelling.
- 2 The potential donors must have the capability to give the size and number of gifts needed to reach the specified fund-raising goal.
- 3 There must be a dedicated group of capable volunteers who are able and willing to lead, as well as solicit contributions at the levels required.
- 4 There should be a clear campaign plan with goals, timetable and an organizational structure managed by competent staff to assure the best possibility of success.

SEVEN STEPS TO SUCCESS

When you begin to plan what your college can do to meet perceived need, you should **get top community leaders** to help you. People who are involved in your planning and who agree with your solutions are more likely to give donations to help bring those plans to fruition. For example, one California college is setting up a waste management program that major local corporations need. Those companies are giving major gifts and volunteer time to help complete the project.

Do extensive research into who in your community has the financial capability, as well as possible interest, to support some aspect of your college. Look beyond the obvious. In a recent campaign to fund a major library, the list of possible donors included all of the "usual" names of affluent local people who gave to most big projects. After closer inspection of the list, a new name emerged. It was a woman who had never given to anything before. She had great wealth and her late husband had loved books above all else. After several private meetings and the offer to name a major part of the library in her husband's name, the gift was made and so was the campaign.

Cultivate the interest and involvement of top leaders and potential donors. Private tours of a new facility on campus, special opportunities to meet with the president or dean for insightful information on important topics affecting the college and/or the community and personalized recognition for any gift of time and resources are just a few ways to carry out this important work—before asking for any gift at all.

Develop a plan long before conducting a specific campaign. What do you want to accomplish this year? In three years? It generally takes a new fund-raising program three years to break even and generate contributions in significant excess of the costs. Planned giving yields the most in total giving, but it takes a long time to get each gift. Direct mail requires the consistent sending of appeals throughout the year, every year. The return on the initial mailing is often barely at break even and results are built gradually. Special events are good for publicity and identifying new potential supporters, but they require comparatively excessive amounts of volunteer and staff time to produce when fund-raising is the goal.

Develop appeals. They can be very effective in raising funds and identifying new donors. Again, consistency in conducting the appeal and framing the reason for giving is impor-

tant. Major gift campaigns where volunteers ask for contributions face-to-face with potential donors are the most effective and efficient way to get large donations. Careful selection of the project, the prospect, the requested gift level and the volunteer is paramount. Capital campaigns for major buildings, programs or endowments are the biggest fund-raising projects a college can undertake. The success of these campaigns is built on the prior success of the other fund-raising efforts, which help to build the necessary donor and volunteer base.

A positive image among potential donors. This step is increasingly important in this time when the competition for donor support is high. Regular announcements of newsworthy events and people connected with your college is helpful, but the greatest impact will come from selectively targeting top leaders in the community for special briefings, discussions, events and meetings.

Lastly, **don't forget about your faculty, staff and students.** Seek out faculty input on possible projects to use as a focus in fund-raising. However, some faculty members may want to have their particular project among donors. One solution is to give those faculty responsibility for identifying and cultivating initial donor interest before using the resources of the college to solicit major support. Always let your faculty know about all your fund-raising successes and look for ways to give them direct benefits from those efforts.

Similarly, keep your administration and service staff informed about major gifts to the college, so when it comes time to ask them for support they will be more willing to do so. Involve students in select phonothons, special events and other fund-raising activities. Keep them informed about select major gifts received. Begin building a tradition with your current and future alumni in all aspects of giving.

WHAT CAN A PRESIDENT OR TRUSTEE DO?

One fund-raising strategy used by some college presidents or trustees has been to hire experienced development directors and give them a directive to quickly put a strong program in place and to report back when the job is done. Unfortunately, it rarely works.

In a brief survey of community college development directors, one consistent comment was how difficult raising money was when the president or trustee was not involved in planning, being visible in the community, cultivating relationships with top donors or taking part in top level solicitations. Another repeated comment was on the difficulty of trying to produce major results with minor budgets.

Development directors can and should be expected to generate major donor funding for their college or school. They should be part of setting the goals and budgets for their operations. They should be effective in identifying donor and volunteer prospects, training volunteers, planning and managing events and mailings, maintaining donor records, developing suggestions for recognitions and maintaining communications with donors over time. They should help identify and clarify those aspects of campus programs that will be the most appealing to donors and packaging those appeals with input from all concerned. Development directors should be able

to show progress in not only the amounts raised, but also the levels to which they are helping to move donors in their giving. But there are several important things development directors cannot do that must be done by the college president or trustee.

Presidents and trustees should do the following:

- Provide the guiding vision for the college or department. What particular niche will this college or department fill in the need for education in the community? What special programs or projects will it conduct, and why are they important?
- Identify what is needed in the way of private funding, and why.
- Set realistic goals for fund-raising.
- Provide the budget and other resources needed to reach the goals.
- Help set a positive, visible image in the community by being active in select community affairs.
- Cultivate strong, positive, personal relationships with top donors and prospects.
- Take an active role in requesting major gifts from select donors.
- Personally provide recognition to major donors to thank them for their gifts and to invite them to remain increasingly active members of the college's family.

The relentless demands of making administrative decisions, dealing with the faculty and responding to the students can easily take up every hour in a day. So, even if a president wants to create a strong fund-raising program, it can seem impossible to get started. Therefore, start gradually. Set some specific project goals with your development director.

Do the projects first that have the best chance for success, no matter what the amount. You do not want failures early in your program. It is too hard to overcome the image of being a questionable donation risk. To announce a successful \$1,000 gift to the faculty and friends of the college is better than having to say you fell slightly short of an important \$100,000 goal.

If you have a project that is outside the experience of your staff, or if you want to help strengthen the participation of your board or advisors, consultants can be called in temporarily to add important skills and experience. Be sure to agree on goals, costs, and responsibilities before using this, otherwise important fund-raising tool.

Raising money for higher education during this economy with no prior history of building relationships among affluent, loyal supporters is difficult. But it can be done. You simply start where you can build a sturdier program around you as you go. But, the first step is envisioning how the college will grow and improve in meeting the community's educational needs. In that way, the ultimate success of fund-raising at your college is always in the hands of the president and the governing board.

Glenn L. Essex is Chairman of Essex, Inc. of San Francisco, and Charles Ansbach is President of Ansbach & Associates, Sacramento, California

Foundation Development Abstracts is published by the Network of California Community College Foundations. For further information or additional copies, please contact Jim Anderson at Chaffey College, 5885 Haven Ave., Rancho Cucamonga, CA 91737-3002, or call 909-941-2112.

Annual Giving

Annual giving includes a variety of approaches all designed to entice selected groups to give to the college on a continuing basis year after year. The purpose of an annual fund is to build a donor base, cultivate larger gifts over the years and to get donors into a habit of supporting your college. The cultivation targets for annual fund campaigns are those individuals who have a strong connection to the college because they or their children were or are students, employees or others who have been served by the college in a direct way. Direct mail solicitations, telephone campaigns, and payroll deductions are commonly used approaches. Although the term implies a once a year event, annual fund activities may go on throughout the year and often involve multiple solicitations of the same individual(s) until a gift is received.

This section will examine several specific approaches to annual giving including the following options:

- Alumni Solicitations
- Direct Mail Campaigns
- Phone-a-thons
- Staff Solicitations
- Student Solicitations.

Alumni Solicitations:

Loyal alumni are probably a college's best source of on-going support. Good alumni mailing lists are golden and should be maintained as a top priority of the foundation or alumni office, if you have one. Alumni loyalty is something that has to be nurtured and maintained. This can be done through regular mailings to everyone on the alumni list. Newsletters, reports, and of course, annual fund solicitations are all useful for this purpose. Alumni events, such as reunions, are good fundraisers. Its also a good idea to invite alumni to other events such as theater presentations and concerts. Another idea is to have a separate reception area especially for alumni at events open to the general public. This lets you know who's there and makes your alumni feel special.

Unfortunately, many community colleges do not have alumni associations and have not tracked their alumni over the years. Developing an alumni

list from scratch can be a challenge. Several techniques can be used to locate lost alumni. Newspaper ads and posters may identify some individuals. Every time a college staff member speaks in public ask for a show of hands of who are alumni or who are married or related to alumni. The response may surprise you and it demonstrates how the college serves the community. Get business cards of all who respond and ask them to list the years they attended and the degree or certificate they earned. After a while, this list can grow rapidly. Once small lists are built, hire someone to call each person to verify the information and let them know what's going on at the college. Those called will be flattered that you cared enough to call -- the first step in donor cultivation. Ask each person if they know of other alumni and how they can be reached. A recent phone campaign like this at Chaffey College generated over 700 new names, most of them pre-1940 graduates!

Direct Mail Campaigns:

An annual direct mail campaign may involve three or four mailings per year. Spring, early Fall and year-end are common times for mail solicitations. Once a donation is achieved, it is important that the donor is thanked and the gift acknowledged. This individual should no longer be solicited that year. Previous years donors should receive a special letter that acknowledges their past support and lets them know that it is time to continue their support for the next year. Try to entice them to increase their donation from the previous year.

A separate brochure for each mailing should be developed. Each brochure should have a slightly different theme or appeal, but should also be recognizable as a college solicitation. The brochure should contain a brief case statement, explain how the donation will be used, and have options the donor can select to direct their donation to a particular program or activity, if they desire. Check-off boxes are good for this purpose. Many donors like to decide how their money will be used, although foundation boards would prefer to have as much unrestricted money as possible to allow them more flexibility in its disposition. One suggestion is to always make the first box be an unrestricted option such as:

- Area of greatest need
- Scholarships
- Student loan fund
- Library
- Etc., etc.

Annual fund campaigns are labor intensive and require a special computer program designed to track donations, generate thank you letters, track restricted gift categories, and recognize name variations to eliminate duplicate solicitations. It is also important make sure that donors are not solicited more than once a year after they donate. Other costs include brochure design and printing, envelopes (both outgoing and return), thank you letters, and record-keeping expenses. In the beginning, annual fund mailings will cost more than they bring-in, but over time the donations will grow and the list becomes valuable in identifying prospects for major gifts.

Phone-a-thons:

Phone-a-thons are an organized group effort to call a specific audience in a given period. Soliciting people on the telephone can be very effective if several key factors are taken into consideration. They can be a lot of fun and usually produce excellent results, but they are very labor intensive. Running a successful phone-a-thon requires attention to the following details:

- Locate a room with many telephones. Since the calling is usually done in the evening, a large college office could be used for this purpose. Doing the calling from one room facilitates supervision and record-keeping and creates a sense of excitement.
- Develop a cadre of well-trained and enthusiastic volunteers. The best volunteers are faculty or graduates from the same program as the person being called. Train and rehearse your volunteers well. Make sure they know what to say and are comfortable in asking for a donation. Supervise them so they don't chat unnecessarily. The key to a success is training your volunteers
- Before you start, make sure you have good contact lists with current phone numbers. Don't waste your volunteers time.
- Prior to receiving a call, each person to be called should have been sent one or more mailings through the annual fund or other campaigns.
- Keep accurate records of each call and its results. Don't irritate people by calling them more than once and sending a signal that you don't know what you're doing. If the person being called has previously donated, start out by thanking them and letting them know how their gift helped.
- Thank each person for their support even if they decline to give.

Staff Solicitations:

College faculty, staff, and retirees are often overlooked in the development effort. If given the option of deducting a small amount from each check for the foundation, many staff will be willing to support the foundation, especially if they can direct the gift to an area of their choosing. Payroll deductions, including those made to the United Way, can be directed to a particular college program or scholarship. Given over several years, the donations can become substantial enough to put the donor into a prestigious donor category. This is especially attractive if the college has a donor wall, or plaques as a form of recognition. Staff nearing retirement may like to leave something tangible with the college. Creating a named scholarship program for students in their discipline might be quite attractive for a faculty member to endow over the five years prior to retirement. Deducting \$100 per month would create a scholarship fund of over \$5,000 that could be named after the professor and create an on-going legacy for the individual. The deductions could be structured so that they are not taxed as income or are tax-deductible to make them more attractive. With tax savings on \$100 per month, the gift could end up only costing the donor only about \$75 per month.

Student Solicitations:

Current students may be much more generous to the foundation than one might think. If given the option of voluntarily adding a small fee (i.e. \$5 to \$10) for the foundation during registration, many students will choose to do so. One strategy used successfully has been to give students the option of directing \$10 into a student loan fund to help needy students. One southern California college generates about \$6,000 per year using this simple method. Students government can also be asked to partially underwrite the operation of an alumni office and to generate volunteers for special events and phone-a-thons.

Guidelines for Mail Appeal

Two factors are of major concern in raising funds by mail appeal.

1. The keen competition for the philanthropic dollar.
2. The ease of rejection of an appeal by mail (via the wastebasket, with no solicitor present to urge reconsideration).

In view of the keen competition and the ease of rejection, it is important to avoid these common errors:

1. *Impersonal approach.* Make sure the signer has some connection with the recipient so that the letter can be a personal one.
2. *Inadequate motivation.* Create recipient motivation that leads from attention to interest and action. The lead of the letter should capture the reader's attention or he may never read beyond it.
3. *Incomplete planning.* Second-rate planning usually guarantees second-rate results. Because pains are not taken in advance, they are usually experienced in the returns. Careful planning can also reduce the costs of the appeal and thus increase the net return.

Here are three popular misconceptions:

1. *An appeal letter should be no longer than one page.* The letter should be long enough to make the case for support. Bruce Barton once wrote a four-page letter for Deerfield Academy, and it was the most successful in the school's history.
2. *Every year's appeal has to be completely different.* André Gide said: "Everything has been said already, but since nobody listens, everything has to be said again." Don't be afraid to repeat or rephrase, though each year's letter should look different in some way than its predecessors.
3. *People won't read anything you send them.* They won't read everything, but they will read selectively—if you interest them.

These three observations about the content of a mail appeal are always important to keep in mind:

1. What is *said* is important.
2. *Who says* it is often more important than what is said.

3. **Dramatize the case.** To get attention and interest, the letter should deal immediately with anecdote, fact, and topical reference; generalizations are dull.

Whom should the writer of a mail appeal try to please?

1. *Himself.* If a writer does not satisfy himself, he has little chance of pleasing anyone else. When he has finished a draft, he should be ready to stand behind it—against all critics.
2. *The signer.* The writer's draft should be written with the signer in mind. Very often the signer, a volunteer leader, has ideas which are good or which can be refined or developed for effective use.

Here are 10 principles that apply to a mail-appeal effort:

1. *Personal approach.* The degree to which the appeal appears to be personal and individual is in direct proportion to the attention-getting strength of the letter.
2. *Emotional impulse.* Giving is the result of a rationalized emotional impulse.
3. *Proportionate giving.* Giving should be in proportion to the capacity of the donor and the extent of the need. Without these standards, the dollar volume of giving is always low.
4. *Atmosphere of optimism.* Fund raising is always best in an atmosphere of universality (an indication that all are giving) and optimism (an indication that the objective can be achieved).
5. *Sense of genuine urgency.* People tend to be subject to laws of human inertia. A sense of urgency, along with importance, has the best chance of moving them.
6. *Salesmanship of conviction.* An appeal letter must move the recipient from attention and interest to concern, advocacy, and support. It can do this best if it conveys a very real sense of conviction by the signer.
7. *Character of the cause.* The appeal letter should be in keeping with the character of the cause it advances; it should sound like the signer, and it should be appropriate for the recipient.
8. *Repetition and continuity.* A mail-appeal effort should provide for one or more follow-up letters. It is better to appeal to the same good names three times than to write only once to a list three times as large.
9. *Desired level of giving.* Once a donor starts to give at a certain

level, usually he is not easily or quickly persuaded to raise his giving sights. It is therefore important to obtain the first gift at the desired level.

10. *Worth, not just need.* Large contributions tend to be given to worthy institutions rather than just to needy causes.

A list of "Don'ts" may be helpful for the writer to keep in mind in drafting an appeal letter:

1. Don't be obscure, fanciful, or wordy.
2. Don't be tricky, avant-garde, ponderous, or learned.
3. Don't oversell.
4. Don't ordinarily have a professional sign an appeal letter; a professional cannot be as effective as a volunteer.
5. Don't think that words can make up for a weak case for support.
6. Don't focus on money that is needed; talk about program, which is the best way to attract support.
7. Don't use a signer of an appeal that the reader would know could not or would not have signed the letter, even though the signature is made to look real.
8. Don't emphasize tax deductibility, though it should be mentioned. People don't make gifts only because they are tax deductible; and if they did, they could give to practically any other organization.
9. Don't accept layout or artwork which does not help readability. Mail appeal is judged by the gifts it attracts, not by the art awards it wins.
10. Don't forget that in making the case for support the cause should be bigger than the organization that advances it.
11. Don't let those who must approve the draft of an appeal homogenize its content so that it loses its effectiveness.
12. Don't be afraid to take a chance and break the rules when it's needed.
13. Don't expect a letter to be anywhere near as effective as a visit or telephone call.

Here are some tips on the mechanics of a mail-appeal effort:

1. Develop your own lists of prospects. Beware of renting such lists as "10,000 wealthy widows" or "25,000 yacht owners."

2. Never use a list that has not been carefully checked for accuracy.
3. Make sure that a signer of an appeal letter addresses each recipient appropriately and signs accordingly.
4. Enclose a leaflet in a mail appeal if it helps dramatize the cause through words and pictures. An annual report, if brief, can be used. A return-addressed envelope, with a short program statement on the inside flap, should be enclosed.
5. Arrange for publicity to break as close as possible to the date the appeal letters will be delivered.
6. Remember that testing is the secret ingredient of successful mail appeals. Until an appeal mailing is tested—to see how it draws—its effectiveness is undetermined. Therefore, records (the maintenance of day-to-day data on responses to mailings) are important.
7. Acknowledgments of gifts and appreciation for them deserve special attention. If gifts are promptly and gratefully acknowledged, donors can more confidently be expected to give again and in greater measure.
8. It is thoughtful, as well as rewarding, to communicate with donors at times other than when they are asked or thanked for their support. They should be kept informed periodically of the programs and services that their generosity helps make possible.
9. The type used in an appeal letter and its enclosures should be sufficiently large so they can be easily read. Prospective donors with the greatest giving capacity often have the weakest eyes; and making them strain will not encourage generous responses.
10. The use of wide margins and short paragraphs also makes for readability.
11. The letterhead, whenever possible, should carry names that mean something in the community. Responsible names beget confidence in a cause.
12. The letterhead of the signer of an appeal letter could often be more effective than the organization's.
13. Multiple or facsimile signatures are often undesirable, as they

can destroy the illusion of personalization and give the impression of a mass mailing.

14. Postage stamps on return envelopes may increase the percentage of returns, but they can be criticized on the grounds of expense.
15. The use of color on letterheads increases expense, but it also usually increases the response. It should be tested.
16. Remit or return gimmicks are frowned on, and often generate more animosity than support.
17. Telephone check-ups with secretaries of important prospects—just to make sure the appeal was received—have frequently been effective.
18. Each complaint an organization receives should be accorded a hearty welcome and prompt personal attention. A complaint could represent a chance to develop a thoughtful supporter.
19. Postscripts have a high attention value.

These suggestions could be important because mail appeal returns are apt to be relatively modest:

1. Weigh the feasibility of taking the top 10 percent of annual donors and enlisting volunteers to solicit them in person. The results should be rewarding.
2. Ask volunteers who sign appeal letters to write 10 genuinely personal appeals.
3. Give the prospective donor a clear idea of the level of giving that, it is hoped, he would consider. He should know, and may like to know—even if he does not decide to give that much.
4. Include in an appeal mailing a list of gift opportunities and a gift amount for each. This is an effective and acceptable way of indicating to donors the levels of gifts that are desired.
5. Indicate the additional funds needed over last year's goal, and the reasons that caused the increase, when requesting donors to upgrade the level of their gifts.

For satisfying results, a mail-appeal effort should combine the highest degree of personalization with a planned and continuous program of cultivation, solicitation, follow-up, acknowledgment, and appreciation.

PHONOTHON SCRIPT

DRAFT 7/6/92

Hello - This is _____ calling from Sierra College. A group of us are calling donors and friends about the upcoming.....

_____ sent you a letter recently. Did you receive it?

You may recall it talked about the project.....

Understanding this important program for the college, and since we want this first time effort to be successful, I'm hoping you'll want to join others in participating.

I'd like you to consider a gift of \$150 or more toward.....

(if yes, jump to thank you..if no, continue)

Would you consider a gift of \$12, toward.....

(if yes, jump to thank you..if no, continue)

How about a general gift to the effort of \$50?

(if yes, jump to thank you..if no, continue)

I understand your concerns, but please remember all gifts are important to Sierra College. Could we decide upon a contribution since our hope is to raise \$xxxx tonight? Your participation would really help.

(wants to think about it)

I understand. We're calling people this week to get this effort underway - may we call you again? Is there a specific time?

THANK YOU! Your gift to the College is important. As long as I have you on the phone, let me double check the information I have.

Check name spelling

Check address

Check city state zip

I'm going to drop a note regarding our conversation and your intentions. The Foundation Office will handle it from here.

Again, thank you for your time - and good night.

NEGATIVITY
PAGE 2

I want more information.....

"The literature you received details most of the project, but our Executive Director will be happy to call you. Is there a daytime telephone number where you can be reached?"

I don't have a job/am between jobs...

"I understand this is a difficult time. I hope something comes along soon for you. Would it be alright if we contacted you in a few months?"

I won't give money over the telephone....

"I, too, get many phone calls asking for donations. The Foundation made sure you knew about this call by sending advance information. Let me assure you that my secondary interest is offering a personal contact with Sierra College. If you feel strongly about being called, we'll take you off the calling list and send only the newsletter."

My kids go to Sierra and that's enough expense....

"I can understand that tuition and books are a concern. But please keep in mind that this program will benefit your children's education. If it helps, the gift can be paid over several months. Would you like to reconsider a gift?"

You just got \$900 million in a bond issue....

"It's true that Proposition 153 provided the California higher education system with that money. In fact, Sierra College's portion is approximately \$11 million toward a Western Nevada County campus and some Rocklin campus renovations. My purpose tonight is to talk about this project."

10 WAYS OF
HANDLING NEGATIVITY

Everybody's hitting me up for money.....

"I understand your frustration because there are so many worthy projects to support. My family and I considered this project, among others, and felt it is a priority at this time for the college. I hope you agree and will join my pledge to support it."

I'm not giving this year.....

"I suppose times are tough for many people. Would you share your reasons for not giving? It will help us with future calls."

I want to talk it over with my spouse....

"Of course, I hope you do. Let me remind you that we're only calling for a few nights and want to include your gift as a part of our effort. We're also trying to raise \$xxxx. Can someone call you later or during the day next week?"

You're asking me for a lot more than I ever considered.....

"I was surprised when asked, too, but I found that I could stretch the payments over several months just like a house or car payment. In no time, the pledge is paid up!"

I already gave to you.....

"The Foundation Office was careful to screen names of those who contributed recently. Perhaps yours fell through the cracks. I appreciate knowing this and will note it. As long as your sure that you don't wish to participate in this first time effort (pause)...we'll wait until the kickoff date next year and contact you again. Thank you."

ACKNOWLEDGEMENT CARD

NOTES:

Thank you for visiting about our
fund raiser and many thanks for your
generous promise of:

Sierra College and the Foundation appreciates
your gift. Please send it as soon as possible
in order for us to issue a receipt. (Checks
should be made out to Sierra College Foundation.)
Again, thank you for your donation and support
of education in our community.

name
address
city state zip

CALLING CARD

NAME
ADDRESS
CITY STATE
TELEPHONE NUMBERS

PAST GIFTS
 Pres. Circle
 Golf tourney
 Dinner Dance
 Scholarship
 Other

Calling record

1st try _____
2nd try _____
3rd try _____

Decision

will give \$ _____ Pledged \$ _____ Pmt. monthly
 qtrly.
 one time

special designation _____

Mastercard/VISA request yes no (Fdn. will contact)

NOT GIVING - wrong phone number no answer
 not available not interested
 not home call back
 bad timing _____ (when?)

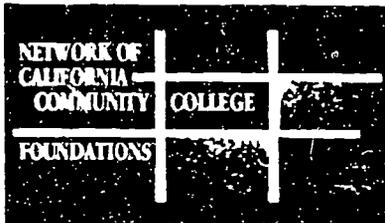
NOTES:

Caller (please print) _____

Date _____

473

444



FOUNDATION DEVELOPMENT

Abstracts

STARTING A SUCCESSFUL COMMUNITY COLLEGE ALUMNI PROGRAM

Virginia Baxter

If your Foundation is well established, it's time to think about inaugurating an alumni program. Community college alumni can play an active role of service. Their common, positive experiences and the opportunity to repay the institution encourage involvement through volunteerism. Alumni usually provide the first level of giving in the gift-giving pyramid. However, even though they may serve as a source for donations, from the very beginning the alumni association *should be expected to raise friends rather than funds!*

First Steps

The initial steps to establish a successful alumni program and, for that matter, any successful development program are these:

STEP 1: Conduct a feasibility study on campus. This process should include personal, individual interviews with each Foundation board member, the college president, college board members, key faculty and staff (i.e., Faculty Associations and Classified and Academic Senate presidents, the Associated Student Body president, the public information officer, key alumni, and other leader community and campus members). Some of the questions asked at hypothetical *Worthwhile College* could be: what is your impression of *Worthwhile?*, why are you affiliated with *the College?*, have you attended classes at *Worthwhile?*, how do you see the role of an alumni association? what do you see as the role of the alumni director?

The rationale for this approach is to hear from those with a personal history of *Worthwhile College* what they believe are the essentials for the alumni program to be successful and what they believe should be the goals and direction of the development office.

• **STEP 2:** Any successful organization needs a plan before it can achieve its goals. If a mission statement and stated goals for the alumni program have not been compiled, a committee should be formed to establish them.

• **STEP 3:** Visibility both on campus and in the community is essential to explaining the strengths and importance of *Worthwhile College* and the Alumni Office. At Long Beach City College I am a member of several campus and community organizations. The role of director of development should be to represent the college in the community.

• **STEP 4:** A nominating committee should be formed to select an alumni board composed of influential votes from the various decades. The board should provide input and assistance at functions. The alumni director should ensure that every board volunteer has a responsibility and that they each know what is expected. One must guard against volunteers who are great at "telling" the office what to do but have no desire in working to improve the program.

• **STEP 5:** Because most community colleges have not kept up-to-date names and addresses of their graduates, research is essential in finding former students. To achieve some kind of accurate mailing list, I recommend:

• Finding out what is available on campus in the form of lists of former graduates, i.e., vocational programs such as nursing, athletic teams with which coaches may have stayed in contact, former student leaders, particularly student body presidents, and club rosters.

• Placing a flyer in every employee mail box asking them to provide the names and addresses of family members, neighbors, former students or friends who attended your institution.

- Sending to every foundation board member that same flyer asking them to provide the names and addresses of family members, neighbors, former students, or friends who attended your institution.
- Calling media attention to the formation of an alumni office and setting up interviews with the press asking readers to send in names of alums.
- Rounding up volunteers, especially older ones, to assist in tracking down alums. In my office a different volunteer is responsible for each day of the week. People love to look through old year books and call friends for additional names and addresses.
- *STEP 6:* A comprehensive review of the current office computer system and suggestions on how to improve lists of alumni, communication, membership solicitation and recognition should be initiated.
- *STEP 7:* After sufficient alumni names are entered into the computer, an initial mailing could be sent with an address correction to check the validity of the list.
- *STEP 8:* If you are looking for an excellent first activity, why not organize an Associated Student Body president's reunion. Access to their names and addresses would probably be fairly easy, and they possibly may have continued their leadership roles in the *Worhuhile College* community after graduation. This could be an excellent event to kick off the opening of the Alumni Office.
- *STEP 9:* Many institutions have established an Alumni Hall of Fame at which distinguished graduates are recognized for their achievements in the community and in their field of endeavor.
- An office staff which is capable of functioning even though there may be a great deal of activity in the office. The number of support staff and budget necessary is contingent on college expectations (i.e., How are memberships and donations processed? Who is responsible for acknowledging these donations, newsletter production, telephone coverage? What kind of campus support is available? What is the computer capability?).
- A promotions budget of at least \$500 which would be used to take key alums to lunch, send flowers, cards, etc.
- Access to and support from the college president when there are those who question alumni expenditures in times of dwindling resources.
- Develop a computer-based system to identify alums, not only by name and address, but by area of interest or involvement.

Ultimately, one should expect the alumni program to get grads back on campus by providing events at which they can participate and be involved, whether it be reunions, Homecoming, etc. Depending on staff support, ideally, a biannual newsletter would commence and after a year a membership drive with a set goal of perhaps 200 members would be appropriate. The membership dues should be low (\$10-25), but the purpose for this is to ascertain commitment and support.

College Support Required

In order to implement these recommendations for starting an alumni program, the following support from the college is necessary:

- An office staff which understands the importance of the Alumni Office, both on campus and in the community. Good public relations and attention to detail from the staff are essential for success.

Dr. Virginia (Ginny) Baxter is Executive Director of the Long Beach City College Foundation in California

Foundation Development Abstracts is published by the Network of California Community College Foundations. For further information or additional copies, please contact Jim Anderson at Chaffey College, 5885 Haven Ave., Rancho Cucamonga, CA 91737-3002, or call 714/941-2112.

CITRUS COLLEGE FOUNDATION

1000 West Foothill Boulevard, Glendora, California 91740-1899 • (818) 914-8825

AN OPPORTUNITY FOR EXCELLENCE — A non-profit, tax-exempt organization

June 1993



Dear Citrus College Staff Member:

You have an opportunity to affect the lives of our Citrus students and the fine programs we offer at Citrus College by supporting the Citrus College Foundation through the Payroll Deduction Plan.

There is no easier way to give and no better way to see the benefits your gift will bring to our college. Your contribution can be given to assist a specific program or department, such as the Library, Child Care Center, Music Program, or may be designated to scholarships or special Foundation Projects.

Your tax-deductible contribution may be made as a one-time cash gift, pledged over a period of ten months, or deducted monthly from your paycheck. A \$10 per month contribution will help provide a \$100 scholarship for a student. Many staff members join the Golden Circle to assist the Vocal Music Program through the Payroll Deduction Plan.

During the 75th Anniversary Celebration of Citrus College, the Foundation raised over \$75,000 in scholarship funds, funded six faculty summer mini-grants, secured three monument signs for the campus, purchased a chipper/shredder for the Maintenance Department a scantron machine for the Learning Center, camera equipment for the Photography Department, and conducted a successful benefit for the Citrus Singers.

If you have never given to the Foundation, I hope you will seriously consider doing so next year. If you are currently a member of the Payroll Deduction Plan, I hope you'll consider increasing your support by \$5 per month to help us achieve our goals a little sooner. A Payroll Deduction Plan is attached for your convenience.

We would like to thank the people who believe that "charity begins at home," and encourage you to help us to continue to provide supplemental funding for scholarships and programs at Citrus College.

Sincerely,

Dr. Louis E. Zellers
Executive Director

pmo

Attachment

CITRUS COLLEGE
FOUNDATION DIRECTORS
Mr. Mike Brown, President
Mr. Jack Watson, Vice President
Mrs. Janice Marugg, Secretary
Mr. William C. McCutcher, Treasurer
Dr. Louis E. Zellers
Foundation Executive Director
Superintendent/President
Citrus College

Mr. Michael Bernasconi
Executive Board Member
Board of Trustees Representative
Mr. Richard Farrand
Executive Board Member
Dr. Isaac Romero
Executive Board Member
Mr. Ronald T. Myers
Executive Board Member
Dr. Jack Copeland
Mr. Bruce Hall

Mrs. Joyce Hughes
Dr. Richard Kirkendall
Mrs. Bess LaPisto-Kittley
Mrs. Pat Myers
Mr. Richard H. Newton
Dr. Robert Packer
Mr. Daniel Parks
Mrs. Betty Sanford
Dr. Donald A. Sargent
Mrs. Nancy Wengartner
Dr. Sylvia Whitlock

Mrs. Patricia A. Reamsen
Administrative Dean of
Planning & Institutional
Advancement
Mrs. Barbara Smith
Faculty Representative
Mr. Mike Bullock
Classified Representative
Mr. Matt Schneider
Student Representative

ADVISORY BOARD
Dr. Robert C. Saxon
Dr. Glenn C. Rankman
Dr. Dan Angel

476

BEST COPY AVAILABLE 47

CITRUS COLLEGE FOUNDATION
Payroll Deduction Program

Name: _____

Yes, I would like to pledge my support to the work the Citrus College Foundation does!

Total amount of pledge: \$ _____

Please designate my gift to:

_____ Unrestricted for the Foundation directors to channel my gift where the need is greatest.

_____ The Golden Circle - \$175 or \$17.50 per month.
This contribution supports the Citrus Singers and entitles donors to two Section I seats to both the Christmas and Spring shows, and is 65 percent tax-deductible as a charitable contribution.

_____ Scholarship
This contribution supports Citrus College Students. Any amount may be pledged and may be designed to specific scholarships. Please designate the fund:

_____ Campus Programs - Library, Observatory, Little Theatre, Performing Arts Center, etc.

Designated for: _____

_____ The One One-thousandth Club
A commitment of 1/1000 of your annual salary, either in payroll deductions or in a one-time cash gift. The donation may be channeled to a specific department or program. Please designate the department or program.

Signature

Date

Please return this completed form to the Development Office (Pat Rasmussen's mailbox). Checks should be made payable to the Citrus College Foundation.

477

448

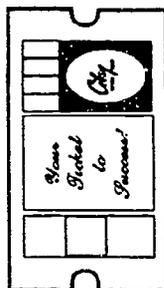
Join the San Diego City College Alumni Association!

→ **CONNECT** with Friends and Alumni of City College who are in successful careers and all walks of life, including well-known TV and film personalities, judges, business owners, teachers, nurses, CEOs, professional athletes, mechanics and many other important people who got their start at City or are City fans.



→ **CONNECT** with the City College Alumni Association and receive many bonuses:

- ▼ Opportunities to mix and meet with successful City alumni, faculty, staff and friends of City College and to make business and job contacts
- ▼ Alumni networking newsletter
- ▼ Special discount rates and privileges at campus events, plays, guest receptions, concerts and more
- ▼ Free public service announcements on KSDS Radio Station
- ▼ Invitations to all alumni events, sports activities and banquets
- ▼ Invitation to annual Scholarship Awards Banquet and a chance to join with the City College Foundation to help students finance their education
- ▼ Freebies—City College mementos
- ▼ Charter membership in City Alumni Association, the "flagship college" of the San Diego Community College District. Application on back.



→ **CONNECT** with an Institution that has been educating students since 1914, longer than any other community college in San Diego.

→ **CONNECT** with the College of the Future

City College is a microcosm of tomorrow's world with its rich variety of cultures, ethnic groups and people from various socio-economic backgrounds.

City is also the home of the innovative CACT program—Center for Applied Competitive Technologies which is providing high tech and targeted training for business and industry.



→ **CONNECT** with the new City College Alumni Association for former students, faculty, staff and spouses regardless of whether you completed a degree or attended City College.

City College Alumni Office: 230-2556

4



«DATA retirees»

September 30, 1992

«title» «first» «last»
«address»«IF address2»
«address2»«endif»
«city», «state» «zip»

Dear «first»:

The Administration, Faculty, Students and Foundation sincerely appreciate the years of service you have given to Long Beach City College. I am certain that you, as an Emeritus Colleague, are committed to continuing the LBCC Tradition of Excellence. The College's mission is to continue to provide an excellent education to the growing number and diversity of students. As always, we must depend on the strength and support of our friends.

In the past, the generosity of emeritus colleagues has enabled the Foundation to provide scholarships for our students, furnish a campus office for retirees, help support the college volunteer program, keep retirees abreast on College happenings, and fund hundreds of grants to faculty and staff for innovative programs and equipment needs.

I respectfully ask, if you have not already made your donation, please take this opportunity to do so. Support the LONG BEACH CITY COLLEGE FOUNDATION by returning your gift in the enclosed envelope. I can assure you that your donation will be used to benefit our institution now and in the future.

Thank you for your support.

Sincerely,

Dr. James C. Serles
President

JCS:lms
Enclosures

470

450

Capital Campaigns

Capital campaigns are major fundraising events focused on support for a limited number of projects such as new buildings, endowments, or support for specific programs. Specific dollar goals are set, usually \$1 million or more. Campaigns have specified beginning and ending dates and sometimes run as long as three years depending on the goals of the campaign and how many lead gifts are in place. Campaigns are usually not conducted more than once every ten years. Other types of fundraising, such as annual campaigns and special events, are done in part to identify and cultivate potential donors for major gifts used to kick-off a capital campaign.

The key steps to a successful campaign are as follows:

1. Prior planning
2. Developing a good case statement
3. Identifying key leadership
4. Cultivating lead gifts
5. High involvement by volunteers, staff, faculty and key donors
(Build ownership of the campaign goals)
6. Excellent communications and public relations at every level
7. Integrity and accurate records
8. Donor recognition and follow-up

Major campaigns are expensive, time-consuming for staff and volunteers, and usually involve outside consultants. From several months to a full year of planning, organization, team-building, and research may be required to conduct a successful campaign. A leadership team of key community volunteers will need to be built and trained. The college president and trustees will have to spend time on the campaign as well. Since people tend to give larger gifts when asked by their peers, it is important to include such individuals in your campaign leadership structure. These individuals are also often the source of your major lead gifts. Ideally, at least a third of your total goal should be committed before the campaign is officially started. Money seems to attract more money; therefore, an offer of a major gift may be a reason to plan a capital campaign.

For example, a wealthy alumnus might offer you \$500,000 towards a new library the college is planning if it can be named after the donor's deceased spouse. The offer is accepted, but not announced until later. The donor is told how her or his money will be used to generate four times as much for the college and that by waiting on an announcement, more prestige and publicity associated with the gift

will be possible, even if the donor wishes to remain anonymous. Using this lead gift to stimulate other lead gifts, the college could kick-off a \$2 million campaign with an announcement that \$ 750,000 has already been pledged. This builds confidence in the campaign and creates excitement in the leadership team. Everybody likes a winner.

Prior to starting a campaign, it is critical that a clear case statement and theme be developed. Campaign projects should be chosen carefully so that they are easily identifiable college needs *and* are projects that the donors will be interested in supporting. A new library or science building has lots of appeal, a new parking structure does not. If what the college really needs is parking, fold this need into a larger project that focuses on more-supportable activities.

A well-planned campaign will know where 90% of its donations will come from before the campaign is initiated. The top 5% of your prospective donors should generate the first 30-40% in the form of lead gifts before the campaign is announced. The next 40-50% of your goal will come from 15% of your prospective donor pool. Thus, 70-90% of your goal comes from the top 20% of the donor pool. General gifts comprise only 10-15% of the total, but are important as a means of donor cultivation for future campaigns and as a way of building the success of the campaign.

Communications are very important during a campaign. High quality brochures, newsletters, press releases, letters, phone calls and personalized thank you letters are all critical. Publicity events to kick-off the campaign as well as sub-campaign events are all important fund raisers and can mean a lot to your volunteers. Progress reports and public acknowledgment of major gifts are also important. At or near the end of the campaign, a thank you event/celebration for the volunteers and the donors will mean a lot. Be sure to involve the recipients of the gifts in the thank yous. For example, the library staff will do a better, more enthusiastic job of showing-off the plans for the new library than would anyone else. Involving faculty and staff in the campaign also creates an additional source of both volunteers as well as potential donors.



CAPITAL DEVELOPMENT PROGRAM

U P D A T E

MESSAGE FROM CHANCELLOR PAUL ELSNER

Many have asked me if The Maricopa Community Colleges are operating under a different momentum now that the special bond election, held last June, was defeated. The answer is "yes." The bond proposal was to have financed the most important capital development program in the 30-year history of the Maricopa district.

Its failure was a major setback for this institution. Because our community college system has enjoyed tremendous community support, and because our capital needs were so great (to build more classrooms, repair and update old buildings and replace wornout or obsolete equipment), we were confident that the bond issue would pass, in spite of a weak economy. We were mistaken.

There were a number of important factors which contributed to the election's defeat. Following the election, we engaged an independent firm to conduct a survey among voters. The findings from that survey are enumerated further on in this newsletter. This information will help us to evaluate plans for a future bond election. We *will* try again!

Meanwhile, the high energy that typically surrounds a pending bond election now has been replaced by a more reflective mode as we work to adjust and realign our budget in keeping with these tight economic times, just as other organizations are doing.

The next two years won't be easy. We've had to reduce our operating budget. We are already cutting back on some programs. We've put a freeze on external hiring. We're reducing administrative costs, deferring salary increases, cutting budgets districtwide. Assessed property valuation, the basis for about 60 percent of the district's revenue, has been declining. Until housing starts and commercial construction return to the high levels of the '80s, the District's operating budget will suffer. Regardless, we are committed to continue providing quality education to our students.

The combination of state aid and tuition produces most of the remaining 40 percent of our operating revenue. Regretfully, we will have to increase tuition next fiscal year, but, as in the past, we'll follow a policy of gradualism.

Now back to the '92 bond election. The construction capital, which is provided by general obligation bonds, is still badly needed — for more classrooms, replacing equipment, improving our campus facilities. All this must

wait until we can go back to the voters. We will continue to evaluate the '92 election strategy and contemplate our mistakes. When there is a more favorable economic and tax climate — probably within the next couple of years — we will go forward with another bond election. We know now that the election held last June was conducted in the worst possible political and seasonal times. The majority of our students had left in May. For the general voter in a presidential election year, fear of increased taxes and uncertainty over the future economy prevailed. Despite all this, we lost by a mere 5,084 votes from a total 65,132 votes cast.

Meanwhile, I have requested the formation of a broad-based grassroots citizens committee to review our capital needs for the remainder of the decade and to make recommendations regarding the scope of our next bond proposal. The post-election survey indicates that a more modest dollar amount would have a greater chance of passing than our original proposal of \$340 million (despite the legitimacy of that proposal).

I want to take this opportunity to again thank everyone who supported the '92 bond campaign with dollars, votes and many volunteer hours. I know how disappointed you were by the outcome. Be assured that no one could have been any more disappointed than I.

I know you share with me an understanding of the important role community college education plays in preparing our citizens to meet the challenges they face in the years ahead. The future will not be easy, especially for those adults struggling to participate as productive members of our community, trying to earn a decent, even adequate, living for themselves and their families. Our economic prosperity and social advancement depend on our willingness to invest in continuing adult education, in job training and recareering.

The Maricopa Community College system has been able to open doors of opportunity for hundreds of thousands of students — people of all ages. I hope I can count on your continued commitment to help us strengthen what we have achieved in the past and to help us continue providing effective, affordable, accessible, *quality* education to the citizens of Maricopa County.

PAUL A. ELSNER
CHANCELLOR

MANY FACTORS CONTRIBUTED TO THE ELECTION DEFEAT

On June 23, 1992, voters in Maricopa County were asked to approve a \$340 million general obligation bond issue to finance a proposed capital development program for the Maricopa Community College District. A total of 65,132 votes were cast. The bond was defeated by 5,084 votes.

Following the election a public opinion research firm was engaged by the Maricopa District to survey 805 randomly selected voters. The results provide valuable information about why voters voted against the proposal and what could be done to help pass a bond election in the future.

EDDIE BASHA

Member of Arizona Board of Regents and chairman of the board of Bashas'; and former co-chairman, Maricopa Community Colleges 1984 Special Bond election.

"Defeat of the community colleges' special bond election was a major loss for the community. Despite whatever near-term economic considerations may have led voters to feel uncomfortable about allocating additional funds to the community college system, the unfortunate result of the defeat is that we risk being perceived as a community without a vision. I know in my heart this is not true, but taxpayers need to understand that our community colleges are a major economic resource, capable of supplying the economy with an informed, educated and productive work force — people trained for the increasingly complex work-place of the 90s and the next century. Community colleges must be allowed to grow to keep pace with the demand for services. This is precisely the wrong time to stunt their growth! An investment in our community colleges is an investment in our own future growth and prosperity."

GEOGRAPHIC VOTER ANALYSIS

A heavy voter turnout in Sun City, Sun City West, Sun Lakes, Carefree, Cave Creek, Pinnacle Peak and Litchfield Park was the single biggest factor in the election defeat. These communities alone provided more than 21 percent of all "no" votes cast.

Voters in the East Valley communities voted in favor of the bonds, but did not turn out in sufficient numbers to offset "no" votes cast in the populated retirement enclaves. Surprisingly, in both Phoenix and Scottsdale, the bond was narrowly defeated. The strongest voter support for the bonds came from Tempe/Guadalupe voters.

VOTER OPINION SURVEY RESULTS

The Maricopa District conducted an independent opinion survey following the election to determine reasons why the bonds did not pass and what could be done to help bonds pass in the future, as well as to assess the level of community support for the colleges following the election's defeat. Half of the respondents in the survey voted in the bond election. The other half were a random sample of registered voters in Maricopa County. The results were based on 805 carefully constructed telephone interviews.

DONALD RUFF

Senior Vice President, Valley National Bank; President, Maricopa Colleges Foundation; Chair, Scottsdale Citizens for Community Colleges.

"It's a great loss to our community that the bond did not pass. The need is still there. Enrollment continues to be a pressure on our facilities and programs. We still believe that there is a genuine need for this support of our colleges."

SURVEY DEMOGRAPHICS

Most of the respondents of the survey were either employed full time (45%) or retired (37%). Eight percent (8%) were employed part time; the rest were students, homemakers or unemployed. Among bond election voters more were retired people (45%) than general registered voters (28%). Conversely, among registered voters more were employed full time (56%) than bond voters (35%).

In addition, retired people were more likely to be against the MCCD bonds than full-time employed persons. Bond voters were older than the registered voters. Nearly 40% of the bond voters were over 65 years of age, while only a quarter (25%) of registered voters were over age 65. Based on the survey, it is estimated that retired, older voters countywide cast at least 63% of the "no" votes.

TOM TAUSSIG

Stockbroker; Board Member, Dobson Homeowners Association; Mesa Civic Leader.

"There are a lot of people in business and private industry who stand to benefit greatly from our community college system which serves a diverse population of all ages. But we've also got to support the very system that helps to provide a future for coming generations of young people, otherwise we'll be setting them adrift. Where else can they go for the kind of affordable, quality education which the community colleges provide?"

REASONS FOR SUPPORTING OR DEFEAT OF THE BOND

The most frequently expressed reason given for passing the bond program involved the need to support education, which was mentioned by 35% of the respondents. The second most frequently mentioned reason for supporting the bond was Maricopa Colleges' real need to improve or expand their facilities and replace equipment to meet current and projected demands for educational services. This reason was mentioned by 21% of the respondents.

Thirty-five (35%) percent of the respondents cited their opposition to any tax increase as their primary reason for voting against the bond proposal. The second most frequently mentioned reason to oppose the bond issue (22% of respondents) was that the community colleges either didn't need the funds or they were mismanaging the operating funds currently available to them.

JULIA MCCLEVE

President, Gilbert School Board.

"The city of Gilbert was, and continues to be, a strong supporter of the community college district. They demonstrated this when 62% of Gilbert's voters voted in favor of the bond election. It's a shame it did not pass countywide. Successful community colleges are absolutely essential to the educational needs of Maricopa County."

VOTERS OBJECT TO ELECTION PROCEDURES

The Maricopa Community College District received a number of complaints and criticism from the public and the news media regarding the way in which the election was conducted. A major complaint was the perceived lack of information provided to the public about how the bond money would be used, and a general resentment that publicity pamphlets were not mailed in advance to all registered voters in Maricopa County. Also, the size and shape of the ballot was viewed as confusing. Finally, the Maricopa District's decision to consolidate polling places so as to reduce the cost of the election, met with voter dissatisfaction. Some voters found it difficult to locate their polling places and the telephone service designed to assist voters in finding their polling places appeared to be inadequate to meet the demand.

Some respondents questioned the advisability of the District conducting its own election, suggesting a conflict of interest. While the District took every precaution to conduct the 1992 election according to the letter-of-the-law, a number of decisions regarding conduct of the election were based on a cost-benefit. A number of actions taken to conserve tax dollars were perceived by the public to be tactics to manipulate the election. With regard to any future bond election, the District is making a very careful analysis of the options available in conducting another election. Those decisions will be carefully made prior to any new attempt to put a bond issue before the voting public.

RAFAEL VALENZUELA, JR.

President, VALCO Construction Company, Inc.; Glendale Community Leader; Alumnus, Glendale Community College.

"Although the 1992 bond election for the Maricopa Community Colleges did not pass, I am hopeful that the voters will come to appreciate the value of higher education and realize that our entire community benefits, so that the next bond election will pass."

CITIZEN INPUT REQUESTED TO PARE DOWN SIZE OF THE CAPITAL DEVELOPMENT PROGRAM

Chancellor Paul Elsner has called for a grassroots citizens advisory committee to assist the District in making decisions regarding the presentation of any future bond election as well as how to reduce the size of the next bond proposal. "Determining the amount of the next bond proposal will be a difficult task," explains Dr. Elsner. "The public looked at that \$340 million last year and felt it was an enormous amount of money for a community college district. However, many voters failed to understand that the money would be spread to meet the needs of ten colleges on a scheduled basis over a ten-year period, in addition to building a much-needed campus in the East Valley. The actual amount to be allocated to each college was very modest."

DAVID K. UDALL

Principal - Udall, Shumway, Blackhurst, Allen & Lyons, PC; and Chairman, Commission on Excellence, Mesa Community College.

"I was disappointed with the results (of the bond election). However, I was very pleased that the East Valley supported the bond issue. I hope that in time we can take an alternative proposal to the voters so we can build a new community college in the East Valley."

CAMPAIGN COMMITTEE SEEKS HELP TO RETIRE \$42,000 CAMPAIGN DEBT

Citizens for Community Colleges, a non-profit volunteer citizens group, is seeking support from friends of the Maricopa Community Colleges, to retire \$42,000 in campaign debts left over from the 1992 election.

"We must clear the '92 campaign slate and retire our debts before we can think about raising funds for our next effort," states Leroy Gaintner, committee treasurer and local C.P.A. "Running a partisan campaign to support passage of a bond issue takes considerable sums of private money, all of which must come from volunteer donations. Win or lose, those costs must be paid. We are asking all our friends and supporters to help. Meanwhile, we must begin now to plan our campaign to be ready for the next bond election."

If you are not already a member of Citizens for Community Colleges, and would like to help, please call (602) 731-8504, or write to P.O. Box 62052, Phoenix, AZ 85082-2052.

MARIANNE FANNIN

1992 Chairman, Citizens for Community Colleges; past board chairman, Republic National Bank; chemical dependency counselor, Salvation Army Rehabilitation Center.

"The quality of life in this community depends on how willing we are to support education. We owe this to the future, not only for ourselves but for generations to come. I have been working for the community colleges as a volunteer for almost a decade. I have seen firsthand what the Maricopa system has done and continues to do for its students. I truly believe the Maricopa Community Colleges are among the most important assets in our entire Valley."

CONTINUOUS PROGRESS REPORT ON MARICOPA COMMUNITY COLLEGES

We will continue to keep you informed of our progress and future plans. If you would like to serve on the Citizens Advisory Committee, or if you have any questions or suggestions, please contact the District Marketing Public Relations Office, 2411 West 14th Street, Tempe, AZ 85281-6941, or phone (602) 731-8501 or 731-8504.

JACK NYLUND

President, Glendale Chamber of Commerce.

"Within the next seven years the population explosion will be a challenge for the cities. Over half of the people moving here come for employment. Without the continued investment in our community colleges, we face the possibility of being unable to recruit and retain the best faculty and students. This will be the critical factor in addressing the shortages in science, engineering and computer sciences."

Printed by students at The Maricopa Skill Center
1245 East Buckeye Road Phoenix, Arizona 85034
a division of GateWay Community College



1993 PROGRESS REPORT I

P.O. Box 13349
Phoenix, Arizona 85002-3349

ADDRESS CORRECTION REQUESTED

Non-Profit Org
US Postage
PAID
Phoenix, AZ
Permit No. 449

485

CAPITAL DEVELOPMENT PROGRAM

U P D A T E

486

IRVINE VALLEY COLLEGE FOUNDATION
DONOR PROSPECT CONTACT SHEET

Date _____

Your Name: _____

Contact Name: _____

Contact Title: _____

Address: _____

Phone Numbers: Work _____ Home _____ FAX _____

Purpose and Summary _____

Special Action: _____

Special Action: _____

Other Information: _____

Date _____ Initials _____ Thank you letter sent

Date _____ Initials _____ Name added to friends list

IVC
Foundation

IRVINE VALLEY COLLEGE
5500 Irvine Center Drive, Irvine, CA 92720

BOARD OF GOVERNORS: Nancy Beverage, Charlotte Brady, Frederick O. Evans, Al Goldwyn, Marshall Grossman, Allison Hart, Gary Jarvis, William L. Kelly, David Lang, Brian Manning, Anna L. McFarlin, Don McNutt, Steven Nelson, Todd Nicholson, Doug Rankin, Donald Rickner, Ann Sun, Richard Sneed, Joanna Spraulding, Thomas Wall, Carolyn Williams

PROSPECT CONTACT FORM

Prospect Name: _____

Contact and Title: _____

Volunteer: _____

College: _____ Project: _____

College Contact: _____

Type of Contact: INQUIry _____
(choose 1) INFOrmation _____
CULTivation _____
PROPOsal _____
PRESEntation _____
ASSIGNment _____

Action Date: _____
(date of contact or submission
date for a proposal)

Method: Mail _____
(choose 1) Person _____
Telephone _____

Prompt Date: _____
(tickler or reminder date)

Deadline Date: _____
(all 0000=no deadline)

Status: To be submitted _____
Submitted _____
Follow-up required _____
Accepted for funding _____
Not funded _____
Resubmission requested _____

Amount Asked: _____

Notes: _____



PROSPECT IDENTIFICATION **
CONFIDENTIAL

Name _____	Spouse _____
Occupation _____	_____
Birth Date _____	_____
Address (home) _____	

(business) _____	_____
_____	_____
Nature of Business _____	_____
_____	_____

Employment History

For example: number of years in SLO, other business affiliations, years in present position, other positions, titles, ownership, other work interests

Avocational Interests

For example: hobbies, travel, leisure

Affiliations

For example: civic/social/religious; other local organizational commitments

** to be completed by the Board of Directors for the single purpose of identifying potential donors. Submit to Executive Director, College Foundation.

Areas of Interest in Cuesta College

For example: arts, athletics, library, scholarships, disabled students, sciences, architecture, agriculture, services to students, alumni, re-entry programs, etc.

friends/contacts at Cuesta

Foundation affiliations/contacts

recent contacts/cultivation
(Cuesta activities invited to or attended)

Philanthropy

Usually gives to Cuesta College yes _____ no _____

possible giving level now or in the future

comments, recommendations, strategies (this space is an opportunity for board members to discuss how well they know this person, other information, etc.)

Your name _____

Date _____

Draft Date: 1/92
Ident. Form - P1

489

460

**COLLEGE of the DESERT
FOUNDATION**

C.O.D. FOR SALE

The concept of "College of the Desert For Sale" gives potential major donors the concept that their donation will be recognized in a visible manner on a permanent basis. With the majority of buildings and facilities presently unnamed it provides an excellent opportunity for major gift recognition.

The attached list with values attached is subject to refinement. A stated value is being established--location and prestige are factors to be considered in addition to cost of the facility. It is suggested a news conference could be called to announce the concept and a brochure be prepared with pictures and prices displayed.

/ld

490

461

COLLEGE of the DESERT
FOUNDATION

"C.O.D. FOR SALE"

<u>BUILDING</u>	<u>SUGGESTED DONATION FOR NAMING</u> \$
Agricultural Science	250,000
Administration	500,000
Automotive Technology	100,000
Business Administration/Hi Tech	500,000
Residence (Foundation and Alumni Association)	500,000
Tennis Complex	100,000
Dining Hall	250,000
Engineering	250,000
Gymnasium	Named
Liberal Arts	100,000
Lecture Hall	100,000
Library	5,000,000
Swimming Pools	Named
Foundry	Named
Flag Pole	50,000
Science	250,000
University Park	5,000,000
Nursing	500,000
Technology/Five Centers	250,000
Fountain (between Administration and Dining Hall)	50,000
Fountain (between Business and Liberal Arts)	30,000
Trees	250 500 1,000

431

462

**BUTTE COLLEGE FOUNDATION
THEATER OF THE ARTS CAMPAIGN**

*Donor Recognition
and
Naming Opportunities*

The following naming opportunities have been prepared for Butte College Foundation's Theater of the Arts Campaign and are considered conceptual in nature.

Serving Butte Community College Since 1987



BUTTE COLLEGE FOUNDATION THEATER OF THE ARTS CAMPAIGN

LEADERSHIP NAMING OPPORTUNITIES

Naming Opportunity

Gift

Name the Butte College Amphitheater

\$100,000

"John Doe Theater"

This Amphitheater will accommodate large gatherings of up to 2000 people. The theater will have high quality sound and lighting and will be available day or evening. When not in use by Butte College, the theater may be used by our communities.

Stage

\$ 20,000

A 3400 square foot concrete Stage is wired for sound and constructed with anchor devices for stage props. This stage will provide ample room for theater and dance productions. Donor recognition will be placed at the front of the stage. This donor's name will also be prominently displayed on the donor wall.

Center Seating Section

\$ 15,000

The Center Seating Section is the largest seating section in the Amphitheater and will accommodate 450-500 people. If you purchase this section, your name will be printed on all reserved seating tickets for theater productions. Donor recognition will be placed at this section, as well as prominently displayed on the donor wall.

Serving Butte Community College Since 1987



BUTTE COLLEGE FOUNDATION THEATER OF THE ARTS CAMPAIGN

LEADERSHIP NAMING OPPORTUNITIES

Naming opportunity: (cont.)

Gift

Left Rear Seating Section

\$ 10,000

The Left Rear Seating Section seats approximately 125 people. If you purchase this section, your name will be printed on all reserved seating tickets for theater productions. Your name will also be placed on a recognition plaque, located in this section; as well as displayed on the donor wall.

Right Front Seating Section

\$ 10,000

This Right Front Seating Section seats approximately 125 people. If you purchase this section, your name will be printed on all reserved seating tickets for theater productions. Your name will also be placed on a recognition plaque, located in this section; as well as displayed on the donor wall.

Right Rear Seating Section

\$ 10,000

This Right Rear Seating Section seats approximately 125 people. If you purchase this section, your name will be printed on all reserved seating tickets for theater productions. Your name will also be placed on a recognition plaque, located in this section; as well as displayed on the donor wall.

Serving Butte Community College Since 1987



BUTTE COLLEGE FOUNDATION THEATER OF THE ARTS CAMPAIGN

LEADERSHIP NAMING OPPORTUNITIES

Naming opportunity (cont.)

Gift

Foyer

\$ 15,000

Our beautiful Foyer will contain the major donor wall, alcoves for sculptures provided by our Butte College sculpture department, as well as sidewalk tiles depicting major contributors of \$1000 - \$4999. If you purchase this, your name will be prominently displayed on a recognition plaque in the foyer, as well as on the donor wall.

Sculpture

\$ 15,000

This Sculpture will stand great and tall at the entry to the theater. The sculpture will be 7' high, set on a 2' pedestal, be made of 1/4" steel, and depict 4 dancers. The finish will be high quality acrylic enamel. Lighting will be from the base and the sculpture will be encircled with sidewalk tiles depicting major contributors of \$5000 - \$9999. If you purchase this sculpture, your name will be displayed on a plaque placed at the base of the sculpture, as well as prominently displayed on the donor wall.

Left Front Seating Section

\$ 10,000

This Left Front Seating Section seats approximately 125 people. If you purchase this section, your name will be printed on all reserved seating tickets for theater productions. Your name will also be placed on a recognition plaque, located in this section; as well as displayed on the donor wall.

Serving Butte Community College Since 1987



BUTTE COLLEGE FOUNDATION
THEATER OF THE ARTS CAMPAIGN

LEADERSHIP NAMING OPPORTUNITIES

Naming opportunity (cont.)

Gift

Donor Wall Recognition

\$ 5,000 - \$ 9,999

Major contributors from \$5,000 to \$9,999 will have their name displayed on the Donor Wall, as well as a 12 x 12 engraved sidewalk tile placed at the base of the entry sculpture.

Donor Wall Recognition

\$ 1,000 - \$ 4,999

Major contributors from \$1,000 to \$4,999 will have their name displayed on the Donor Wall, as well as a 12 x 12 engraved sidewalk tile placed in the foyer.

Serving Butte Community College Since 1987





487

488

Planned and Deferred Giving

Federal tax laws passed in 1969 greatly expanded opportunities for nonprofit organizations by providing tax incentives for individuals to make charitable gifts during their lifetime while retaining some benefits from donated resources until their death or the death of other family members. This change in the law broadened the concept of deferred gifts to planned gifts, and has worked to the great advantage of nonprofit organizations throughout the Country.

Planned Giving, previously called deferred giving is one of the dramatically expanding components of securing funding for nonprofit organizations. Most people who make major gifts to nonprofits do so as a part of a financial plan, developed in cooperation with their personal tax advisor, CPA, or attorney.

Senior citizens comprise the largest number of persons who make major gifts; this segment of the society is growing rapidly. Therefore, prospects for planned gifts are increasingly available to most nonprofits, which includes the community college foundation.

Planned Giving programs may not be appropriate for every community college foundation. The college must first have a significant history of performance that warrants strong support of major gifts. Planned Giving programs require a great deal of time and tremendous effort for a number of years before sizable benefits are realized. The amount of annual funds raised by the foundation is one way to determine whether your foundation should establish a planned giving program. Your active donor list should include a number of people over the age of 50, who have considerable wealth.

What is Planned Giving? It is a systematic effort to identify prospects and make personal calls on those persons who have the ability to make major gifts, and to encourage such gifts by providing individual tax and financial planning advice to the prospect.

The program can be limited to a small group of known prospects or it can extend to a broad segment of your constituency. The program is often regarded more as service than as a solicitation; the planned giving program serves as a catalyst to motivate prospects to include your foundation in their plans. The program is typically low keyed, with no aggressive solicitation, but consistent monitoring is necessary.

The foundation board of directors must support the planned giving program--some experts recommend that each board member include the college in his or her will. The board must be educated about the realities of planned giving and how long it really takes to reap the benefits. Along with strong board support, the foundation should have office space, staff, and a budget for telephone and travel before considering a planned giving program. Planned giving requires time to be spent with people, those working the program should not have other responsibilities as well. Commitments and gifts take a long time; the foundation's budget should be able to support such necessities as preparing and filing tax returns, and certain legal documents.

It is important how donors perceive the management of the planned giving program. In some case cases it is recommended that an outside agent such as a bank trust department manage the financial investments of the program.

page 2

METHODS OF DEVELOPING DEFERRED GIFTS AND BEQUESTS INCLUDE:

A. Bequest Program. All or part of your constituency is asked to make a bequest to your institution.

1. The program can be a passive direct mail solicitation or it can involve active solicitation by volunteers.

2. The emphasis is generally on more modest bequests from a large number of constituents.

3. Gifts of life insurance can be a substitute for a bequest and such gifts are frequently foundations and charitable institutions.

B. Deferred Gift Program. An active solicitation of a particular form of deferred gift--generally a gift annuity or pooled fund gift.

1. Generally should involve volunteer solicitation with strong staff support.

2. The emphasis is generally on smaller gifts ranging from \$1,000 to \$50,000.

C. Endowment Development Program. An active solicitation of outright gifts, deferred gifts and bequests as part of a goal oriented effort to increase endowment support.

1. Volunteers are usually involved with staff acting in a supporting role.

2. Capital campaign techniques are used in a systematic solicitation of a large segment of the constituency.

3. Large, six and seven figure gifts are sought and emphasized.

Some suggestions for a step-by-step approach to starting a planned giving program

A. Start with a Bequest Program

1. Obtain foundation board sponsorship

2. General solicitation by mail to a large group of constituents

3. Volunteer solicitation through systematic committee organization;

4. Build expectancy file of bequest provisions; identify major gift prospects; emphasize need for endowment support.

page 3

B. Move to a Deferred Gift Program.

1. Accelerate known bequests into testamentary and outright gifts;
2. Build on bequest and deferred gift activity by publicizing the volume of expectancies and matured bequests as well as successful deferred gift negotiations;

C. Conclude with ongoing Planned Giving Program.

ASSESSING READINESS FOR A MAJOR PLANNED GIVING PROGRAM

A. Factors that should be reviewed:

1. Permanence of the college and foundation as well as stability of the trustees and foundation board.
2. Significant annual gifts from a large group of donors;
3. Donors and prospects who are over the age of 50 and have reasonable wealth.
4. Strong board support to provide budget management, individual gifts and volunteer time.
5. The college must have a meritorious case for future support;
6. Knowledgeable and adequate development staff;
7. Capacity to spend current funds for future support.

THE EVALUATION STUDY

A. The purposes of an evaluation study are:

1. Determine direction of the program--bequests, pooled fund and gift annuity, comprehensive planned gift program, endowment development emphasizing all forms of gifts.
2. Determine gift potential and time frame to reach the overall goal.
3. Identify special gift opportunities and problem areas that may inhibit donors.
4. Test the case statement of the institution by having key constituent groups review and comment on it.
5. Determine staff requirements and the budget necessary to accomplish the goal.
6. Identify volunteer leadership with the potential to give, and the leadership ability to solicit other substantial donors.
7. Identify high level prospects capable of making substantial gifts.

page 4

B. An evaluation study generally consists of:

1. A collection of dates and facts on gift history;
2. Interviews with staff, selected board members and selected substantial prospects.

C. An outside consultant can generally bring objectivity to the study and gain more information from the interviews; staff and prospects are less willing to be frank with individuals associated with the institution.

D. Persons interviewed and asked to comment about the institution, its plans for the future, its opportunities and problems. They are asked to comment on the proposed plan of action and the tentative goals of the program. They are asked to identify prospects and to nominate leaders; and are asked to give an idea of the size of gift they will make, and the role they are willing to play.

E. The interviews are always fact finding in nature and no commitments are sought; however, important clues can be gained about the ultimate success of the proposed program as well as the ability and willingness of key prospects.

F. A carefully conducted evaluation study should lay the foundation for:

1. establishing realistic goals and objectives;
2. developing an action plan for the program;
3. developing a case statement for planned gifts;
4. determining the specific gift techniques that may be required (i.e., gift annuity, pooled fund);
5. determining the extent and nature of any promotional activities that may be required;
6. determining staff and budget requirements;
7. identifying volunteer leadership.
8. identifying a core list of prospects.

The study should permit the institution to make a decision as to the scope of a program, the size of the program, the staff and the basic system of cultivation.

G. The interviews can do a great deal more than establish a foundation for making informed decisions and plans. They will also identify:

1. The prospect's willingness to give;
2. The degree of volunteer assistance the prospect may be willing to provide;
3. The names of other potential donors, with suggestions about their gift potential;

page 5

4. The names of volunteers that the prospect considers important to make the program successful;

5. The prospect's candid opinion regarding the fundraising program and future potential;

6. The prospect's candid opinion about your institution's programs and future opportunities.

In addition to accomplishing all of the preceding, the evaluation study pre-sells your future needs and your program to the major prospect. This pre-selling will accelerate the involvement and cultivation of those interviewed that otherwise could take months or years. Also, information concerning the prospect will be obtained that may be fundamental to their future successful solicitation.

RECRUIT AND ESTABLISH A PLANNED GIVING COMMITTEE

A. Should the committee be established before an evaluation study has been made and before an action plan has been determined?

1. Advantages:

a. The committee can provide credibility to the proposed fund raising program and the evaluation study.

b. The committee can provide valuable input for the action plan.

2. Disadvantages:

a. Some of the best volunteers may surface during the evaluation study.

b. The eventual action plan may require a different mix of volunteers.

B. There are generally five principal functions to a planned gift committee:

1. Members of this volunteer committee act as a leader gathering and lead-analysis source. Depending upon the make-up of the committee members, you should expect that the committee will collectively or individually review the complete general mailing list with an eye towards selecting people who are recognized as having wealth and an interest in your institution.

The committee members should be of even more value in helping you analyze any prospects. Having as complete an analysis as possible of prospects will avoid errors and blind alleys in approaching prospects. It will also provide an idea of how much the prospect can afford to give. Further, the analysis of the prospect should enable you to recognize where the prospect's interests lie, thus enabling you to formulate a plan of approach from the beginning of the cultivation period.

2. Committee members can make personal calls on prospective donors. These calls should almost always be made with a staff member. Volunteers, depending upon their level of abilities, can be either a major asset or a liability. The most effective way volunteers can make calls is as an ice breaker--a lead-in for the key solicitation. Unless the volunteer is highly competent, he or she should not be permitted to ask for the gift.

3. Committee members can provide estate planning assistance. The committee's primary role in many situations will be to provide technical expertise. This technical expertise will include analyzing a prospect's estate assets and suggesting estate plans which will allow the prospect to better plan her or his financial affairs while also making a significant gift to your college or foundation.

Obviously, this requires that some of the Planned Giving Committee be lawyers, CPA's, trust officers, or have extensive knowledge in these areas.

4. Committee members can provide guidance in the organization, administration, and promotion of a planned giving program. This is a very delicate function which involves administrative colleagues. The Planned Giving Committee participation should be carefully considered.

5. Other activities of the Planned Giving Committee are:

- a. work with center of influence and fiduciaries when necessary.
- b. coordinate mailing efforts;
- c. arrange for the Chairman to acknowledge gifts and intended bequests;
- d. coordinate a recognition program;
- e. plan and promote seminars for laymen and professionals.

FOUNDATION BOARD RESOLUTION

There is no legal requirement that the board formally approve a planned gift development program except subject to your legal counsel's advice. However, since board support is so important, it is highly desirable that the Board approve a positive and enthusiastic resolution endorsing the planned gift program.

ESTABLISH DOLLAR GOALS--THE COST EFFECTIVE APPROACH

A. Establish dollar goals for a new program, where there is no experience to rely on, is a difficult task. However, it is very important to have precise goals before beginning any project.

1. The goals should be based on some definite time frame (three years, five or ten years).

2. The goals should not be based only on number of calls, number of proposals or even on number of gifts, but on specific gift results.

B. Goals of a program can be based simply on the amount of the gifts that are necessary for a cost effective program.

1. Estimate the cost of the contemplated planned gift program, including salary, travel, promotion, clerical and administrative costs, and consultation charges.

2. Decide on an appropriate fund raising cost percentage.

3. The cost capitalized by the percentage equals the amount of gifts to be raised, expressed in terms of present value.

ACTION PLAN

A. The action plan is a listing of the steps that must be taken to effectively reach the established goals. Typically the action plan would set forth the number of gifts and the size of gifts needed to reach the goal; the number of prospects that reasonably must be cultivated to produce the goal; a plan for obtaining the needed prospects through referrals, seminars, and promotion. It would include a reasonable plan for approaching and cultivating prospects, providing the gift tools that are considered necessary to reach the goal and whatever other activities are deemed an essential part of the plan.

CASE STATEMENT

A. A written statement defining the present status, the past accomplishments and the future mission of the institution which makes it unique. It is very important that the statement be farsighted.

B. The case statement should be a product of the development officer, and the college administration or governing board. It must reflect the true goals and directions of the institution so that donors may rely upon the statement in deciding the extent of financial support they will provide.

C. The case statement may present specific giving opportunities, emphasize the importance of endowment funds, and set a basic endowment goal and specifically provide that planned gifts will be developed to meet the future needs of the institution.

D. The case statement should be farsighted in the sense that it shows a major impact resulting from each gift. It should create a sense of urgency; have broad appeal; be supported by financial facts; be directed to the future with the past and present used to show that future plans can be accomplished. It should be both rational and emotional and should indicate strength of leadership and careful planning for the future.

You can see that your decision to initiate a planned giving program at your college requires much thought and consideration. However, there are benefits for both donors and your college. Donors receive several benefits;

1. Satisfaction that comes from supporting an institution that is important to him or her.
2. Personal recognition that is important to many people.
3. The donor can establish his or her personal place in history by assisting your college to continue its work after the donor has passed away.
4. Reduce the impact of federal income and estate taxes.
5. Improve personal income during his or her life and the life of the spouse or the beneficiary.

page 8

YOUR COLLEGE CAN ALSO RECEIVE SOME VERY IMPORTANT BENEFITS:

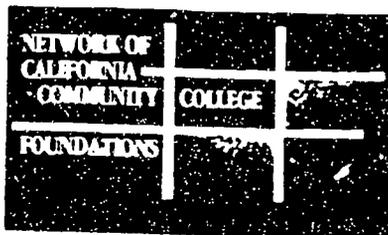
1. Secure long-term funding, especially for endowment purposes.
2. Secure substantial gifts that may not be available through other sources.
3. Planned giving donors will become annual contributors in addition to their major gift commitments.
4. Donors may lead you to additional major gifts.

There is the technical side to Planned Giving which has not been addressed in this article; it involves definition and discussion of the various planned giving opportunities and the tax advantages of each. The Network of California Community College Foundations offers to sponsor a full workshop or seminar on planned giving for development officers, foundation board members and trustees, college presidents and administrators. Your inquiries, comments, and requests should be addressed to Don Love, Dean of Development, Pierce College, 6201 Winnetka Avenue, Woodland Hills, CA 91371, or telephone: (818) 719-6447.

by Don Love, Ph.D.
Los Angeles Pierce College

505

476



FOUNDATION DEVELOPMENT

Abstracts

MEETING THE CHALLENGE: HOW TO GET A PLANNED GIFTS PROGRAM STARTED

Don Love, Ph.D.

In recent years, many community colleges have developed successful annual fund drives and balanced development programs. Few, however, have given adequate consideration to establishing planned gifts programs. All too often, this is due to the complex, legalistic language found in literature and materials that are difficult to understand.

Although the language is technical and the calculations require legal and accounting assistance, the development officer or foundation director does not need to be a lawyer or accountant to grasp the fundamentals and start the development of a planned giving program at the institution.

Each college has a unique and complex community. Each educational institution has its own particular strengths. Therefore, it is well to remember that planned giving programs may not be appropriate for every community college foundation. The institution should have an impressive history of service and performance that can be expressed effectively in a case statement and, as a result, attract large endowments and gifts. It is recommended that the college or foundation have a strong annual fund program and have established its worth in the community before starting a planned giving program.

Market for Planned Giving

Research reveals that the potential market for your foundation or institution should approximate 1 to 2% of your constituency, depending on the relative wealth. The total of charitable bequests in the United States averaged \$3 billion to \$5 billion over the last ten years.

Historically, only 40% of colleges and universities in the United States show results in life income gifts. Planned giving techniques are underutilized because the general public and their advisors lack knowledge. The lack of sophistication in estate planning results in an estimation that 80% of the population who are not college graduates *do not* have wills—60% of college graduates *do* have wills.

The planned gift solicitation process is lengthy. One expert estimates that closing a planned gift takes two years or six visits—whatever is longer. Therefore, if you delay getting started, you risk losing many significant gifts.

Definition of Planned Giving

By utilizing tax, financial, and estate planning techniques a donor can make a substantial gift commitment to your institution which provides significant tax and financial benefits for the donor.

Through the use of planned giving techniques, the gift is often greater than the donor may have previously considered, because the benefits may dramatically reduce the net cost of the gift.

Creative use of planned giving techniques can be tailored to meet the giving needs of the donor as well as those of the institution's programs. A donor's personal satisfaction is increased because a larger gift is possible and the donor experiences the implications of the gift during a lifetime.

Types of Planned Gifts

Cash is a frequently used asset for all forms of charitable gifts.

Marketable Securities are gifts of highly appreciated securities which may be given with substantially reduced after-tax cost.

Real Estate is frequently used to make charitable gifts due to the rapid escalation in value and capital gain exposure.

Tangible Personal Property is used because of the rapid appreciation of collectibles. Special regulations may apply.

Life Insurance Policies are no longer needed for family security and are good sources of charitable gifts.

Assignment of Trust Income. Some donors may have limited capital but can assign an income interest to your institution.

Charitable Gift Annuity. The institution receives corpus of the gift immediately, the donor receives a fixed income for life. The donor gives an irrevocable gift of money or property. The assets of the foundation or college back this annuity in addition to the donor's gift. This annuity is helpful to the smaller donor and is easier to write.

Charitable Remainder Annuity Trust. Donor receives a fixed income from a charitable trust. If the trust earns more than the amount paid to the donor, the excess is added to the principal of the trust. If the trust does not earn enough to meet the fixed payments, the balance needed is taken from the principal.

Charitable Remainder Unitrust. Donor receives variable income from a charitable trust. At the death of the donor and any designated beneficiaries, the value of the trust goes to the institution.

Charitable Income (Lead) Trust. A lead trust pays income to the institution, and the trust principal reverts to the donors or passes to their heirs at the end of a designated period of time.

Pooled Income Fund. Donor receives a life income from an investment fund composed of donor's gift pooled with

other gifts. The institution receives the remainder. The foundation or college must be qualified by the Internal Revenue Code to establish a pooled income fund. Legal advice is recommended.

Gift of Resident With a Retained Life The donor transfers title to the institution or foundation, but reserves the right to use and enjoy the property for life.

Gift By Will Donors of modest means, as well as the wealthy, can make gifts from their estates by Will. All of the forms of trusts and life income gifts can be established by Will. Donors with family members can make a gift by Will, should the family members not survive the donor.

Purpose of Gifts

Current operating expenses of the institution may be the purpose for outright gifts. Gifts may be given for capital projects, since funds are received at a time in the future. Endowments may be supported through life income gifts and bequests. Life income gifts and bequests usually are for restricted purposes.

Getting Started

Donors will, in most cases, look to the college or foundation for guidance in choosing the planned giving technique best suited for their purpose. The prospects will usually be near the point where they need to ensure that their final desires will be fulfilled. The role of development officer or director is to help the donor define his or her wishes and translate them into plans and a decision to make a gift.

One approach to establishing a program is to hire a consultant experienced in planned giving. However, a review of literature from CASE and comments from various planned giving experts reflect a number of steps that are helpful in starting a planned giving program without the consultant.

1. Provide free estate planning seminars. Prospective donors who do not know how to begin planning their estates will be attracted to these meetings and will want to keep current on the latest procedures and tax regulations.
2. Publish a planned giving newsletter. Creative ways to give and the tax aspects of giving should be discussed. Send this publication to all major donors, alumni over the age of 50, and older prospects who have made only modest donations.

Include a reply card for readers who might want to request further information and to tell you of provisions they have made to include your institution in their plans. After the newsletter increases the readers awareness of the advantages of planned giving, the reply card will product leads to new donors.

3. Your annual fund drive reply envelope is a good place to include several sentences that asks donors if they have included your institution in their estate plans. Be sure to give annual fund donors a change to request information about planned giving—bequests and trusts.

4. Start a series of free estate planning seminars that appeal to prospective donors who do not know how to write a Will, or how to make a substantial gift to your institution. Start with using attorneys, accountants, bank trust officers, insurance agents, and personal financial planners. Discussion might cover life income gifts, how to provide a bequest, procedures for transferring securities to your institution, and the tax laws for deducting charitable contributions.

Give those who attend the seminars an outline of the speakers' presentations and other written materials to remind them of the planned giving opportunities at your college.

5. Try to simplify the process for establishing life income gifts. You might have an experienced attorney provide sample trust or annuity documents for the donor's attorney to review and approve as the donor prepares to make a gift. At your institution's expense, you might make this attorney available to confer with the donor's lawyer.
6. Start cultivation visits as a result of mailings and requests for more information from persons who attended the seminars. Planned giving is a face-to-face process that can start with a personal visit in the home of a prospect. However, it may take months or maybe years before obtaining the gift. Be patient. Be prepared to answer questions and keep the needs of the donor as your primary consideration.
7. A planned giving program requires an office support system. Confidentiality must be honored. Accurate record keeping and accounting are necessary. As with all gifts, prompt acknowledgement of the gift is important. Give the success of your planned giving program publicity at every opportunity—make it a part of your annual report that is mailed to your donor list.
8. Donors themselves are effective door openers and may be used as speakers and organizers of small meetings where they can talk about the flexibility of gift arrangements and recount how they tailored a gift to their own needs or situation. These meetings will raise the awareness of planned giving and prompt any outright gifts.

These suggestions on how to start a planned giving program cover only a small number of recommendations that will assist the foundation director in starting what is considered one of the most productive fund-raising techniques existing today. Planned giving is a tremendous opportunity to provide service to your constituents and raise money for your institution.

Dr. Love is Vice President of Administration at Los Angeles Pierce College

For more information, contact the author, Dr. Love, at the University of California, Pomona, College Foundation, P.O. Box 1000, Pomona, California 92468. Telephone: 909/860-2112.

There are many options
available to join us
and become a part of the

Long Beach City College Foundation Planned Giving Program

Annuity Trust

Bequests

Charitable Gift Annuity

Charitable Lead Trust

Giving Life Insurance

Pooled Income Fund

Real Estate

Retained Home Life Occupancy

Unitrust

Call the Foundation office today.
Virginia Baxter, Foundation
Director, will answer questions
you may have or refer you to
someone who will help you
solidify your plans.

420-4134 or 420-4163

518



Superintendent-President
Beach City College

"There is no greater gift
than the gift of learning.
My husband, daughter
and I are all graduates
of Long Beach City
College. We have ben-
efited from the gifts of
those before us.

Thousands in Long Beach and the surrounding
communities have become part of the Long
Beach City College Foundation. They realize
the benefits of giving to others in this important
endeavor.

Funds from the community have enhanced
what the college can provide—scholarships,
assistance for special projects and programs.

Education is the best investment for the future
of our students and our community."

A Gift of Learning... A Gift Forever



4901 East Carson Street
Long Beach, California 90808
420-4134/420-4163

Tax ID# 95-3297459

Be part of the legacy of



Long Beach City College

509

1000

Foundation Planned Giving Program

Dear Friends:

We would like you to become a part of the legacy of Long Beach City College. With your support, the college will be able to continue to make a difference in the lives of our family, friends and strangers who will become friends.

The college has been successfully serving the educational, occupational and cultural needs of the cities of Long Beach, Lakewood, Signal Hill, and Avalon for nearly 70 years.

Throughout the years, individuals and foundations have given major gifts that have enabled the Long Beach City College Foundation to grant scholarships to many deserving students, and to provide equipment and funds for specialized programs.

The changing economy and diverse population of the cities we serve has created the need for more scholarships and programs in the future.

Please join us and be a part of the Long Beach City College legacy. You have an opportunity to make a significant impact with your gift.

Sincerely yours,

Nancy E. Lough *Virginia Baxter*

Nancy Lough
Vice-President
Gifts and Bequests

Virginia L. Baxter
Foundation Director

Board Trustee

"Now and in the future, gifts from concerned community and alumni will be needed to make up for the educational funding cutbacks. Each semester, 95% of my grants help students defer the high cost of books and materials.



I believe educating our young people should be our number one goal. I invite you to join me and become a part of the Long Beach City College legacy."



Pam Fellman
LBCC classified staff
Leonard Fellman
LBCC faculty

Pam says, "I have worked at LBCC for the past 23 years. During this time I received the support of the caring faculty, counselors and staff to continue my education. This

has led to several promotional opportunities and eventually to my present management position. I feel that becoming a part of the legacy for a scholarship fund is one way I can give something back to our future students and staff."

Leonard continues, "During our estate planning, we felt education was one of the most important contributions and benefits in our lives. Not having children of our own, we felt that contributing to the LBCC legacy was one way we could ensure that our educational goals could continue for many more years."

and Past President, LBCC Foundation



"I am a graduate of Long Beach City College, as are my children, both medical doctors. I feel we have benefited from the legacy of others.

As Foundation Vice President of Gifts and Bequests, I had a chance to observe the joys and benefits of many of our donors and recipients with whom I have had the pleasure to work.

By giving a gift during your lifetime, you will receive recognition from the college and Foundation, and have the opportunity to meet and talk with the student recipients. At the yearly scholarship reception you notice the students maturing and blossoming academically due to the support of your donation.

The Foundation invests and allocates your gift carefully and thoughtfully to ensure the legacy of Long Beach City College will continue for years to come."



Martha B. Knoebel
Friend of LBCC
1908-1988

Miss Knoebel felt her life was blessed and her spirits soared when she was able to help others. She especially enjoyed talking with recipients of her gifts.

Pictured here with LBCC Superintendent-President Dr. Beverly O'Neill after the dedication of the front walkway, Miss Knoebel's legacy of campus beautification and scholarships will continue through her generous bequest to the LBCC Foundation.

The Cuesta College is a tax-exempt, nonprofit organization established in 1973 for the purpose of providing essential financial support for College programs, services, scholarships, and capital campaigns.

A volunteer Board of Directors made up of local business and professional leaders as well as College staff, faculty and students directs the acquisition and management of funds and donations

**CUESTA COLLEGE FOUNDATION
BOARD OF DIRECTORS**

- Ann Bernhardt
- Diane Blakeslee
- Charles Cabassi
- Vicki Carroll
- Ethel Cooley
- Nella Girolo
- Myron Graham
- Jim J. Greathouse
- Michael L. Hargett
- Douglas Hilton
- Mary E. Howell
- Jon Jenkins
- Allan Johnson
- Mark Jorgeson
- Rosemary Maino
- Paula McDougal
- Robert McKie
- Harold Miossi
- Grace N. Mitchell
- Pat Nagano
- Frances Reynolds
- Grace Hayes Romero
- Laurie Sinton
- Paul Snyder
- Gil Stork
- John Swift
- Mark Woolpert

HONORARY

- Merlin Eisenbise
- Frank R. Martinez

EXECUTIVE DIRECTOR

- Barbara George



**The
Gift
Of
Education
Cuesta
College
Foundation**

"Cuesta is a friendly campus... it helped me make dreams come true and encouraged new ones, my life goals have been altered because of those who inspired me at Cuesta College"

*Marquon Piroc
ASCC President
Class of 1991
Student, Cal Poly
San Luis Obispo*



Living With Appreciation

When you think of making a gift to Cuesta College, you probably think of giving an immediate gift of cash. Such an outright gift to the College is truly appreciated, because it can be put to use at once where the need is greatest or for a specific purpose you designate.

More and more, however, other kinds of assets and other ways of giving are used to make gifts to the College, because of enhanced tax benefits or other advantages suited to your individual financial goals.

Your gift, whatever form it takes, is needed and will be appreciated by all those you touch with your generosity and personal vision.

In turn, some assets you contribute to Cuesta College may have appreciated in value since you originally purchased them. You may then receive a double benefit from giving these "appreciated" gifts to the College.

Your gift to Cuesta College can be an outright gift, a life estate gift, a bequest, or a life income gift.

Outright Gifts

Your outright gift may be in the form of cash, appreciated securities, or other real or personal property, both tangible and intangible, such as real estate, jewelry, works of art, coins, stamps, contract rights, patents, etc.

The College has identified 16 funding initiatives for private gift support and your gift to help one of these important educational priorities will help students for generations to come.

You can claim an income tax deduction for the full fair market value of your outright gift. Some gifts, such as appreciated real estate, may offer other substantial tax benefits as well.

Life Estate Gifts

You may donate a personal residence, a second home, income property, or land, and retain the right to live in the home or use the property for life. Thereafter, the real estate is either sold or used by the College for the purpose you specify.

You can claim an income tax deduction for the present value of the gift and retain the right to use the property for life.

512

513

BEST COPY AVAILABLE

481



Bequests

A bequest is a gift provided for in your will. Your bequest qualifies as a charitable deduction, reducing the size of your taxable estate while helping you achieve family financial goals.

Life Income Gifts

You may make a gift to the College that not only assures a life income for yourself, it can include another person as well.

Two principal life income vehicles are the charitable remainder unitrust and the pooled income fund. The first is a separately managed trust that pays income to the donor or other beneficiary for a term of years or for life. A pooled income fund is a remainder trust fund wherein gifts from a pool of donors are combined for investment purposes, and beneficiaries reserve the right to income for life. In both cases, at the end of the trust terms, the principal of the trust comes to Cuesta College.

You receive a money-saving income tax deduction for a portion of the current value of your gift, and you may qualify for generous estate and gift tax benefits.

Ways of Giving

You have decided to make a gift to Cuesta College. Whatever form your gift takes, you may want to keep the following gift-giving considerations in mind.

Endowed or Non-Endowed?

Your gift may create or add to an endowed fund, in which only the earnings of the fund are used. The principal of an endowed fund may be added to, but never reduced or spent. The principal as well as the income of non-endowed funds may be spent.

Appreciated Real Estate and Securities

If you own real estate or securities which have appreciated in value, you may receive a double benefit from your gift to Cuesta College. First, you receive a charitable deduction for the full market value of your gift, and second, you may avoid capital gains tax on the appreciated value.

"We must open the doors of opportunity. But we must also equip our people to walk through those doors."

Lyndon B. Johnson



514

Life Insurance Gifts

You may choose to make an irrevocable gift to the College by designating the Cuesta College Foundation as the sole or contingent beneficiary of a life insurance policy. You receive an income tax deduction for the current year and realize substantial estate savings later.

Equipment Gifts

Your gift of new or non-obsolete equipment which can be used for educational purposes can be a "win-win" exchange for both you and the College. The Cuesta College Foundation maintains a College equipment needs list which is updated annually.

Corporate Matching Funds

Many companies today will match employee contributions to Cuesta College, some on a \$2 to \$1 or even \$3 to \$1 basis. Check with your employer or with the Cuesta College Foundation to see if your gift can be doubled or even tripled.

Recognition of Your Gift

Annual gifts mean several forms of acknowledgement and recognition throughout the year, depending on the various levels of giving. In addition, all annual contributions are recognized in the Foundation's "Annual Report to Investors" and other publications, at these giving levels:

College Partners provide gifts of more than \$10,000;

President's Roundtable donors provide between \$5,000 and \$9,999;

Executive Circle donors provide between \$1,000 and \$4,999;

Leadership Club donors provide between \$500 and \$999;

Friends of Cuesta provide between \$100 and \$499;

Cornerstone Club donors provide gifts up to \$99.

The Heritage Club is for donors who make outright or deferred gifts of \$50,000 or more through a trust, pooled income fund, gift of property, or paid-up insurance policy.

The Codicil Club is for donors who let us know of their commitment for a major bequest to Cuesta College.

"An investment in knowledge pays the best interest."

Benjamin Franklin

For More Information

For more information on giving with appreciation to Cuesta College, please contact Barbara George, Executive Director, Cuesta College Foundation, P.O. Box 8106, San Luis Obispo, CA 93403-8106. Or call 805.546.3279.



515

BEST COPY AVAILABLE

482

Qualification for membership includes one or more of the following:

- Bequest
- Charitable Annuity Life Income Plan
- Remainder Interest in a Personal Residence
- Life Insurance Policy

To become a Charter Member, prior to January 1, 1994, submit to the Foundation office documentation of any of the above commitments naming the College of the Desert Foundation as the beneficiary. Join the current 14 members who are convinced that **Where There is a Will there is a Way** to live forever through helping educate the current and future generations.

Benefits of Membership

- Satisfaction of providing for others when your assets are no longer needed.
- Establishing a Living Memorial during your life time.
- Recognition and appreciation of your future gift through involvement in Club activities, College events and permanent name recognition in a College department or area of choice.
- Increase personal income if Charitable Trust or other tax-advantaged vehicle used.
- Current and future tax benefits as provided by law.
- The never ending gratitude of present and future generations who will benefit from your thoughtful and generous action at this time.
- For further information and details on how to join, contact Richard Codd, Foundation office 346-2190. You will never regret your action today to help provide for someone's educational future tomorrow!

COLLEGE OF THE DESERT FOUNDATION

to: Richard Codd
Director of Development

- I have included College of the Desert Foundation in my Will.
- I would like to attend the next Tea Party to learn more about the 3W Club.
- Send me information on Life Income Plan & Tax Benefits of a Charitable Remainder Trust.
- I am not interested at this time.

Comments: _____

516

483

Give Your Home But Continue to Live There

You can make a gift of a house or condominium while retaining the use of the property for as long as you live. Using a *life estate arrangement*, you make a gift of your home now, but retain the security of knowing you may live there as long as you wish.

The satisfaction of giving, as well as a tax deduction, is enjoyed now rather than later.

You continue to take care of the property, pay the taxes, and even receive any income it generates. But, because you have made a gift of the property by deed, it does not pass through your probate estate at death, possibly saving unnecessary expenses and delays.

Example:

Mrs. Smith, 76, a widow, lives in a condominium in an exclusive country club. She has no children but would like to leave part of her estate to friends and relatives. She would also like to leave a substantial gift to the local college with whom she has been associated.

After reviewing her assets, Mrs. Smith decides to make a gift of her condominium now, retaining the right to live in the condominium for the remainder of her life.

In so doing, she gains the satisfaction of knowing she has made a meaningful gift, while also receiving income tax and estate tax benefits. The college, in turn, can establish a living memorial in recognition of the gift, to be enjoyed during Mrs. Smith's lifetime.

Planning Your Gift

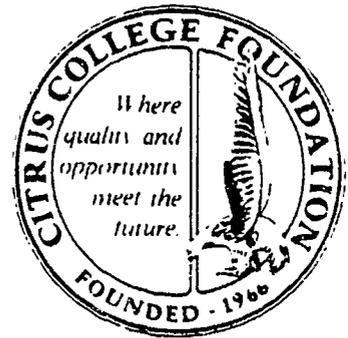
The College of the Desert Foundation Planned Giving Committee is made up of local attorneys, CPAs, bank officers and estate planners who volunteer their time and knowledge to help develop a long-range fund development program. Members of the Committee will be happy to work with you and your financial advisor to develop a trust agreement to your best tax and estate planning interest.

The Foundation Office will provide you an opportunity to select a living memorial unit. Wording and name recognition on the permanent memorial plaque will be subject to your review and approval. By virtue of your future gift you will also be entitled to membership in the Foundation's "Where There is a Will There is a Way to Live Forever through Education" Club.

CITRUS COLLEGE FOUNDATION

100 West Foothill Boulevard, Glendora, California 91740-1899 • (818) 914-8825

AN OPPORTUNITY FOR EXCELLENCE — A non-profit, tax-exempt organization



Spring, 1993

Dear Friend of Citrus College:

I know that Citrus College has special meaning to you as an alumnus or friend of the College. Alumni relate to us many fond memories of life at Citrus when strawberry fields and orange groves were as much a part of campus as the chemistry labs.

Things have changed a bit since 1915 when the College was first established. This fall, over 12,000 students attended Citrus - the largest enrollment ever in the 77 year history of the institution! The College has many unmet needs and the Citrus College Foundation, a nonprofit organization that supports the College is calling on its alumni and friends to help raise additional funds to keep the Citrus Spirit alive.

The influx of students has presented an even greater challenge for the Citrus staff. Scholarship and loan requests are up, and the demand for special services has increased ten-fold. Our community knows of the great national and international success of the Citrus Singers, of our competitive athletic teams, and our scholar faculty members. But the stories of countless students struggling to continue their education seldom is told.

The single parent who lost a spouse, has no job skills, and is caring for a child under five - the young students whose high school career was a disaster and who finally realizes the value of education - the aerospace worker who has lost his job and career for a lifetime - the recent immigrant who needs to learn basic skills to survive in America - and the student whose academic career was stellar, but who can't afford to attend the university.

These are our Citrus students. Each has individual needs and each we will serve. I don't need to tell you that the state has not been a friend to public education. Nor do I need to remind you that an education is the way out of poverty, the way to keep the state competitive, and the way to keep our nation free.

Spring, 1993

Page 2

If you feel you can't help Citrus today, please consider a planned gift for the future. This can be done in many ways. You can name Citrus College in your will. You can give a gift of appreciative assets such as stock to lessen your own tax burden. You can arrange to have the College named as the beneficiary of life insurance or retirement plans that may already be in place.

Ben Franklin had the foresight in the benefit of planned gifts. Some 200 years ago he left 1,000 pounds of sterling, valued then at \$4,000, to the two cities he loved, Philadelphia and Boston. When the bequest was realized, the two cities received a total of \$7 million!

The Citrus College Foundation will continue to provide supplemental funding for the College but it will never be enough to meet the institution's needs. But you can help too with a planned gift. As this tax season comes to an end, consider how a gift to Citrus may have also helped you as a charitable contribution to our nonprofit organization.

I am enclosing some literature that may be of interest as you complete your financial planning for the coming year. If you would like to learn more about ways you can help Citrus College through planned giving, please complete and mail the enclosed response card.

Sincerely,



Mike Brown
President
Citrus College Foundation

pmo

Enclosures

500

486

TABLE OF CONTENTS

	<u>PAGE</u>
I. INTRODUCTION	1
II. DEFINITION, GOALS AND OBJECTIVES	2
III. PLANNED GIFTS <u>METHODS</u>	3
IV. PLANNED GIVING <u>PROGRAMS</u> GUIDELINES	6
V. SOLICITATION AND ACCEPTANCE OF PLANNED GIFTS	11
EXHIBIT A: MODEL STANDARDS OF PRACTICE FOR THE CHARITABLE GIFT PLANNER	
EXHIBIT B: IRVINE VALLEY COLLEGE FOUNDATION BOARD OF GOVERNORS: GIFT ACCEPTANCE POLICY	
EXHIBIT C: IRVINE VALLEY COLLEGE FOUNDATION BOARD OF GOVERNORS, DONOR RECOGNITION POLICY	

I. INTRODUCTION

Irvine Valley College is a tax-assisted community college. Basic support for its operation will be provided by public funding, a combination of local and state tax funds. However, substantial additional funds are needed to meet the scholarship needs of its students, to assure the excellence of its programs, and to maintain the currency and effectiveness of its equipment and facilities.

The Irvine Valley College Foundation (The Foundation) was founded to develop friends and raise funds to assist the college in the achievement and maintenance of a superior program of public education and community participation. The Foundation is ^a qualified non-profit tax exempt (IRS 501 c (3)) organization, (#77-0239916), and is organized under the auspices of the Foundation for the Saddleback Community College District as a recognized auxiliary organization.

The establishment of a substantial Endowment Fund enhances the Foundation's ability to collect currently needed funds; it demonstrates to prospective donors that the College is building for the future and that it is committed to long-range financial stability to attain excellence. The absence of a meaningful Endowment Fund invariably leads to increased pressure on annual campaigns for operating funds that become increasingly difficult to obtain as donors tire of annual campaigns for operating funds or acquire other interests.

Donors contribute to the Endowment Fund primarily through planned gifts. These gifts may come from the simple act of including the College in the donor's will or from more complex instruments such as charitable lead trusts. Gifts to the Endowment may be in cash or may be made through the gift of a tangible asset such as real estate property, securities or art objects.

The Planned Giving Program affords donors of current gifts additional opportunities to support the Foundation by focusing on the endowment effort which is essential if the College is going to take its place among the state's finest institutions for higher education.

The deferred giving aspects of a Planned Giving Program also offer alternatives to donors who cannot, because of personal or economical reasons, make current gifts. The alternative is a deferred gift that will ultimately benefit the college while at the same time giving the donor current recognition and the satisfaction of having contributed to the Foundation.

The Endowment Fund is controlled by the Board of Governors with the advice of the Professional Advisory Council and the

Foundation's Finance Committee. All gifts to the Foundation are subject to review by the District legal counsel and approval by the Board of Trustees of the Saddleback Community College District.

II. DEFINITION, GOALS AND OBJECTIVES

PLANNED GIVING

Planned Giving involves gifts to charities which are integrated with the donor's estate and personal tax planning. It can involve both current and deferred gifts. Gifts may be given for any amount, for any purpose, and for current or deferred use. Because the emphasis of the Foundation's Planned Giving Program is on endowment, deferred gifts are allocated to the Endowment Fund, unless otherwise instructed by the donor.

The intent of the Foundation is not only to preserve the corpus of the endowment gift but to provide for its growth. In keeping with this intent, the Foundation's current policy is that seventy five percent of the income generated by the Endowment Fund is annually added to the Development Fund of the Foundation.

GOAL

The College's Planned Giving Program offers new and existing donors opportunities to support the College. Its goal is to offer prospective donors sophisticated assistance in devising arrangements that meet the tax, financial and philanthropic objectives of the donor while at the same time providing the College with a permanent endowment.

OBJECTIVES

The primary objectives of the Planned Giving Program are:

1. To provide the College with an unrestricted income stream for the annual budget.
2. To provide donors the opportunity to make a gift of assets during their lifetime while retaining the income;
3. To provide donors the opportunity to make larger gifts during their lifetime than can possibly be made as outright gifts;

4. To provide donors the opportunity to make gifts and at the same time assure income for life to a spouse, a child, or to others;
5. To promote good estate planning and the preparation of testamentary instruments, resulting in distribution of the largest possible portion of the estate according to the wishes of the donor;
6. To provide donors the opportunity for recognition and the opportunity to create a memorial in the name of the donor, or to honor others during one's lifetime;
7. To provide donors the opportunity to gratify the very human concept of substantially providing for "good works" and to provide for the continued education and enlightenment of our community through the services of Irvine Valley College.

III. PLANNED GIFT METHODS

Gifts to the Foundation will be solicited under the terms of the Model Standards of Practice for the charitable Gift Planner which is included as Exhibit A at the end of this policy statement. In addition, the Foundation will be guided in the acceptance of gifts by the Gift Acceptance Policy, Exhibit B, and in recognition of donors by the Donor Recognition Policy, Exhibit C.

The following planned gift methods may be considered for acceptance by the Foundation:

1. Outright Gifts

A donor may contribute cash, real estate, stocks and bonds, personal property or a life insurance policy. The value of the gift reduces state and federal income taxes and is deductible for gift tax purposes.

2. Gift by Will or Living Trust

Addition of language to a Will or Living Trust will note the Foundation as a recipient for a certain amount or percentage of the Estate. The value of the gift at death is deductible for estate tax purposes.

3. Pooled Income Fund Gifts

A pooled income fund is a charitable "mutual fund" where the donor makes a gift of cash or appreciated property and joins a trust "pool" with other donors. The donor receives an annual income based on units of participation determined at the time of the gift. The income tax deduction is for the present value of the future gift. Trust income is subject to income tax.

4. Charitable Remainder Unitrusts

The donor transfers cash or appreciated property in trust and receives annual income based on trust assets as revalued annually. A minimum payment of 5% is required. The income tax deduction is equal to the present value of the charitable remainder interest.

5. Charitable Annuity Trust

The donor transfers cash or appreciated property in trust and receives fixed annual earnings based on fair market value of assets placed in trust (minimum of 5%). The income tax deduction is equal to the present value of the charitable remainder interest.

6. Charitable Gift Annuity

The donor transfers cash or appreciated property in exchange for an annuity. Regulated by California Department of Insurance, the deduction is equal to the excess of value of the contribution over the value of the annuity. Payments consist of tax free, ordinary and capital gain income, depending on nature of asset given.

7. Charitable Lead Trust

The donor transfers to a trust cash or securities to be invested with the earnings going to the Foundation for the term of trust, and the original gift returning to the donor or other designated person after a period of years (usually a minimum of 10). The income tax deduction is the present value of the earnings distributable to the Foundation. When the term expires, the gifted asset returns to the donor where it produces new income for the donor or it passes to other beneficiaries with gift tax and estate tax benefits.

8. Life Estate Agreement

The donor transfers title of his/her/their residence to the Foundation and retain(s) the right to occupy property for life. Upon death, the Foundation takes possession of the property to hold or convert to cash for its own purposes. The donor's income tax deduction is equal to the present value of the remainder interest.

9. Life Estate Agreement with Gift Annuity

The donor transfers title of residence to the Foundation and retains the right to occupy the property for life in exchange for an annuity, regulated by California Department of Insurance. Payments consist of tax free, ordinary and capital gain income. The donor's income tax deduction is equal to the present value of the remainder interest less the present value of the annuity.

10. Life Insurance

The donor designates the Foundation as beneficiary. If the Foundation owns the policy, the policy's value at the time of the gift, and premiums subsequently paid by the donor, are deductible for income and gift tax purposes.

11. Bargain Sales

A bargain sale is a sale of appreciated property to the Foundation at a price lower than its present fair market value. A charitable deduction is allowed for the difference between the sale price and the property's fair market value. The donor must allocate the property's cost basis between the gift element and the sale element, based on the fair market value of each part. The donor incurs gain on the difference between the sale price and the cost basis allocated to the sale element, but is not taxed on the gain allocated to the gift element.

12. Qualified Retirement Plan or Individual Retirement Arrangements

The donor designates the Foundation as beneficiary or contingent beneficiary. If the donor is married and wishes to donate to the Foundation at his/her death, the spouse must consent to the non-spouse beneficiary. Otherwise, the Foundation may be named as contingent beneficiary. (The surviving spouse may "roll over" the retirement plan or IRA account of the deceased spouse to his/her own IRA and then name the Foundation as beneficiary.) There is no income tax deduction, however, the donor's estate would be allowed a charitable deduction for estate tax purposes.

IV. PLANNED GIVING

PROGRAM GUIDELINES

1. Effective Dates

These policy guidelines shall become effective June 16, 1993 and shall be reviewed annually.

2. Amendments

Responsibility for review and suggested amendments shall be that of the Professional Advisory Council Executive Committee members.

3. Professional Advisory Council Executive Committee (PACEC)

A. The PACEC shall be appointed to assist the Executive Director of the Foundation in the interpretation and execution of these Guidelines. Members will be appointed by the Foundation President.

B. The role of the PACEC shall be advisory to the Board of Governors.

4. Governing Authorization for Negotiations

A. Authorization to negotiate planned gift agreements with prospective donors, following the Guidelines and the format of any specimen agreements approved by the Board of Governors, without further approval of the Board, is given to either the President of the College or the Executive Director of the Foundation.

B. All agreements shall follow the format of any specimen agreements developed for the planned giving program. All agreements which do not follow the format of the specimen agreements or otherwise meet the requirements of the following guidelines shall receive the approval of the Professional Advisory Council and the Board of Governors.

C. Either of the following shall have authority to sign planned gift agreements on behalf of our institution:

Irvine Valley College President
Irvine Valley College Foundation Executive Director

5.

Donations other than cash, listed securities, or securities traded over the counter, or life insurance which meets the guidelines in III, 10 and V, 3

of these guidelines require
approval of the PACEC and the Board.

6. Governing Use of Legal Counsel

A. The PACEC shall have specimen documents reviewed by legal counsel, and shall seek legal counsel for any agreements or transactions not contemplated by these Guidelines. The decision as to which agreements do not fall within the scope of these Guidelines shall be the responsibility of the PACEC.

B. All prospective donors shall be urged to seek their own counsel in matters pertaining to their planned gifts, tax and estate planning.

7. Governing Charitable Remainder Unitrusts

A. Prospective donors shall be encouraged to designate a corporate trustee to serve as trustee of all charitable remainder trusts which the organization has solicited.

B.

The threshold amount to fund a charitable remainder unitrust is \$50,000.

C. The annual percentage payout to the donor shall be no less than 5% of the fair market value of the assets of the trust, and no more than the amount which will cause the charitable deduction to fall below 10% of the value of the property transferred.

D. The maximum number of beneficiaries shall be no more than two generations as defined in Section 2651 of the 1986 Internal Revenue Code.

E. In no event shall a transfer be accepted if the charitable contribution, computed using government tables, is less than 10% of the value of the assets transferred to the trust.

F. No property will be accepted as trust corpus in which there are any questions of violations of any sections

of the tax code pertaining to charitable remainder unitrusts.

- G. No non-income producing property shall be accepted in a charitable remainder unitrust, unless the unitrust has a provision allowing for the payment of actual income earned only.
- H. No charitable remainder unitrust will be issued in which there is less than a 5% probability of a charitable remainder interest, as computed using government tables.
- I. With the exception of paragraph G above, property which is not a listed security traded over the counter shall not be accepted in a charitable remainder unitrust that does not have an income flow sufficient to meet the payout factor of the trust, or have sufficient liquidity from which to make up any deficit in income.
- J. If non-income producing property is accepted in a charitable remainder unitrust having an earned income only clause, then the responsibility for trustee fees, real estate taxes, and out-of-pocket expenses shall be that of the donor.

8. Governing Charitable Annuity Trusts

A.

Prospective donors shall be encouraged to designate a corporate trustee to serve as trustee of all charitable remainder annuity trusts which the organization has solicited.

B.

The threshold amount to fund a charitable annuity trust is \$50,000.

- C. The fixed percentage to be paid shall be no less than 5% of the fair market value of the assets of the trust, and no more than the amount which will cause the charitable deduction to fall below 10% of the value of the property transferred.
- D. The maximum number of beneficiaries shall be two.
- E. In no event shall a transfer be accepted if the charitable contribution, computed using government tables, is less than 10% of the value of the assets transferred to the trust.

- F. No property will be accepted as trust corpus that will violate any sections of the tax code pertaining to charitable remainder annuity trusts.
- G. Property which is not a listed security or a security traded over the counter shall not be accepted in a charitable remainder annuity trust which does not have an income flow sufficient to meet the payout factor of the trust, or have sufficient liquidity with which to make up any deficit in income.
- H. No charitable remainder annuity trust will be issued in which there is less than a 5% probability of a charitable remainder interest, as computed using government tables.
- I. If non-income producing property is accepted in a charitable remainder annuity trust, then the responsibility for trustee fees, real estate taxes, and out-of-pocket expenses shall be that of the donor.

9. Governing Pooled Income Fund Trusts

- A. The trustee of the pooled income fund shall be an independent bank or trust company.
- B. The accounting guidelines established for pooled income funds shall allocate unit value based upon the unit value in the fund as valued annually.
- C.

The threshold amount to fund a pooled income account is \$1,000.

- D. No beneficiary shall be under the age of 60.
- E. Pooled income fund agreements shall not cover more than two lives.

10. Governing Charitable Gift Annuities

- A. The organization's charitable gift annuity reserves shall be established through purchase of a commercial annuity from a life insurance company.
- B. If a commercial annuity is purchased, that annuity shall be single premium deposit, fund certain.

- C. No gift annuity agreement shall be for more than two lives, and no exception shall be made to this requirement.
- D. No gift annuity agreement shall be issued unless the charitable gift computed using government tables exceeds 10% of the value transferred for the annuity. No exception shall be made to this requirement.

11. Governing Deferred Payment Charitable Gift Annuities

- A. The investment policy governing deferred payment charitable gift annuities shall be the same investment policy as is used for current charitable gift annuities.

12. Governing Bequests

- A. Bequests shall be authorized for this organization by the Executive Director of the Foundation, IVC President or the Saddleback District Vice Chancellor for Fiscal Services and Operations.

13. Governing the Valuation of Agreements in Planned Giving Reports

- A. In order to provide uniformity in reporting and departmental credibility, the Executive Director of the Foundation shall report all agreements as follows:

For irrevocable gift agreement, he/she shall report that amount allowed by the Internal Revenue Service as a charitable deduction for federal income tax purposes.

For revocable agreements, the following reporting valuation method will be used:

If a value is known for the bequest, that value will be reported, discounted by 10%.

If a percentage is known but the estate size is not known, the value reported will assume the percentage is applied to an estate value of \$100,000, discounted by 10%.

If a percentage is not known, the gift will be reported as a flat \$2,000, discounted by 10%.

14. Governing of Designated Proceeds

- A. All designated proceeds will be used per the requested designation, with the exception that up to 20% of the gift will be available to the development fund to help underwrite the planned giving program.
- B. All undesignated bequests and matured deferred gifts will be utilized for Endowment Fund.

V. SOLICITATION AND ACCEPTANCE
OF PLANNED GIFTS

1. Generation Skipping Transfers

Deferred gifts which would be "generation-skipping" transfers shall not be accepted without specific prior approval of both the Foundation's counsel and the donor's counsel.

2. Gifts of Real Property

- A. Gifts of real property shall be accepted only as provided in the Foundation's Gift Acceptance Policy, Part II, B,2.
- B. Prior to acceptance of real property, 1. a preliminary title report (showing no major clouds upon the title to the property) and 2. an independent appraisal by a qualified appraiser shall be provided to the Foundation. A physical inspection of the property shall be made whenever practical. Real property shall not be accepted if ownership of the property will expose the Foundation to environmental liabilities or is otherwise likely to expose the Foundation to costly litigation.
- C. Real property shall be accepted only if a source of funds for payment of mortgages, taxes, insurance, utilities and other costs associated with the maintenance of the property has been identified. Ordinarily, the Foundation will not accept property

subject to a mortgage or other indebtedness if it would cause income from the property to be subject to unrelated business income taxation.

- D. Exceptions may be made if, prior to acceptance of the gift, the Chairs of the PACEC and Finance Committees of the Foundation's Board of Governors expressly decide that acceptance of the property is in the Foundation's best interests.

3. Gifts of Life Insurance

- A. Gifts of life insurance may be accepted without special approval if the following requirements are met:
- A.1 The donor makes written pledge to continue paying the premiums indefinitely or until the policy is self-sustaining.
 - A.2 The insurance policy is underwritten by an insurance carrier that maintains a ranking in the top two classifications of two of the following four financial rating services:
 - 1. Standard & Poors(AAA to AA)
 - 2. Moody's (Aaa to A1)
 - 3. Duff and Phelps(AAA to AA)
 - 4. Best's (A++ to A+)
 - A.3 The IVC Foundation will be the owner and beneficiary.
 - A.4 Duplicate notices of premium payments due, lapse notices, or any other requested policy changes, shall be sent to the Foundation.
 - A.5 The policy shall be physically held by the owner, i.e., the Foundation.
 - A.6 Policies should be reviewed upon delivery by the PACEC.
- B. Gifts of life insurance policies that are not paid up and which do not have any source of funds for payment

of the premiums identified at the time of the gift may be surrendered for their cash value.

4. Bargain Sales

A.1 Bargain sales of real or personal property shall only be accepted with the specific prior approval of the Foundation's legal counsel and the Chairs of the PACEC and Finance Committees of the Foundation's Board of Governors. The requirements outlined above with respect to gifts of real, personal and intangible property shall also be met, as applicable.

5. Payment of Fees and Commissions

- A. The Foundation disassociates itself from any effort to represent charitable gifts as tax shelters rather than as thoughtful contributions to the work of charity.
- B. While the Foundation recognizes and appreciates that there are many organizations and individuals who provide valuable services at legitimate charges to both donors and charitable organizations, the Foundation disapproves and disassociates itself from promoters of charitable gifts who charge unreasonable fees or commissions for arranging or managing charitable gifts, or who, without the charity's knowledge or approval, undertake to negotiate gifts on behalf of charitable institutions.
- C. The Foundation will not cooperate with any person or organization which charges a "finders fee" for arranging charitable gifts and will decline to accept any gift which involves an unreasonable fee or commission for establishing or managing the charitable gift.
- D. Whenever possible, the Foundation will be directly involved with potential donors in helping to plan gifts so that it may insure that each gift is in keeping with genuine philanthropy and is truly sensitive to the needs and situation of the donor as well as the needs and interests of the Foundation.

- E. The Foundation will pay the reasonable value of services rendered to it by professionals at its request.
- F. The Foundation will always encourage donors to obtain independent legal counsel and will not agree to pay fees of professionals in order to secure a gift to the Foundation, otherwise, a legal presumption of undue influence would arise giving the donor or any affected heir the legal right, at a later date, to claim that the Foundation acted improperly. In such cases the burden of legal proof would shift to the Foundation and require it to prove, by a preponderance of the evidence, otherwise.
- G. The Foundation understands and appreciates that some donors may desire to make gifts net of professional fees incurred to implement the gifts. The Foundation is mindful, however, that the independence of the professionals, representing those donors must not be compromised by the Foundation's payment of their fees. Therefore, in those cases where donors or their representatives ask the Foundation, as a condition of the gift, to pay for the donor's professional services, the Foundation will urge the donor to reduce the contemplated gift by the amount of those fees so that the expenses to the donor are not increased by virtue of the gift and the independence of the donor's legal counsel and other advisors is maintained inviolate.

6. Exceptions to Planned Giving Policies and Guidelines

- A. The Board of Governors of the Foundation recognizes that there may be special cases and circumstances where exceptions should be made to the foregoing Policies and Guidelines. Therefore, exceptions may be made to these policies if, prior to acceptance of any gift, the Foundation's Board of Governors expressly decides that a deviation from these policies is in the Foundation's and the donor's best interests.
- B. The Board of Governors will normally require the approval of the Chairs of the PACEC and Finance

Committees of the Foundation's Board of Governors before making such exceptions.

THE BOARD OF GOVERNORS ACKNOWLEDGES THAT:

- A. The administration of funds entrusted to us is a great responsibility, and should be entered into with the understanding that the needs and desires of the donor are primary to the objectives of the organization.
- B. Individuals wish to support our programs both through lifetime giving and through distribution of their estates at the time of death. For this reason, we have entered into a planned giving program. We realize that this is a service not only to those who wish to give to us but also to those whom we help as we implement programs with these funds.

With reliance upon this, we enter into these guidelines this ~~17th day of March~~ 16th day of June, 1993.

ADOPTED BY:

<u>PACEC CHAIR</u>	DATE:	
<u>EXECUTIVE DIRECTOR</u> <u>IRVINE VALLEY COLLEGE FOUNDATION</u>	DATE:	
<u>PRESIDENT</u> <u>IRVINE VALLEY COLLEGE</u>	DATE:	

MODEL STANDARDS OF PRACTICE
FOR THE
CHARITABLE GIFT PLANNER

Preamble

The purpose of this statement is to encourage responsible charitable gift planning by urging the adoption of the following Standards of Practice by all who work in the charitable gift planning process, including charitable institutions and their gift planning officers, independent fund raising consultants, attorneys, accountants, financial planners and life insurance agents, collectively referred to hereafter as "Gift Planners."

This statement recognizes that the solicitation, planning and administration of a charitable gift is a complex process involving philanthropic, personal, financial and tax considerations, and as such often involves professionals from various disciplines whose goals should include working together to structure a gift that achieves a fair and proper balance between the interests of the donor and the purposes of the charitable institution.

I. PRIMACY OF PHILANTHROPIC MOTIVATION

The principal basis for making a charitable gift should be a desire on the part of the donor to support the work of charitable institutions.

II. EXPLANATION OF TAX IMPLICATIONS

Congress has provided tax incentives for charitable giving, and the emphasis in this statement on philanthropic motivation in no way minimizes the necessity and appropriateness of a full and accurate explanation by the Gift Planner of those incentives and their implications.

III. FULL DISCLOSURE

It is essential to the gift planning process that the role and relationships of all parties involved, including how and by whom each is compensated, be fully disclosed to the donor. A Gift Planner shall not act or purport to act as a representative of any charity, act or purport to act as a representative of the donor, without the express consent of both the charity and the donor.

IV. COMPENSATION

Compensation paid to Gift Planners shall be reasonable and proportionate to the services provided. Payments of finders fees, commissions or other fees by a donee organization to an independent Gift Planner as a condition for the delivery of a gift are never appropriate. Such payments lead to abusive practices and may violate certain state and federal regulations. Likewise, commission-based compensation for Gift planners who are employed by a charitable institution is never appropriate.

V. COMPETENCE AND PROFESSIONALISM

The Gift Planner should strive to achieve and maintain a high degree of competence in his or her chosen area, and shall advise donors only in this areas in which he or she is professionally qualified. It is a hallmark of professionalism for Gift Planners that they realize when they have reached the limits of their knowledge and expertise, and as a result, should include other professionals in the process. Such relationships should be characterized by courtesy, tact and mutual respect.

VI. CONSULTATION WITH INDEPENDENT ADVISERS

A Gift Planner acting on behalf of a charity shall in all cases strongly encourage the donor to discuss the proposed gift with competent independent legal and tax advisers of the donor's choice.

VII. CONSULTATION WITH CHARITIES

Although Gift Planners frequently and properly counsel donors concerning specific charitable gifts without the prior knowledge or approval of the donee organization, the Gift Planner, in order to insure that the gift will accomplish the donor's objectives, should encourage the donor, early in the gift planning process, to discuss the proposed gift with the charity to whom the gift is to be made. In cases where the donor desires anonymity, the Gift Planner shall endeavor, on behalf of the undisclosed donor, to obtain the charity's input in the gift planning process.

VIII. EXPLANATION OF GIFT

The Gift Planner shall make every effort, insofar as possible, to insure that the donor receives a full and accurate explanation of all aspects of the proposed charitable gift.

IX. FULL COMPLIANCE

A Gift Planner shall fully comply with and shall encourage other parties in the gift planning process to fully comply with both the letter and spirit of all applicable federal and state laws and regulations.

X. PUBLIC TRUST

Gift Planners shall, in all dealings with donors, institutions, and other professionals, act with fairness, honesty, integrity, and openness. Except for compensation received for services, the terms of which have been disclosed to the donor, they shall have no vested interest that could result in personal gain.

IRVINE VALLEY COLLEGE
FOUNDATION POLICY STATEMENT

GIFT ACCEPTANCE POLICY

I. BACKGROUND AND PURPOSE

- A. This policy statement has been adopted by the IVC Foundation Board of Directors to provide management with the criteria and framework by which donations may be accepted or recommended to the Board for acceptance.

Section 72670 of the California Education Code and Title 5 of the California Code of Regulations (Section 59259 (j)) provides the broad authority for the Foundation to function as the recipient/donee of gifts, bequests, devises, endowments, trusts and similar funds in support of Irvine Valley College. At the time of the adoption of this policy statement, the specific authority of the Foundation to function as the donee/recipient of gifts and related funds for and on behalf of the Irvine Valley College is set forth in the Master Agreement between the District Board of Trustees and the Saddleback Community College District Foundation. The provisions of this policy shall be interpreted consistent with the authority recited above.

The Foundation is an IRS qualified Section 501(c) (3) tax exempt charitable-educational organization. The IRS has classified the Foundation as not being a private foundation under Section 509(a) of the U.S. Internal Revenue Code. The State of California has classified the Foundation as a public benefit corporation under the Nonprofit Corporation Law.

II. POLICY

A. General

1. Only gifts, bequests, devises, endowments, trusts, and similar funds which are designated for the use of (in trust for) the College or to the Foundation for College programs or projects may be considered for acceptance.
2. Except as provided below, the Foundation Executive Director, or his/her designee, has

authority to accept gifts or related funds and instruments designated by the donor/grantor for purposes or uses previously approved by the Board of Governors, or for established instructional or support programs and functions of the College authorized by the College President or her/his designee.

3. The valuation and substantiation of charitable gifts is a matter between the donor/taxpayer and the taxing agency. Therefore, the Foundation, as a donee of such gifts, will not estimate to the donor the value of non-cash gifts. The Foundation will cooperate fully with the donor in the gift substantiation process required by the taxing agency.

B. Special Acceptance Criteria

1. Gifts for new College Programs, real property gifts, or donations involving a substantial or unique obligation of the Foundation, shall be submitted to the College President for approval as to acceptability and conformance with District regulations and then to the Board of Governors for acceptance consideration.
2. Gifts of Personal Property
 - a. Expendable supplies/materials which involve on-campus space shall require a certification from a designated college official that: the gift is acceptable; space is available; acceptance of the property will require only reasonable storage costs in relation to value and use; and the funds for such costs are available.
 - b. Vehicles and equipment involving on-campus space necessary to house the gift shall require a certification from a designated College official that: the gift is acceptable; authorized space for the equipment has been obtained; acceptance will require only reasonable operation, repair, and maintenance costs in relation to value and use; and the funds for such costs are available. It is the policy and practice of the Foundation to transfer title/ ownership of such gifts to the College unless circumstances unique to the

gift or conditions of its donation and acceptance require an exception.

- c. Gifts of stocks, bonds and similar instruments shall be subject to processing in accordance with investment policy and management guidelines regarding retention in portfolio or sale.

C. Reports to the Board

At the next regular meeting of the Board of Governors following acceptance of any gift not requiring Board acceptance, a summary report of such gifts shall be submitted to the Board.

D. Implementing Guidelines

The Executive Director is authorized to establish management guidelines consistent with and in implementation of this policy statement.

ADOPTED:

November 18, 1992

BY:

Donald P. Fisher

GFTACCEP.FND
Rev. 9/18/92

542

508

IRVINE VALLEY COLLEGE
FOUNDATION POLICY STATEMENT

DONOR RECOGNITION POLICY

Donors contributing to the Irvine Valley College Foundation receive the benefits listed at their donor level in addition to those at lower levels. Benefits for annual gifts are good for a full year from the date of the gift and are tax deductible to the full extent allowed by law.

PRESIDENT'S CIRCLE \$100,000 +

- Naming opportunity
- Season Ticket Package to all events
- Engraved Brick
- Annual Community Awards Dinner Table -
(Ten seats)
- Participation on President's Advisory Board
- Permanent Plaque at IVC
- Receive Foundation quarterly newsletter
- Published recognition (Annual Report)

FOUNDATION'S CIRCLE \$ 25,000 +

- Season Ticket Package to all events
- Engraved Brick
- Annual Community Awards Dinner Table -
(Ten seats)
- Participation on President's Advisory Board
- Permanent Plaque at IVC
- Receive Foundation quarterly newsletter
- Published recognition (Annual Report)

BENEFACTORS \$ 5,000 - \$25,000

- Season Ticket Package to selected events
- Engraved Brick
- Annual Community Awards Dinner Table -
(Ten seats)
- Participation on President's Advisory Board
- Permanent Plaque at IVC
- Receive Foundation quarterly newsletter
- Published recognition (Annual Report)

DEAN'S CIRCLE

\$ 1,000 - \$ 5,000

- Season Ticket Package to sporting events
- Annual Community Awards Dinner for two persons
- Receive Foundation quarterly newsletter
- Published recognition (Annual Report)

FRIENDS OF IVC

\$ 1 - \$ 999

- Receive Foundation quarterly newsletter
- Published recognition

PLANNED GIVING POLICY GUIDELINES

I. **Effective Dates**

These policy guidelines shall become effective _____ and shall be reviewed

- Annually
- Other: _____

II. **Amendments**

A. Responsibility for review and suggested amendments shall be that of

- Board of Directors
- President
- Director of Development
- Other: _____

B. The procedure to amend these Guidelines shall be as follows

- A written amendment shall be presented to the Secretary of the Board of the Board of Directors in sufficient time to be placed on the agenda of the next following Board meeting.
- Other: _____

III. **Development Committee**

A. A Development Committee shall be appointed to assist the Director of Development in the interpretation and execution of these Guidelines. The Development Committee shall consist of the following individuals:

1. _____
2. _____
3. _____
4. _____

B. The Development Committee's role shall be

- Administrative
- Advisory

IV. Governing Authorization for Negotiations

A. Authorization to negotiate planned gift agreements with prospective donors, following the Guidelines and the format of any specimen agreements approved by the Board of Directors, without further approval of the Board, is given to

Name	Position
_____	_____
_____	_____
_____	_____
_____	_____

B. All agreements which do not follow the format of the specimen agreements or otherwise meet the requirements of the following guidelines shall receive the approval of

- Board of Director
- Development Committee
- President
- Director of Development

C. The following shall have authority to sign planned gift agreements on behalf of our institution

- Chairman of the Board of Directors
- Secretary of the Board of Directors
- President
- Director of Development
- Other: _____

V. **Governing Property Received**

When property other than cash, listed securities or securities traded over the counter is involved, the approval of the following shall be required

- Board of Directors
- Development Committee
- President
- Director of Development
- Other: _____

VI. **Governing Use of Legal Counsel**

A. The policy of this organization concerning legal counsel shall be as follows

This organization shall seek the advice of legal counsel in all matter pertaining to its planned giving program, and shall execute no planned gift agreements without the advice of our legal counsel.

This organization shall have all of its documents reviewed by legal counsel upon adoption of these planned giving policy Guidelines, and shall seek legal counsel for any agreements or transactions which do not fall within the scope of these Guidelines. Decision as to which agreements do not fall within the scope of these Guidelines shall be the responsibility of

- Board of Directors
- Development Committee
- President
- Director of Development

B. All agreements shall follow the format of any specimen agreements developed for our planned giving program. All prospective donors shall be urged to seek their own counsel in matters pertaining to their planned gifts, tax and estate planning.

VII. **Governing Charitable Remainder Unitrusts**

A. The policy of this organization regarding trusteeship of charitable remainder unitrusts is as follows

The organization will seek a corporate trustee to serve as trustee of all charitable remainder trusts which the organization has solicited.

The organization will serve as trustee.

B. If the organization is to serve as trustee

It will serve without compensation

It will charge compensation as follows:

1/2 of 1% of the corpus of the trust as valued annually plus any out-of-pocket expenses

Other: _____

C. No charitable remainder unitrust to be funded with a single, lump-sum contribution, shall be entered into with a donor for a sum less than

\$ 5,000

\$ 10,000

\$ 25,000

\$ 50,000

Other: \$ _____

D. No charitable remainder unitrust to be funded with annual contributions shall be entered into with a donor for a sum less than

\$ 5,000

\$ 10,000

\$ 25,000

\$ 50,000

Other: \$ _____

E. The annual percentage payout to the donor shall be no less than 5% of the fair market value of the assets of the trust, and no more than

- 8%
- 9%
- 10%
- The amount which will cause the charitable deduction to fall below 10% of the value of the property transferred.
- Other: _____

F. For life unitrusts funded with a lump-sum contribution, no beneficiary shall be under the age of

- 30
- 50
- 60
- Other: _____

G. For lifetime unitrusts funded with annual contributions, no beneficiary shall be under the age of

- 30
- 50
- 60
- Other: _____

H. The maximum number of beneficiaries shall be

- two
- three
- Other: _____

I. In no event shall a transfer be accepted if the charitable contribution, computed using government tables, is less than

- \$ 5,000
- \$10,000
- 10% of the value of the assets transferred to the trust
- Other: _____

J. No property will be accepted as trust corpus which will violate any sections of the tax code pertaining to charitable remainder unitrusts.

- K. No non-income producing property shall be accepted in a charitable remainder unitrust, unless the unitrust has a provision allowing for the payment of actual income earned, only.
- L. No charitable remainder unitrust will be issued in which there is less than a 5% probability of a charitable remainder interest, as computed using government tables.
- M. With the exception of paragraph (K) above, property which is not a listed security traded over the counter shall not be accepted in a charitable remainder unitrust that does not have an income flow sufficient to meet the payout factor of the trust, or have sufficient liquidity from which to make up any deficit in income.
- N. If non-income producing property is accepted in a charitable remainder unitrust having an earned income only clause, then the responsibility for trustee fees, real estate taxes, and out-of-pocket expenses shall be that of
- The charitable organization as trustee
 - The charitable organization as beneficiary
 - The donor
- O. If the charitable organization is serving as trustee of the charitable remainder unitrust, responsibility for the tax accounting of the trust shall be with
- Treasurer
 - Development Department
 - Independent Accountant
 - Other: _____

VIII. Governing Charitable Remainder Annuity Trusts

- A. The policy of this organization regarding trusteeship of charitable remainder annuity trusts is as follows
- The organization will seek a corporate trustee to serve as trustee of all charitable remainder annuity trusts which the organization has solicited.
 - The organization will serve as trustee.

- B. If the organization is to serve as trustee
- It will serve without compensation
 - It will charge compensation as follows
 - 1/2 of 1% of the corpus of the trust as valued annually, plus any out-of-pocket expenses
 - Other: _____
- C. No charitable remainder annuity trust shall be entered into with a donor for a sum less than
- \$ 5,000
 - \$ 10,000
 - \$ 25,000
 - \$ 50,000
 - Other: \$ _____
- D. The fixed percentage to be paid shall be no less than 5% of the fair market value of the assets of the trust, and no more than
- 8%
 - 9%
 - 10%
 - The amount which will cause the charitable deduction to fall below 10% of the value of the property transferred.
 - Other: _____
- E. For lifetime annuity trusts, no beneficiary shall be under the age of
- 30
 - 50
 - 60
 - Other: _____
- F. The maximum number of beneficiaries shall be
- two
 - three
 - Other: _____

G. In no event shall a transfer be accepted if the charitable contribution, computed using government tables, is less than

- \$ 5,000
- \$10,000
- 10% of the value of the assets transferred to the trust
- Other: _____

H. No property will be accepted as trust corpus that will violate any sections of the tax code pertaining to charitable remainder annuity trusts.

I. Property which is not a listed security or a security traded over the counter shall not be accepted in a charitable remainder annuity trust which does not have an income flow sufficient to meet the payout factor of the trust, or have sufficient liquidity with which to make up any deficit in income.

J. No charitable remainder annuity trust will be issued in which there is less than a 5% probability of a charitable remainder interest, as computed using government tables.

K. If non-income producing property is accepted in a charitable remainder annuity trust, then the responsibility for trustee fees, real estate taxes, and out-of-pocket expenses shall be that of

- The charitable organization as trustee
- The charitable organization as beneficiary
- The donor

M. If the charitable organization is serving as trustee of the charitable remainder annuity trust, responsibility for the tax accounting of the trust shall be with

- Treasurer
- Development Department
- Independent Accountant
- Other: _____

IX. Governing Pooled Income Fund Trusts

A. The trustee of the pooled income fund shall be

- An independent bank or trust company
- The charitable organization
- Other: _____

- B. The accounting guidelines established for pooled income funds shall allocate unit value
- Based upon the original deposit to the fund
 - Based upon the unit value in the fund as valued annually
- C. No pooled income trust agreement shall be entered into with a donor for a sum of less than
- \$ 1,000
 - \$ 5,000
 - \$10,000
- D. For pooled income fund trusts, no beneficiary shall be under the age of
- 30
 - 50
 - 60
 - Other: _____
- E. Pooled income fund agreements shall not cover more than two lives.

X. **Governing Charitable Gift Annuities**

- A. This organization's investment policy governing gift annuity reserves shall be as follows
- Purchase a commercial annuity from a life insurance company
 - Establish an irrevocable trust to hold annuity reserves and deposit into this trust the actuarial value of the charitable gift annuity.
 - Establish an irrevocable trust, depositing 100% of the amount transferred from the charitable gift annuity. Individual accounting will be made of each agreement and any amount remaining, which would be attributed to that agreement, will be released from the fund upon death of the individual annuitant.
 - The annuity obligation shall be a general obligation of the organization, and the donor shall not be secured, other than security provided by the general assets of the organization.

- B. If a commercial annuity is purchased, that annuity shall be
- Single premium deposit, life only
 - Single premium deposit, refund certain
 - Single premium deposit, 120 month payment certain
- C. If an irrevocable trust is established and funded with the actuarial value of the annuity, the actuarial value will be determined by
- That amount as determined by the actuary annually
 - The net amount as determined by the actuary annually, plus a 20% contingency reserve on the greater of the first 100 annuities of \$200,000.
- D. If an irrevocable trust is established and funded with 100% of the amount transferred for the charitable gift annuity, any earning in excess of those needed to meet annuity payments shall be
- Maintained in the irrevocable trust as security for annuity payments
 - Released to the organization to be utilized according to Section XIX of these Guidelines.
- E. No gift annuity will be issued for an amount of less than
- \$ 100
 - \$ 5,000
 - \$ 1,000
 - Other: _____
- F. No agreement shall be issued where a beneficiary is under the age of
- 30 years
 - 60 years
 - Other: _____
- G. Those rates payable on charitable gift annuities shall be those established by
- Committee on Gift Annuities
 - An independent actuary
 - Other: _____

H. Annuity payments shall be made

- Annually on January 1
- Annually on _____
- Semi-annually on January 1 and July 1
- Quarterly on January 1, April 1, July 1 and October 1.
- At the discretion of the donor on a monthly, quarterly, semi-annual or annual basis, but in no event shall the amount of such payment be less than \$10, except for annual payments.

I. No gift annuity agreement shall be for more than two lives, and no exception shall be made to this requirement.

J. No gift annuity agreement shall be issued unless the charitable gift computed using government tables exceeds 10% of the value transferred for the annuity. No exception shall be made to this requirement.

XI. Governing Deferred Payment Charitable Gift Annuities

A. The investment policy governing deferred payment charitable gift annuities shall be as follows

- Same investment policy used for current charitable gift annuities
- Other: _____

B. No deferred payment gift annuity shall be issued for an amount less than

- \$ 100
- \$ 500
- \$ 1,000
- \$ 5,000
- Other: _____

C. No agreement shall be issued where a beneficiary is under the age of

- 30 years
- 50 years
- Other: _____

D. Those rates payable on deferred payment charitable gift annuities shall be those established by

- Committee on Gift Annuities
- An independent actuary
- Other: _____

E. The period of deferral between the transfer for the deferred payment annuity and the date the annuity payments commence shall be no more than

- 10 years
- 20 years
- 35 years
- Other: _____

F. Deferred annuity payments shall be made

- Annually on January 1
- Annually on _____
- Semi-annually on January 1 and July 1
- Quarterly on January 1, April 1, July 1 and October 1.
- At the discretion of the donor on a monthly, quarterly, semi-annual or annual basis, but in no event shall the amount of such payment be less than \$10, except for annual payments.

G. No deferred payment annuity agreement shall be for more than two lives, and no exception shall be made to this requirement.

H. No deferred payment annuity agreement shall be issued unless the charitable gift computed using government tables exceeds 10% of the value transferred for the annuity. No exception shall be made to this requirement.

XII. Governing Revocable Agreements

A. Pertaining to revocable agreements, this organization shall

- Hold all deposits in a separate trust for the protection of the agreement holder
- Utilize such agreements for capital projects

B. If this organization is to utilize such agreements for capital projects, it will hold as reserves

An amount equal to the greater of \$ _____ or _____% of all outstanding agreements.

No reserves will be held.

C. In no case will any revocable agreement funds which have not matured be used for operating budget.

D. The minimum deposit which will be accepted for a revocable agreement will be

\$ 100

\$ 500

\$ 1,000

Other: _____

E. The minimum age for which a revocable agreement will be issued is

50 years

60 years

No minimum age

Other: _____

F. Interest payable on revocable agreements will be determined as follows

By the Board of Directors, prior to October 1 for the calendar year beginning the following January 1, and all agreement holders are notified at least 30 days prior to the beginning of the calendar year.

Actual earnings on the invested funds

Other: _____

G. Interest shall be payable to the donor

- Annually on January 1
- Annually on _____
- Semi-annually on January 1 and July 1
- Quarterly on January 1, April 1, July 1 and October 1.
- At the discretion of the donor on a monthly, quarterly, semi-annual or annual basis, but in no event shall the amount of such payment be less than \$10, except for annual payments.

H. Upon revocation of a revocable agreement, this organization shall attempt to meet the needs of the donor. However, the schedule for revocation notice shall be

- Agreements can only be withdrawn on the quarterly calendar dates of January 1, April 1, July 1 and October 1, by giving notice of intent 30 days prior to doing so.
- Agreements can be withdrawn on any date, and will be transferred within 30 days after receipt of request for withdrawal.

I. If deposit amounts exceed \$5,000, then

- The entire amount can be withdrawn according to notice in (F) above
- No more than \$5,000 can be withdrawn during a 90-day period
- Other: _____

J. Pertaining to distribution of proceeds of revocable agreements upon the death of the donor

- All proceeds must remain with this organization
- The agreement may allow for the payment of matured proceeds to family or individual beneficiaries.

XIII. Governing Life Estate Agreements

Because an organization has no legal liability in a life estate agreement, no Guidelines are necessary except those covering any legal instruments developed for the program.

If state law requires participation of the remainderman in any capital improvements on property subject total life estate agreement, no expenditures for capital improvements will be made without approval of the Board of Directors.

XIV. Governing Wills and Trust Instruments Not Qualified as Charitable Remainder Unitrust or Annuity Trust Agreements

A. Policy concerning drafting of Wills and certain trusts not qualifying as charitable remainder unitrust and charitable remainder annuity trust agreements, shall be as follows

The organization shall not draft any instruments

The organization will provide legal counsel for the drafting of such instruments, and instruments will be provided to legal counsel of the donor with a written cover, stating that such instruments are provided only as a service of the organization, and in no way should they be completed or executed without thorough review of personal legal counsel.

Other: _____

B. Concerning the payment of legal fees, the policy of this organization shall be as follows

No legal fee shall be paid by this organization when it pertains to the drafting of Wills or other trust instruments not qualified as unitrust or annuity trust agreements.

The organization shall reimburse the donor for legal fees incurred in drafting instruments where the charitable organization is a primary beneficiary of the Will or trust.

C. If the policy of this organization is to reimburse for legal fees, maximum reimbursement will be

\$500

\$250

\$100

Other: \$ _____

D. This organization is not in the practice of law, and therefore will not draft any legal instruments pertaining to an individual's estate plan. In all cases, an individual will be advised that he should seek his own private counsel.

XV. Governing Bequests

A. No bequest shall be authorized to be received by this organization without the approval of

- Board of Directors
- Development Committee
- President
- Director of Development
- Other: _____

B. The policy of this organization concerning bequests which are contested is to be as follows

- We will defend with all legal means the right of an individual to determine his beneficiaries, and the right of our organization to receive gifts.
- We will take the position of no contest.
- Other: _____

XVI. Governing Agreements With More Than One Charitable Beneficiary

If our organization is to serve as trustee, we will do so

- Only where the amount coming to this organization is at least _____% of the trust corpus or \$_____ whichever is smaller.
- As long as there is a charitable organization, even though it does not include this organization.
- Only when we are the beneficiary of 100% of the remaining corpus.

XVII. Governing the Reporting of Planned Gifts

- A. This organization recognizes that it is in a position of trust with the donor, and that the donor has placed trust in us concerning confidentiality. Therefore, all governing instruments will be kept in a locked fireproof file, which will be accessible to individuals with the approval of the
- Board of Directors
 - Development Committee
 - President
 - Director of Development
- B. It shall be known throughout the organization that this is confidential information.
- C. All files or agreements shall be numbered according to a system of numbers designed by the Director of Development and reports to the governing body of this organization shall be made by number.

XVIII. Governing the Valuation of Agreements in Planned Giving Reports

- A. In order to provide uniformity in reporting and departmental credibility, the Director of Development shall report all agreements as follows

- That allowed by the Internal Revenue Services as a charitable deduction for federal income tax purposes shall be reported for irrevocable gift agreements.

For revocable agreements, the following reporting valuation method will be used:

1. If a value is known for the bequest, that value will be reported, discounted by 10%.
2. If a percentage is known but the estate size is not known, the value reported will assume the percentage is applied to an estate value of \$100,000, discounted by 10%.
3. If a percentage is not known, the gift will be reported as a flat \$2,000, discounted by 10%.

- Other: _____

XIX. Governing of Designated Proceeds

- A. All designated proceeds will be used per the requested designation, with the following exceptions
- No exceptions
 - Up to 20% of the gift will be available to the general fund to help underwrite the planned giving program.
- B. All undesignated bequests and matured deferred gifts will be utilized for
- General Operating Budget
 - Endowment Fund
 - Capital projects only, including endowment, with the following exceptions
 - No exceptions
 - Up to 20% of the gift utilized for the general operating costs of estate planning and planned giving

THE BOARD OF DIRECTORS ACKNOWLEDGES THAT:

- A. Individuals wish to support our programs both through lifetime giving and through distribution of their estates at the time of death. For this reason, we have entered into a planned giving program. We realize that this is a service, not only to those who wish to give to us, but also to those whom we help as we implement programs with these funds.
- B. The administration of funds entrusted to us is a great responsibility, and should be entered into with the understanding that the needs and desires of the donor are primary to the objectives of the organization.

With reliance upon this, we enter into these guidelines this ___ day of ___, 19__.

YOUR ORGANIZATION

By: _____
Secretary of the Board

The undersigned hereby agree to serve within these policy Guidelines:

Development Committee: _____

President: _____

Director of Development: _____

Cultivating Major Gifts

Major gifts range from \$10,000 to a million or more. The solicitation of major gifts involves a very special, personalized cultivation of the potential donor usually involving the top leadership of the college. Major gifts are often tied into capital campaigns or special programs that meet the specific interests of the donor.

The development and cultivation of major donors involves an eight step process:

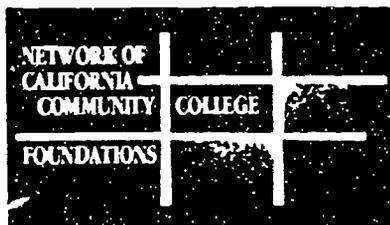
1. Prospects must be identified and researched. Prospects are individuals who generally have an association with the college and a record of giving over many years. Contributors to annual fund campaigns, wealthy alumni, business leaders with strong connections to college programs and wealthy parents of current or recently graduated students are all prospects. Research and social networks can be sources of information about donations the prospect may have made to other charities, his or her areas of interest, and the range of donation that may be possible.
2. Involve your prospects in college activities and keep them informed about what both the college and the foundation are doing. Blue ribbon advisory committees, special event social occasions and invitations to college athletic, musical, theater and convocations are all useful. Even if the prospect declines to attend, he or she is usually flattered to be asked. Send the prospects selected copies of college newsletters and view books, etc., if they are of high quality and reflect the image you are trying to convey. Do not inundate the prospect, but make her or him feel involved and knowledgeable.
3. Prepare personalized approaches to each prospect. Make sure the approach reflects the interests of the prospect not just the college. Most donors will be impressed if you've taken the time to find out about them, their background and interests. Pay attention to birthdays, anniversaries, family connections etc.
4. Use a team approach to the first meeting. Include the college president or a trustee as well as a foundation board member who is a peer of the prospect. Try to have friends of prospects on your team. Those who have already given a major gift are your best salespeople for other major gifts. Peer pressure and leading by example are excellent motivators.

5. Don't be afraid to ask for a large gift. Often it is a good idea to rehearse the appeal with your team before the meeting. It's better to ask for too much than too little. Donors are usually flattered if the team thinks they are in a higher donor category than they put themselves. One approach is to tell the prospect that they have been suggested as a possible donor in the \$_____ to \$_____ range (i.e. \$100,000 to \$200,000 range; or 1/2 million to 1 million) and is he or she comfortable in discussing it.

6. Keep complete and confidential records. Record who was at each meeting, what was discussed, and what follow-up was done. Thank you letters for each meeting should come from the team leader immediately after the meeting, regardless of the outcome.

7. Follow-up with personal contacts whenever possible. Send birthday cards and other personal notes to keep up the personal connection. Having several people associated with the foundation or the college send personal notes or cards, if they know the prospect, helps to cement the relationship. The more people who endorse your college's effort, the more credibility it will have.

8. Recognize and appreciate your donors. Plaques, flowers, honorary degrees, advisory positions, press releases, feature articles in college publications and recognition dinners are all effective strategies. Buildings or other facilities can be named after major donors as well. The key is to continue the recognition and involvement after the gift or after the gift is turned-down. Remember, a prospect can always change his or her mind if the cultivation connections are left open.



FOUNDATION DEVELOPMENT

Abstracts

MAJOR GIFTS OR "HOW TO LAND THE BIG ONES"

Richard P. Codd

The "Big One"

One of the most gratifying experiences of a life time can be the direct involvement and participation in securing a major gift for your college. The long hours of research, the careful preparation, and finally the presentation and donor commitment pay tremendous dividends to all involved. The president of the college sees his investment in the Foundation gratified, the Board members involved have a keen sense of accomplishment, the Foundation staff comes to the realization that hard work pays off, and the life of a fund development director is really worthwhile. Of the more than 200 individuals and firms who have contributed over \$50,000,000 through major gifts to causes with which I have been associated, all have expressed pleasure for their action with some stating it was the most gratifying experience of their life. Over my years in the development field, I have developed the following plan in my quest for major donors. The plan will work for you if you work it.

Preparation and Research

Securing major gifts for your college Foundation requires careful research and preparation. To be successful you must know your own programs and goals and have a carefully prepared and documented written plan for your project. It is also essential to have a thorough knowledge of your prospective donor's background, interest, and gift potential. Planning your approach to your donor prospect is similar to planning a fishing trip. Do you have the right kind of tackle and bait? Have you researched your prospect? Is your timing right?

Who are Your Prospects?

First, you should look to your foundation's immediate family. These would include Board members, faculty, alumni, and current and past donors. The most successful fund development programs are based on obtaining substantial support from those directly involved with the organization. Once a good donor base has been established, you can reach out for major support from businesses, corporations, and individuals in your service area.

Where to Find Major Prospects

Board references and contacts, friends of faculty, news stories of major gifts, Foundation library, and a close review of past donor lists will bring forth a wealth of prospects. Preparing a ten-most-wanted list helps you concentrate on

the best prospects. When a major donation is received or a contribution refused, a new prospect is added to the list. Developing major gift prospects is a continuing effort.

A profile sheet should be prepared listing the ingredients that establish a key prospect. Board members, key faculty, existing major donors, and staff should be a part of the prospect research team. Completed profile sheets should be submitted to the major gifts committee for review and approval.

The major donor profile sheet should include family and business background, record of philanthropic giving, areas of interest, gift potential, and name or names of best personal contact.

Preparing the Presentation and Making the Call

Once you have determined the donor's interest and gift potential, you should prepare a personalized written and pictorial presentation for greater effectiveness. Selecting the right team to make the call is critical to success. An individual who is known and respected by the prospect should head the presentation team with staff back up. When making a corporate or business call, always see the decision maker. On personal calls it is usually best to include the spouse in the presentation. When to call will depend on the prospects convenience, preparation of proposal, and the availability of the team. It must be stressed that nothing happens until somebody asks for the order or, in this case, the donation. Many major gifts have been lost because of lack of follow through and when no one has ever actually asked for the gift. Major gifts or pledge commitments are seldom obtained on the first visit. Always leave the door open, and set a date and place for a return visit. Send written communication to the prospect after each visit. A turn down on the first visit is not necessarily a turn off. Date these prospects, put them on the back burner, and go back after a reasonable time with a new team and a new approach. Like fishing, when you get even a slight nibble, keep your line in the water.

Pitfalls Along the Way

Through poor communications, we sometimes misjudge the donor's area of interest. This can be avoided by taking the donor on a tour of the campus and carefully listening to the prospect's remarks and concerns. Sending the wrong person to ask for the order can lose a major gift. This can be avoided by educating team members on how to make the presentation and by role playing prior to the initial visit.

If there is any evidence the prospect has had an unhappy experience with the college such as parking ticket, poor reception, or other misunderstanding, be sure to have the situation clarified to the prospect's satisfaction before proceeding. Again, like fishing, avoid the wrong tackle, leaky boat, and bad weather.

Record Keeping Essential

Vital to a continuing successful fund development program is proper record keeping. In today's computer-oriented world there are many excellent software packages to help you maintain donor profiles, prospect lists, and all other factors necessary to your development program. A complete updated profile on each major donor and donor prospect will provide you a systematic method for call back, birthday and anniversary greetings, and reminders of pledge payments. It will also serve as a reminder for thank you letters when indicated. A good computer with printer and selected software is an essential tool for a successful fund development office. In addition to good record keeping, being able to prepare your major donor proposals, invitations, newsletters, and labels will be very cost effective. It is a good practice to review your complete donor list periodically. Many times, with proper research and cultivation, donors with a record of annual giving of \$100 to \$500 have been converted into major donors. Again, as in fishing, to be successful you not only have to have the best possible equipment, but you must also learn to use it to its maximum effectiveness.

Recognition and Appreciation

Of all the factors essential to a successful fund development program, recognition and appreciation has a major role. The thank you card to acknowledge all smaller donations and the personalized letter for donors of \$100 or more should be carefully prepared and periodically reviewed to avoid being dated or formalized. On donations of \$1,000 or more, having key members of the board send personal notes of thanks can be very effective to encourage future support. Certificates for annual givers, plaques, or trophies for President's Circle or Founder's Club members are valued methods of recognition and should be carefully planned and researched both from a cost standpoint and donor acceptance. A well-designed plaque or trophy for home or office will serve as a conversation piece for your donor to encourage others to become involved.

Media Stories

News stories about donors and their contribution not only help to recognize the donor but will also serve to possibly stimulate others to contribute. Usually such stories have to be well planned to be accepted by the media. Why the individual has decided on a major gift, the purpose of the gift, and person's information on the donor all can be developed into a human interest story to capture the media's attention.

Donor Wall

A permanent well-designed wall should be a requisite for any ongoing college fund development program. There are

several firms who specialize in design. Construction and maintenance of donor recognition walls. Location to obtain maximum exposure, durability, and proper categories for major gifts with room for expansion should all be a part of your research. As your program grows, it is possible and desirable to consider additional walls for special buildings and projects on campus.

Naming Buildings and Facilities

Look on any university or college campus that has a successful fund development program, and you will find the campus buildings and facilities bearing the names of major donors. To establish the dollar value to be placed on buildings for donor gift opportunities, several factors should be considered:

- Actual cost of building
- Location for donor recognition
- Purpose of building
- Other factors effecting donor interest

In my experience, rarely have major donors refused recognition. Pointing out to the donor that proper recognition of their gift will encourage others to contribute will usually persuade the reluctant donor. Proper recognition and appreciation of all donors is the cornerstone for a successful and lasting development program.

Summary

In summarizing how to secure major gifts, the following key steps are essential to success:

- Locate and research prospects
- Get prospects involved and informed
- Prepare personalized presentations
- Making the call a team effort
- Ask for the gift
- Record keeping vital
- Follow up on all fronts
- Recognition and appreciation

Seeking and obtaining major gifts for your college is a team effort. To be successful, it is essential to have the full support and involvement of the college president, a strong and dedicated Foundation Board, a well-informed faculty, and an enthusiastic and knowledgeable Foundation staff whose full-time responsibility is fund development. Like in fishing, it takes research, the right equipment, locating the prospect, and patience and follow through to land the BIG ONES. Good fishing!

Dick Codd is Director of Development for the College of the Desert, Palm Desert, California

Foundation Development Abstracts is published by the Network of California Community College Foundations. For further information or additional copies, please contact Jim Anderson at Chaffey College, 5885 Haven Ave., Rancho Cucamonga, CA 91737-3002, or call 714/941-2112.

Dear Friend of Orange Coast College,
I hope you can join with us to see that the show goes on in the Robert B. Moore Theatre at Orange Coast College. Your donation between now and July 31, 1992 will be matched by funds generously provided as a gift from the Harry and Grace Steele Foundation.

Since it opened in 1955, the Moore Theatre has been the cultural center of our campus and an important cultural center in Orange County. For example, who could forget Diane Keaton Hall playing Maria in the 1964 production of *The Sound of Music* or Ms. Keaton's great performance in *Bye, Bye Birdie*?

Unfortunately for me personally, there is a recent "performance" that I'd rather forget. Soon after I was appointed president of Orange Coast College, I attended an event at the Ambassador Auditorium in Pasadena. A man sitting behind me was knowledgeably discussing the characteristics of several theatres throughout southern California. I winced at one of his remarks: "But, the absolutely worst acoustics, having some fun with me. You can imagine my distress when I realized that he had no idea who I was; instead, he was honestly appraising our theatre's qualities."

Obviously because of the 36 years it had been so extensively used, the Moore Theatre no longer has some of the features that modern theatres need for first-rate productions. Tight budgets have prevented us from modernizing our theatre, something which we have dreamed of doing for a long time.

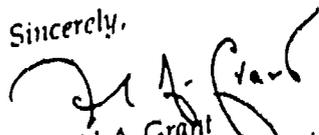
When we match the Steele Foundation's grant, our dream will come true. Our newly remodeled theatre will have ample air conditioning, state-of-the-art acoustics, improved lighting, comfortable seating, and decor befitting a modern theatre.

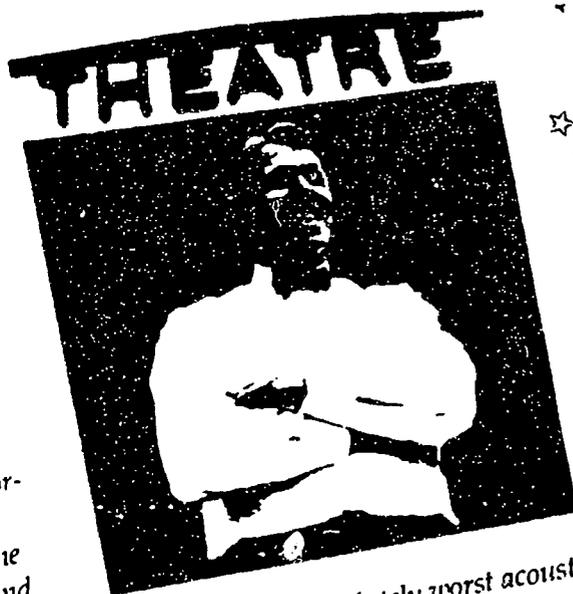
- We will have a theatre that members of the community can enter proudly to attend thrilling performances and thoughtful lectures.
- We will have a theatre that can offer a variety of interesting programs by students, community groups, and touring companies—all at affordable prices.

Please join with me because the show must go on in the Robert B. Moore Theatre. Between now and July 31, 1992, your donation of \$100, \$250, \$1,000 or more will be matched dollar-for-dollar with funds donated by the Harry and Grace Steele Foundation.

In addition, your generous donation to the Orange Coast College Foundation will entitle you to many special benefits which are outlined in this brochure.

Sincerely,


David A. Grant
President, Orange Coast College



568

534

Orange Coast College is an integral, lively part of Orange County; its campus theatre is committed to providing ways for all members of the community to participate in the arts. The college also pledges to make the performing arts accessible to all members of the community by presenting a variety of events at reasonable admission rates.

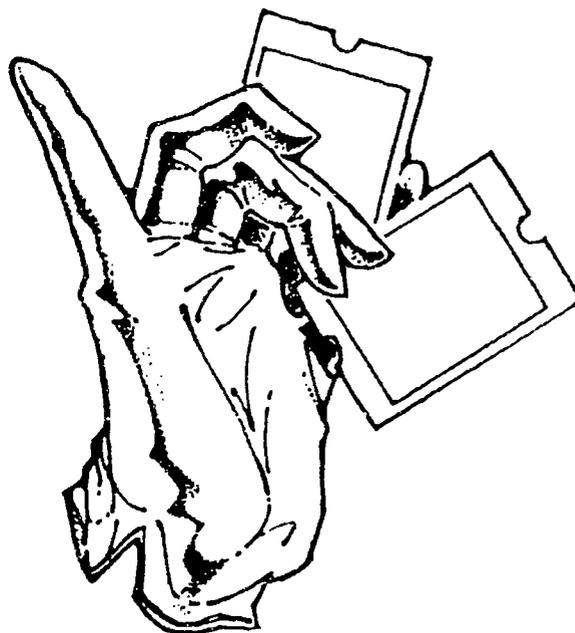
While OCC has a highly qualified faculty, it does not have a highly rated performance hall, the kind of dramatic classroom that a college needs so that it can inspire every student who is interested in the dramatic arts.

For many years members of the college community have dreamed of modernizing the Moore Theatre. That dream is becoming more of a reality every day.

A little more than a year ago, **Albert Wong**, an Orange Coast College alumnus and a member of our college's Hall of Fame, magnanimously gave us \$140,000 so that the show can go on.

Just last December, **Maruja Baldwin**, another dear friend of the college and one of its long-time supporters, generously donated \$50,000 to help remodel the theatre. Albert and Maruja's leadership support was a major reason the Steele Foundation decided to help us revitalize the theatre by challenging us, in January, with a matching grant of \$375,000. All gifts between February 1, 1991 and July 31, 1992 will be matched equally, dollar-for-dollar, to the extent of the \$375,000 Steele Foundation grant.

In the five months following the announcement of the Steele Foundation grant, both the current and retired members of the college's faculty have pledged and donated more than \$50,000 to purchase theatre seats, at a cost of \$250 for each seat.



Now, we are seeking your help, as well as the help of other community leaders, to change the dream of having a revitalized Robert B. Moore Theatre into a reality.

A strikingly improved Robert B. Moore Theatre will join the Orange County Performing Arts Center and South Coast Repertory as jewels in Costa Mesa's "City of the Arts" crown. The college is planning for a three-phase remodeling of the theatre, at an estimated cost of \$6 million. The first phase includes adding air conditioning and new seats, enhancing the acoustics, installing new lighting, and improving access for the handicapped.

When the first phase is completed, the college will be able to present more student productions, more community forums, and a greater selection of professional productions. Students and members of the community will have an opportunity to enrich their lives as a result of the modernization of the Robert B. Moore Theatre, this important artistic, educational, and cultural treasure.

Future phases will include the enclosing of the lobby, adding an expanded scenery workshop and new dressing rooms, remodeling the public restrooms, and finally, adding a full-fly tower to allow theatrical productions the full use of the stage.

Orange Coast College and the Coast Community College District, both strongly dedicated to the theatre project, cannot receive State of California funds for the renovation. Therefore, making these important improvements depends on the generosity and commitment of the friends and supporters of Orange Coast College and community theatre.

Both time and money are at a premium. The Steele Foundation has agreed graciously to match each dollar donated, up to the \$375,000 of their challenge grant. The challenge is that the grant itself has a deadline, it ends on July 31, 1992. *We must rise to the challenge*

Your gift to the campaign to modernize the Robert B. Moore Theatre includes distinguishing benefits. Sponsorship donors will be significantly recognized, depending on their involvement. Opportunities for sponsorship include the following:

- Orchestra Shell \$150,000
- Variable Acoustics 150,000
- New Stage Lighting System 150,000
- Front of House Lighting 50,000
- Replacement of Orchestra Pit Cover 30,000
- Sound Isolation Between Theatre & Drama Lab 10,000
- Kiosk 5,000
- Marquee 10,000
- Exterior Lighting 15,000
- New Carpet for Theatre Aisles 5,000

Gifts of \$1,000 or more will be acknowledged by an inspiring permanent wall display in the theatre lobby, which will recognize with gratitude the following categories of support:

- \$10,000 - \$24,999 **Encore Society**
- \$5,000 - \$9,999 **Producers Guild**
- \$1,000 - \$4,999 **Spotlight Circle**

Also, donors in all three categories will receive preferred seating at the grand reopening of the theatre, recognition in all materials relating to the theatre, and recognition in a donated advertisement in *The Times*, Orange County Edition.

Seat Sponsors who donate \$250 will have their names permanently inscribed on an individual seat plaque. Seat sponsorship represents an opportunity to honor loved ones, close friends and business associates.

Friends of the Robert B. Moore Theatre who donate \$100 - \$249 will have their names inscribed on a distinctive permanent plaque in the theatre's lobby.

Checks for donations should be made payable to the Orange Coast College Foundation - Moore Theatre Fund. Please send them to the following address.

David A. Grant, President
Orange Coast College, 2701 Fairview Road
Costa Mesa, CA 92626



These sailors created the best sailing program in the U.S.



ALASKA EAGLE
65' S&S sloop
Neil G. Bergt



SAUDADE
47' S&S sloop
William T. Pascoe



JACAROL
Cal 2-46 ketch
Jack Hamilton



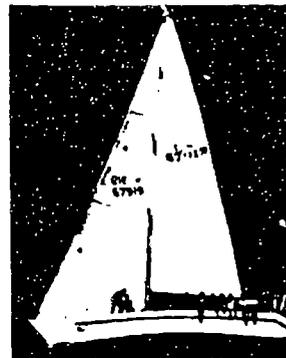
THE SHADOW
Soverel 55
Richard Rogers



HIGH ROLER
Holland 43 sloop
William Power



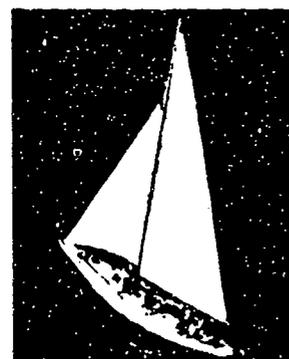
INSURGENT
Hunter 54 sloop
Bryn Van Hiel



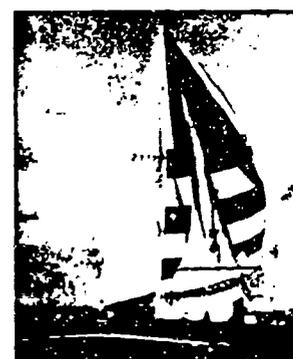
ILLUSION
Peterson 44 sloop
Edward McDowell



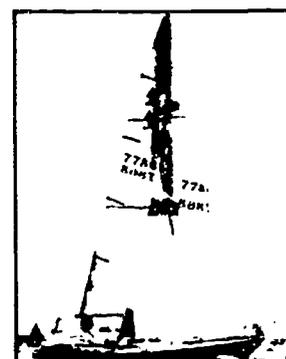
MARDA
DeFever 50 trawler
Donald B. Ayres Family



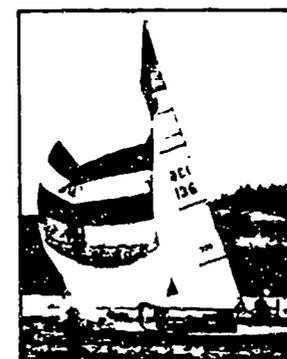
SALLY
60' 10-meter sloop
Ernest Kanzler



SCANDALOUS
50' S&S sloop
William T. Pascoe



WE BE
Capri 30 sloop
Roy Disney, Jr.



SHIELDS FLEET
30' one designs
Cornelius Shields

The above boats were donated to the Orange Coast College Sailing Program over the past ten years. They represent some of the finest yachts on the West Coast. And their owners represent some of the best sailors anywhere.

When these sailors gave their boats to us, they were giving to their favorite sport. They knew their boats would be actively involved in a public program that educates more than 3,000 people a year in all aspects of sailing, seamanship, and navigation.

Today, we're operating seven days a week out of a waterfront facility in Newport Beach. We teach beginning through advanced sailing. Racing and cruising. Navigation and seamanship. Evening classroom programs run four days a week. A marine lecture series every winter. A sail training cruise to Hawaii and Alaska every summer. Dozens of different courses are offered year-around, making sailing safer and more enjoyable for everyone.

For over 40 years, the O.C.C. Student Center has been a focal point of educational and cultural life at the college and in the community.

Thousands of events have been held there. Among them have been concerts, dances, high school sports banquets and academic competitions, conferences, board meetings, and a host of college activities.

In addition, several important instructional programs are housed in the center. These include Hotel Management, Restaurant Management, Culinary Arts, Nutrition, and the Fashion Merchandising programs. The center is also the major food service facility on a campus of 28,000 students.

Built for a student body of 1,800 in 1951, and remodeled three times since its doors first opened, the Student Center is no longer adequate to meet the needs of the college and the community.

So, after ten years of saving, the Associated Students decided to undertake a major renovation of the building. The project has now begun. When it is completed—we hope in early April, 1993—there will be new labs for the culinary arts and the fashion merchandising students, adequate meeting place for student clubs, lecture series, and many other programs, and a food service facility that is state-of-the-art to meet the needs of the nineties and beyond.

572



The success of our effort is dependent on you! We still need to raise \$500,000. Your generous donation will help to make the Student Center a treasure for the community.

Thank you.

All gifts to the campaign to remodel the Orange Coast College Student Center include distinguishing benefits. Donors will receive special recognition at the grand re-opening of the Student Center and will be recognized in publicity relating to the project. Sponsors and patrons will be acknowledged in a special recognition advertisement in *The Los Angeles Times, Orange County Edition* in celebration of completion of the project.

Sponsors will be recognized on permanent plaques in the room that they sponsor. Six sponsorships are available:

- Main Dining Room \$100,000
- Captain's Table Restaurant \$50,000
- Commercial Bakery \$25,000
- Student Lounge \$25,000
- Conference Rooms (2) \$15,000 each

Patrons will be acknowledged on a permanent granite recognition wall in the foyer of the Student Center. Patrons will be recognized at the following levels.

- Admirals Club \$10,000 and up
- Captain's Circle \$5,000 - \$9,999
- First Mates \$1,000 - \$4,999

Pirates Crew will be recognized on a permanent plaque in the "Pirates Den" lounge in the Student Center. Crew members will be recognized at the following levels:

- Gold Crew 500 - \$999
- Silver Crew 250 - \$499
- Bronze Crew 100 - \$249

Donations may be made by checks, cash, Master Card or Visa, and OCC employees may donate via payroll deduction. Checks for donations should be made payable to the Orange Coast College Foundation - Student Center Fund. Please send them to the following address:

David A. Grant, President
Orange Coast College, 2701 Fairview Road
Costa Mesa, CA 92628

573

I would like to Share My Treasure with the campaign to remodel the Orange Coast College Student Center.

Please include me in the following:

- Admiral's Club \$10,000 and up
- Captain's Circle \$5,000 - \$9,999
- First Mates \$1,000 - \$4,999
- Gold Crew \$500 - \$999
- Silver Crew \$250 - \$499
- Bronze Crew \$100 - \$249

I have enclosed a check for my donation of \$ _____.

Enclosed is an initial gift of \$ _____. Please bill me in three equal installments on a quarterly basis for a total gift of \$ _____.

Please charge my gift of \$ _____ to my Master Card or Visa.

Bank Card No.: _____

Expires on: _____

Signature _____

Please have a representative of the Foundation call me at _____ to discuss my gift.

Name _____

Company _____

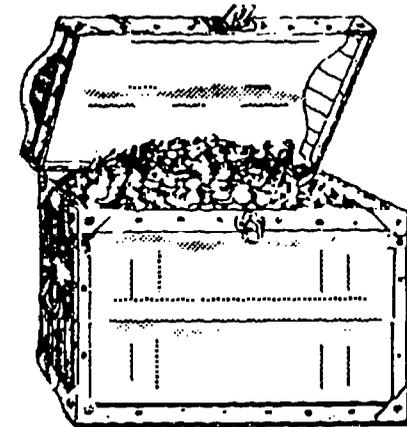
Address _____

City _____ State _____

Zip _____ Phone _____

565

Share The Treasure



Join the campaign
to remodel the
Orange Coast College
Student Center

574

575

Special Events

Special events are activities that are designed primarily to involve people in a specific activity and are often used as fundraisers as well.

Special events may include activities such as golf tournaments, banquets, concerts, food tastings and a myriad of other events. Because they are usually very labor intensive, special events should be viewed primarily as friend raisers rather than fundraisers. Special events are usually fun, involve lots of people and have high visibility. There are also lots of opportunities for involvement and participation. For these reasons, events are particularly useful to kick-off or wrap-up major campaigns.

Since they are labor intensive, the planning of an event should be done through a well-organized committee. Getting volunteers involved in a committee is an excellent way to build awareness of the foundation and to train individuals in fundraising. Those who do well in a committee assignment might become candidates for foundation board positions or other leadership roles. Working together on a committee is a good way of getting to know the interests and giving potential of individuals and is an excellent form of donor cultivation.

In organizing a committee to put on an event it is important to do the following:

- Write a clear and concise purpose statement for the event
(i.e. Why are you doing the event?)
- Agree on a clear goal for the event
(i.e. How many tickets do you intend to sell?
Or, "How much revenue do you need to generate?")
- Budget resources, staff support and out of pocket expenses in advance
(Make sure each leader knows what support is available and how much budget, if any, they have to work with)
- Avoid surprises. Develop contingency plans in advance to deal with ticket sales shortfalls, bad weather, and other possible problems.
- Create a clear, concise and realistic timetable for each step
- Break down every job into small, manageable tasks

- Recruit lots of help -- the more, the better.
- Assign each task to a box on an organizational chart

Typical tasks may include the following:

- Event chairperson (Key worker with lots of time)
- Honorary chairperson(s) - PR value only
- Publicity and promotion (Advertising)
- Ticket sales
- Donations and underwriting
- Brochure design
- Location coordinator (i.e. Hotel or golf course representative etc.)
- Food (Catering and/or donations)
- Beverages
- Entertainment
- Budget control
- Records and reporting
- Correspondence (Confirmation and thank you letters)
- Registration/reception
- Awards and recognition
- Hosts and hostesses
- Security
- Event insurance
- Rental of furniture or equipment
- Parking
- Scorekeepers, timers, hole-in-one watchers etc. for athletic events
- Gifts and door prizes

- Select a leader and a backup person for each task. Assignments can be combined or expanded to fit the event and the people available
- Assign similar or related tasks to team leaders
- Prepare written job descriptions and expectations for each leader
- Meet regularly with the entire team to check progress
- Meet after the event to debrief the team and thank everyone.

JOIN THE FUN AS NEW ORLEANS COMES TO TOWN!

Bourbon Street meets the Bay Area at the biggest party of the year!
Saturday, October 16 • 8:30 pm - 2:00 am • NewPark Mall

Dance to great live music by:

- Preservation Hall Jazz Band
- Queen Ida and her Zydeco Band
- Big Bang Beat
- Mumbo Gumbo
- Salute to Glenn Miller
- California Cajun Orchestra
- and more on four stages!

Food, fun & entertainment:

- Mardi Gras parade
- Strolling musicians & jugglers
- Complimentary food from local restaurants



Tickets now available at:

- Fremont Bank • The Book Mark
- NewPark Mall Gingiss Formalwear
- Newark Chamber of Commerce
- Ohlone College Bookstore

Advance tickets \$45.00 per person

Ohlone Ball tickets and information:
(510) 659-MAIL

 All proceeds benefit the
Ohlone College Foundation

PRESENTING SPONSORS:

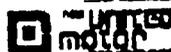
 **FREMONT BANK**

The Argus

NEWPARK MALL

 **KTVU**

MAJOR SPONSORS:



Ohlone Ball Goes Mardi Gras
Objectives and Working Guidelines*

OBJECTIVES

- Raise a minimum of \$50,000 in net proceeds for Ohlone College student scholarships
- Create "the biggest party around"
- Create positive visibility for the Ball and the Ohlone College Foundation
- Involve many community organizations in all planning and production of the Ball

WORKING GUIDELINES

- Have fun
- Communicate between meetings
- Do work between steering committee meetings (not at the meetings)
- Work cooperatively as one family towards one common goal
- Committees will prepare written reports for steering committee meetings
- Committee chairs will attend all steering committee meetings (2nd Tuesday of the month at 8:00 am) or send a replacement
- Committees will develop and present to the steering committee their own committees objectives, timeline, budget, names of committee members, and resource & volunteer needs
- Names of new committee members will be given to Peter Hoffman
- Keep expenses as low as possible (through in-kind donations, trade-outs, bidding, etc.)

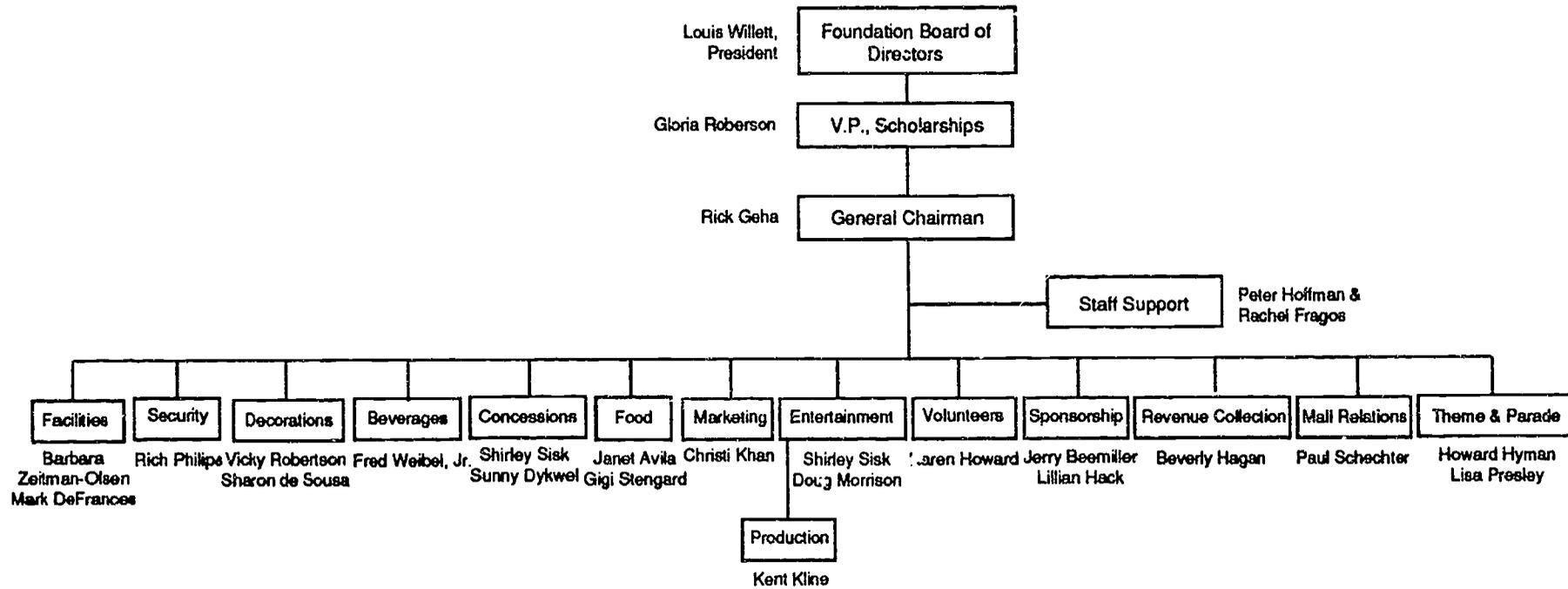
Ohlone College Foundation
Ohlone Ball Goes Mardi Gras
Sponsor Benefits

Level	Contrib	Sponsor Benefits	
Presenting Sponsor	Significant *	<ul style="list-style-type: none"> • Thirty tickets to Pre-Ball sponsors dinner reception • Thirty complimentary tickets to the Ball • One half page write-up in 46,000 Argus flexi • Discounted sponsors advertising rate for Argus flexi • Logo or name on major print and T.V. advertising • Logo listed on Ball ad in 100,000 college fall schedules • Sponsorship recognized in Foundation newsletter 	<ul style="list-style-type: none"> • Logo on large sponsor banner at event • Right to display "proud sponsor" banner(s) • Logo in event program, invitation, and posters • Attractive plaque for display in lobby • Spot mention in radio advertising as possible • Option of category exclusivity • Large Party Pack
Major Sponsor	\$10,000	<ul style="list-style-type: none"> • Twenty tickets to Pre-Ball sponsors dinner reception • Twenty complimentary tickets to the Ball • One half page write-up in 46,000 Argus flexi pamphlets • Discounted sponsors advertising rate for Argus flexi • Logo or name on major print and T.V. advertising • Logo listed on Ball ad in 100,000 college fall schedules • Sponsorship recognized in Foundation newsletter 	<ul style="list-style-type: none"> • Logo on large sponsor banner at event • Right to display "proud sponsor" banner(s) • Logo in event program, invitation, and posters • Attractive plaque for display in lobby • Option of category exclusivity • Large Party Pack
Major Contrib	\$5,000	<ul style="list-style-type: none"> • Ten tickets to Pre-Ball sponsors dinner reception • Ten complimentary tickets to the Ball • Quarter Page in 46,000 Argus flexi pamphlets • Discounted sponsors advertising rate for Argus flexi • Name listed on Ball ad in 100,000 college fall schedules 	<ul style="list-style-type: none"> • Name listed in event program and invitation • Attractive plaque for display in lobby • Name on sponsor banner at event • Large Party Pack
Gold Sponsor	\$2,000	<ul style="list-style-type: none"> • Four tickets to Pre-Ball sponsors dinner reception • Four complimentary tickets to the Ball • Paragraph in 46,000 Argus flexi pamphlets • Discounted sponsors advertising rate for Argus flexi 	<ul style="list-style-type: none"> • Name on sponsor banner at event • Name in event program and invitation • Attractive plaque for display in lobby • Small Party Pack
Green Sponsor	\$1,000	<ul style="list-style-type: none"> • Two tickets to Pre-Ball sponsors dinner reception • Two complimentary tickets to the Ball • Name listed in 46,000 Argus flexi pamphlets • Discounted sponsors advertising rate for flexi 	<ul style="list-style-type: none"> • Name listed in event program • Attractive certificate for display in lobby • Four sets of beads
Purple Sponsor	\$500	<ul style="list-style-type: none"> • Two complimentary tickets to the Ball • Name in 46,000 Argus flexi pamphlets • Discounted sponsors advertising rate for flexi 	<ul style="list-style-type: none"> • Name listed in event program • Attractive certificate for display in lobby • Two sets of beads

Presenting Sponsors:

Contribute significant resources of personnel, facilities, services, goods, and/or cash to the Ball
 Are essential to the planning and execution of the ball
 Demonstrate an extremely high level of commitment to the Ball

**OHLONE BALL GOES MARDI GRAS
ORGANIZATIONAL CHART
OCTOBER 16, 1993 • NEWPARK MALL**



Others Who Have Expressed An Interest:

Dave Gargas, Interact
Mark Neuv (fireman)-Volunteers
Greg White (police dept)
Molly Stafford
Rosie Polivan
Helen Whately (decorations)
Jim Casey
Michael Damer/Sandra McKay
Paula Hamilton (Food Editor, Tribune)
Pam Lewis
Mike Harper- facilities

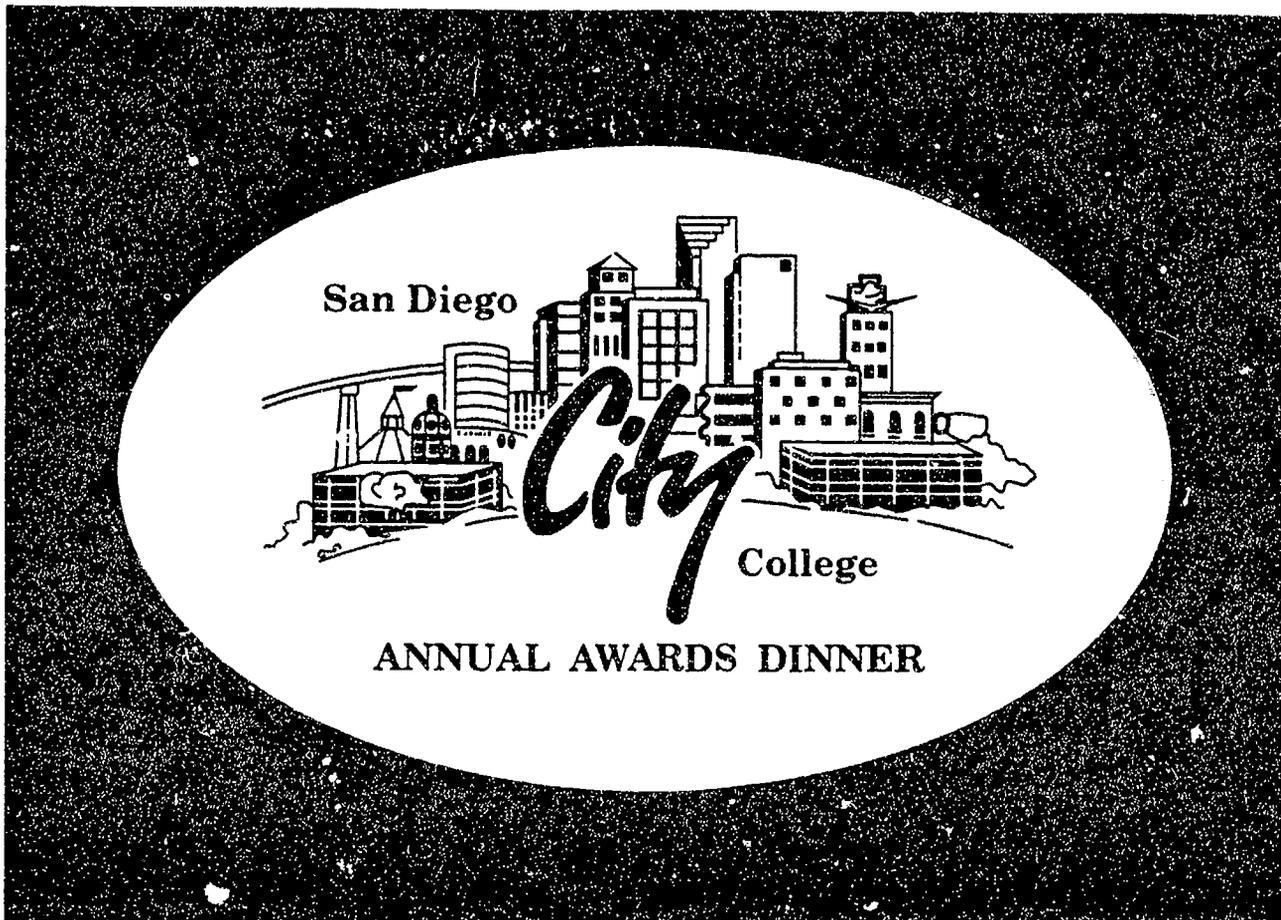
582

BEST COPY AVAILABLE

583

5/1/93

546



*The San Diego City College Foundation
and*

The City College Student Affairs Office
cordially invite you, your spouse or guest to the

Annual Scholarship Awards and Recognition Dinner
In Honor of Leaders and Achievement by City Students

Thursday, April 22, 1993
Doubletree Hotel, Horton Plaza
Downtown San Diego

6:00 p.m. Reception
7:00 p.m. Dinner

\$25 per person
Business Attire

SPEAKER:

Augustine P. Gallego, Chancellor
San Diego Community College District

Please RSVP by April 12, 1993

Make checks payable to: San Diego City College Foundation

NAME: _____

Please print

_____ *YES, I will attend the Annual Awards Dinner on Thursday,
April 22, 1993 at the Doubletree Hotel in Horton Plaza.*

The following guests will also be attending:

_____ *NO, I will be unable to attend.*

Make Checks payable to:

SAN DIEGO CITY COLLEGE FOUNDATION (\$25.00 per person)

*As a scholarship recipient, you and
one person of your choice will be a
guest of the Foundation.*

*You may invite other guests
at \$25.00 per guest*

Please return RSVP card with all attendees' names included

**The
San Diego City College
Foundation**
*would like to host
you and your spouse or guest
for this special occasion*

Please return RSVP card with both names included

585

578

San Diego City College Foundation
and
Student Affairs Office
Annual Scholarship/Recognition Banquet
Thursday, April 22, 1992

Seating by Tables

TABLE #

1. _____	2. _____
3. _____	4. _____
5. _____	6. _____
7. _____	8. _____
9. _____	10. _____

TABLE #

1. _____	2. _____
3. _____	4. _____
5. _____	6. _____
7. _____	8. _____
9. _____	10. _____

TABLE #

1. _____	2. _____
3. _____	4. _____
5. _____	6. _____
7. _____	8. _____
9. _____	10. _____

Grant Strategies

Grant proposals are useful fundraising tools for many things but grants are usually not good sources for on-going programs.

The grant office is usually not associated with the development office at private colleges and universities. Many community colleges, however, are using grant strategies in a variety of innovative ways to get some kind of development effort off the ground. Grants are helpful in funding one-time projects, buying equipment, solving a specific problem, or providing start-up funding or risk capital. Grants, particularly Title III, may be used to get a development office started. Another way grants fit into development is by supporting capital campaigns or special events. In the long-run, grants only play a peripheral role in comprehensive college development. It is important, however, that development officers understand the grant process and are able to write good proposals.

We hope that the supporting materials in this section will help to strengthen your grant-writing abilities as they relate to development. An excellent local resource on the grant process is *The Grantwriter's Manual* produced in 1992 by the National Council For Resource Development, Region IX. It is available through the development offices of Coastline College or Allen Hancock College.

Another excellent reference on grant writing is *Grant Proposals That Succeeded* by Virginia White, Plenum Press, New York, 1984.

CHANGING ATTITUDES IN WRITING FOR CORPORATIONS AND/OR FOUNDATIONS

The professional recognizes that corporations and private foundations use a different approach than government agencies do when distributing their grant funds. In that in the private sector, \$25,000 is considered a large cash grant.

The good news about submitting proposals to a private foundation or corporation is that these funders want very little to read. If they fund your proposal, they require a minimum of reporting and virtually no forms.

The bad news about corporate funding is that the average award is under \$25,000. The private sector uses its funds to improve the communities in which companies are located, to enhance their images which may have been tarnished by negative publicity. Many corporate/private foundations exist to channel funds to favorite charities of their founder(s) or CEOs who are being bugged at the country club to support certain causes and are returning past favors. In the corporate/foundation world, *people give to people*, with little concern for specific causes.

The reason many corporations support the United Way is to entice employees to give, but it also provides a way to show that the company cares about the concerns of the community where it is located.

For your institution to be successful, it must submit applications for projects which directly assist a company's or foundation's current or future employees or customers. This can include support for community activities in which employees or customers may participate.

Overall, the private sector is interested in helping causes the public believes need assistance and which are making a difference. Corporations are particularly concerned with their images so they contribute to winners.

Thus, the professional will stress how successful his or her efforts have been in specific areas and they are now seeking corporate support to expand these efforts. Corporations understand growth. A professional should never suggest that if corporate support is not forthcoming, services will cease. Corporations also know about downsizing and the corporate mentality may believe that it is sometimes a good thing.

The professional recognizes that he or she must study the key businesses within the institution's service area and that it helps both the local institution and the corporation if the corporations are represented on program advisory committees and the college's foundation board of directors.

The professional must think "local" when evaluating the possibilities for corporate or foundation funding. It helps if your institution's CEO is acquainted with key executives in your service area.

INITIAL CONTACT LETTER

USE AGENCY LETTERHEAD (Impact & Implications)

The Letter of Inquiry is a tool for getting more specific, updated information than you will find in the research and reference materials. Due to publication lags, the agency may have changed its focus, priorities, or deadlines. You will have learned that your project is within the general agency guidelines for funding (at the date of publication) prior to writing the letter.

The letter requests SPECIFIC information and is a part of the "filtering" process of your search for potential funding.

INTRODUCTION: In the first paragraph, introduce your agency, establish your eligibility for funding, your purpose and programs in general terms only.

The purpose is to establish your credibility, your eligibility as a potential grantee, and get the funding agency to respond to you. You are NOT selling your project here.....YET!

TELL THE FUNDING AGENCY WHAT YOU WANT:

- 1) Request funding agency brochures.
- 2) Request a copy of their Annual Report.
- 3) Request application forms, guidelines and information concerning deadline dates and funding cycles.

Ask for the information by return mail. Make sure your mailing address is on the letterhead. Close.

590

PROJECT TIMELINE

Time blocks can be Day/Week/Month	# 1	# 2	# 3	# 4	# 5	# 6	# 7	# 8	# 9	# 10	# 11	# 12
1.												
2.												
3.												
4.												
5.												
6.												
7.												
8.												
9.												
10.												
11.												
12.												
13.												
14.												
15.												
16.												
17.												

140

591

592

XXXXXXXXX Critical Points

1A 004 92

FORMAT: TITLE PAGE

GRANT PROPOSAL

SUBMITTED TO:

Funding Agency Name
Street Address
City, State, Zip Code

PROJECT DIRECTOR:

Name
Title
Agency
Street Address
City, State, Zip Code
Telephone: (000) 000-0000

Approved _____ Date _____

APPLICANT ORGANIZATION
AND FINANCIAL OFFICER:

Name
Title
Agency
Street Address
City, State, Zip Code
Telephone: (000) 000-0000

Approved _____ Date _____

OFFICIAL AUTHORIZED TO
SIGN APPLICATION:

Name
Title
Agency
Street Address
City, State, Zip Code
Telephone: (000) 000-0000

Approved _____ Date _____

PROPOSED STARTING DATE:

January 1, 2000

PROPOSED DURATION:

Three Years

AMOUNT REQUESTED:

\$300,000

593

~~142~~

BEST COPY AVAILABLE

555

STANDARD PROPOSAL FORMAT

ABSTRACT OR SUMMARY: Must be one page only. This is the first thing you see in a proposal and the last thing you will write. "Tricks" for quickly writing your abstract will be covered in Session Four.

INTRODUCTION: This is where you introduce your agency and establish your credibility. Your agency's history, purpose and goals should be presented here. Then go on to describe your programs, numbers of clients served, etc. If your agency is the appropriate one to do the proposed project, this should lead naturally into the next section. If you have received awards or otherwise been recognized for your programs or accomplishments, mention that here! A favorable newspaper article might be mentioned here and the entire article included as one of your attachments. If your agency has successfully implemented other similar projects or projects funded by a similar funding source mention that success. *This is where you sell the qualifications and reliability of your agency as a grantee and your capability and experience to do the project.*

NEED: You *must* provide statistical documentation of the need for your project here. How many people need this service? Where are they located (in your geographical service area)? Describe the demographics of the people that need this project, and most important describe the need in interesting, human terms. What will happen to this population if you don't do the project? Has this type of project been tested in other communities and did it work?

GOALS AND OBJECTIVES: State what your project will accomplish (outcome), if you are successful, in *measurable* terms. This is not a counting measure of the clients you serve, this is a measure of *change* in the clients you do serve. Goals are overall statements of change, and objectives break this goal down into smaller, measurable units.

METHODS: This section is where you describe, in narrative form, your program activities. If your program activities and time-line are complex, describe in summary form and use your time-line or a work statement as one of your attachments.

EVALUATION: This is simply a description of the methods you will use to determine if you are accomplishing your goals and objectives. It is a plan that includes your method, personnel that will do the evaluation, a time-line, and the criteria for success. If your agency has already developed questionnaires, forms, or other evaluation instruments that will be used in the project, include a sample in the Attachments section and refer to it here.

594

~~143~~

BEST COPY AVAILABLE

536

DISSEMINATION:

Who might care about the results of your project? You may want to submit articles about the project to professional journals, organization newsletters, or to print media that reach the general public. You may want to present information about your project at conferences or workshops. The population you want to reach should determine your dissemination plan. *Always* include plans for reporting to your funding agency.

BUDGET: A standard budget summary format and budget narrative format are attached.

595

~~144~~

557

PROPOSAL ATTACHMENTS

Everything on this list should NOT be included unless it is appropriate and important to the proposal. Also, this list is NOT all inclusive, there may be items that should be included as attachments to your proposal that are not standard. Use good judgement.

Use a "*List of Attachments*" so that the reader knows where to look for the information he/she wants to find.

Number the attachments (Attachment I, Attachment II, and so on).

Number each page of the attachment (I-1, I-2, I-3, II-1 and so on).

POSSIBLE ATTACHMENTS:

A Copy of your IRS 501(c)(3) letter.

Resumes of Key Personnel.

Agency Brochures, Agency Annual Report.

Agency Operating Budget, Sources of Funding.

Sample Evaluation Instruments.

Sample newspaper or journal articles about your agency.

Statistical reports that document what you said in the proposal (or pages from such reports that summarize information).

Timeline or Work Statement.

Board of Directors List (Some funding agencies want to know their profession, employer, geographic distribution, ethnicity).

Copy of most recent financial audit report.

536

-145 -

558

Writing for Business

Grant requests require work, not just words

The only thing you need to do to get a grant is write a good proposal. Right? Wrong.

In fact, the word "writing" in the phrase "writing a grant proposal" is misleading. Words such as "planning," "orchestrating" and "implementing" more accurately describe what it takes to secure a grant.

Whether you are applying to the federal government, a private foundation or a corporation, writing the proposal is only one step in a lengthy process. For convenience, let's divide the process into four stages:

■ Evaluating your idea and your ability to implement it.

The first thing you need to do is assess the value of your idea. Is it needed? Does it solve an important problem? Is it timely, unique and innovative? Can you or your organization realistically follow through on what you are proposing?

As reported in the Chronicle of Higher Education on Jan. 14, 1987, foundations generally base their decision to finance a project on five criteria: the quality of the people involved, the significance of the problem, the importance of the solution to the problem or the idea being proposed, the stature of the sponsoring institution, and the reasonableness of the price.

How does your idea measure up to these criteria?



STEPHEN WILBERS

■ Finding a likely funding source

Many grant proposals are denied simply because they are submitted to the wrong agency. Read carefully a prospective funder's guidelines, eligibility requirements and evaluation criteria. Inquire by phone or brief letter to see whether a granting agency has any interest in your project. Request a list of previously financed projects. You might even want to ask for guidance and advice on how to develop your proposal. Many professional grant-proposal writers will tell you that involving the agency's staff at this stage can create interest in your project.

■ Gathering internal and external support.

This is the stage in your planning when you get people involved, both inside and outside your organization. Make sure you have the personnel needed to carry out the project. Find out

whether they are committed to your idea. Depending on the nature of your project, you might want to assemble a board of advisers or solicit letters of support from well-known authorities.

■ Drafting, revising and submitting your proposal.

Structure your proposal according to the guidelines provided by the granting agency. If no form or guidelines are provided, follow this standard 10-part format: title, summary or abstract, introduction, description of the problem, proposed solution and anticipated outcomes, methods or rationale, personnel and facilities, project evaluation, budget and appendix.

Now — finally! — you're ready to begin writing. Here are some tips:

■ Emphasize why you or your organization is the best-qualified to solve the problem.

■ Support your proposal with concrete and specific documentation, but don't overdo it.

■ Present your strongest arguments and most compelling documentation first.

■ Anticipate the reviewers' questions in articulating your rationale.

■ Concentrate on what you think is the weakest part of your proposal. Often this is the budget.

■ Be consistent in style and format throughout your proposal.

■ Make sure your proposal is complete, free of errors and attractively presented. Visual aids such as charts, graphs and tables are generally appreciated by the readers.

■ Before submitting your proposal, ask colleagues and experienced grant-proposal writers to read and critique it.

Well, it's quite a process, isn't it? I don't mean to discourage you from giving it a try, but consider this: "Writing" the proposal is the easy part. If you get the grant, the hard work will have just begun.

For information on grant-proposal writing resources, write to The Foundation Center, 888 Seventh Ave., New York, NY 10019. The center acts as a clearing-house for information about philanthropic organizations. Your local library may have these resources: National Data Book, Corporate 500 Directory, Catalogue of Federal Domestic Assistance, The Federal Register, The Foundation Directory, Foundation Grants Index, Chronicle of Philanthropy, Foundation News and Non-Profit Times.

Stephen Wilbers is a writing consultant who teaches writing principle and techniques to businesspeople. Send your questions or comments on effective business writing to him in care of The Orange County Register Business Department, PO Box 1162 Santa Ana, Calif. 92711.

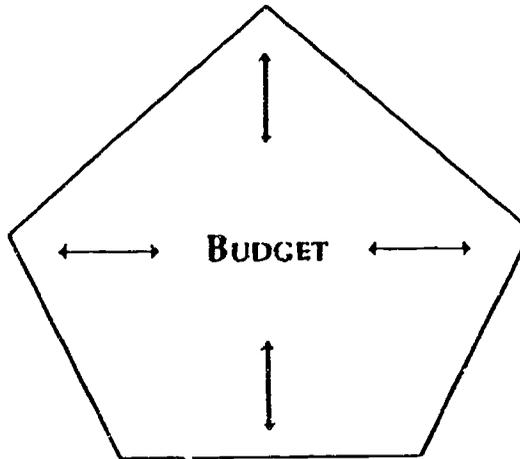
CONCEPT PENTAGON

NEED

1. _____
2. _____
3. _____
4. _____
5. _____

DISSEMINATION

1. _____
2. _____
3. _____
4. _____
5. _____



METHOD

1. _____
2. _____
3. _____
4. _____
5. _____

EVALUATION

1. _____
2. _____
3. _____
4. _____
5. _____

GOALS & OUTCOME: OBJECTIVES

1. _____
2. _____
3. _____
4. _____
5. _____

139

527

599

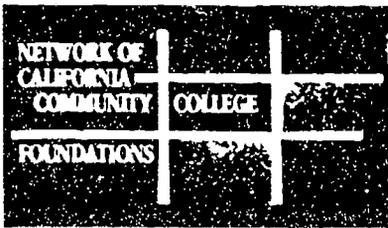
599

Corporate and Business Fundraising

Corporate campaigns are special solicitations aimed at getting direct support from businesses or through corporate foundations. A variety of strategies are used to generate business support including written proposals, mail solicitations, and special events aimed at business interests.

The following five approaches to business or corporate support will get you started:

1. Involve and serve small businesses to earn their support. Small business seminars, economic development activities, business expos, conferences, and guest speakers are all ways of providing service and perhaps making a few dollars for your community services program at the same time. For example, Ohlone College sponsors an annual conference called the Business Roundtable that not only generates over \$90,000 for the foundation each year but serves the business community well at the same time.
2. Smaller, local businesses can be solicited with a letter and a brochure. The brochure and letter are similar to annual fund materials but they should focus on what the college does for business and should ask for gifts in support of business-related projects.
3. Larger corporations and those located outside the college district are usually approached through a written proposal for a specific project. Usually, the best approach is to first discuss the project with the local representative of the corporation to get his or her support. Directories of corporate funds and foundations are available from several sources. The *Corporate Giving Report* published by Taft Publications is an excellent, but expensive, periodical reference.
4. Involve key business leaders in advisory roles for each job-related program. If the leaders help to identify program needs and equipment or funding shortfalls are identified, these same leaders can be tapped to help raise funds to meet the needs.
5. Businesses can also be very helpful in donating gifts in-kind. In-kind donations could include new or used technical equipment, furniture, repairs or equipment support, printing or design services, meeting space, food or beverages, advertising, mailing services, staff support, typing, and executives on loan.



FOUNDATION DEVELOPMENT

Abstracts

BUSINESS ROUNDTABLES BOOST FUNDS AND AWARENESS

Kathy Maag and Peter Hoffman

(Editor's Note) Ohlone College has developed an innovative and highly successful approach to corporate contributions to its Foundation. The Business Roundtable is the Foundation's annual conference that combines participation opportunities for many business people, as financial support for the Foundation.

Forming good relationships with businesses in your college community is worthwhile for two reasons:

- The business's employees can lend their expertise to help your college's programs.
- Companies can make corporate contributions to help your foundation's bottom line.

A Business Roundtable is an excellent relationship-starter. The Ohlone College Business Roundtable in Fremont, California began four years ago to establish a partnership between education and business and to foster the image of Ohlone College. It has been successful beyond anyone's dreams. It is by far the Foundation's biggest annual fund raiser, and has resulted in tremendous publicity for the college.

The key to the Business Roundtable is the sponsor-college relationship. Through the sponsor companies, the Ohlone College Foundation is given a generous donation, volunteer leadership for the Roundtable committees, and access to other corporate resources. Additional benefits to the college include curriculum enhancement and improvement in the college's own quality processes.

Another vital part of your Roundtable planning is to find a hot topic. The Ohlone College Business Roundtable has focused on quality for the past two years, and has sold out both Roundtables weeks in advance.

Quality will continue to be the focus of the 1993 Roundtable because quality and customer service are topics that are vital to businesses now and in the future.

This abstract can help you develop a Business Roundtable to generate funds and publicity for your foundation.

HISTORY

You don't have to start with 16 corporate sponsors and 50 speakers. The first Ohlone College Business Roundtable, in 1989, began with five sponsors and 10 speakers. In fact, the keynote speaker didn't even show up. But that didn't daunt the group.

With a theme of "Managing a Volatile Future," the first Roundtable attracted 270 participants and raised \$27,000 for the Foundation. The second Roundtable, "Managing the Workforce of the Future," attracted 250 people and raised \$43,000. The third Roundtable in 1991, "Countdown to Quality," proved to be a "hot" theme and was extremely successful. It sold out weeks ahead of time, with 500 participants, and raised \$53,000 for the Foundation.

This year's Roundtable, "Leading the Quality Commitment" was the largest yet, with 16 corporate sponsors and a strong slate of more than 50 speakers in five tracks. The 1992 event sold out two months in advance and raised more than \$90,000 for the Foundation's programs. You can have the same success.

SPONSORS ARE KEY

The key to a successful Roundtable is the sponsors. Sponsors from the Ohlone Roundtable pay a fee of \$5,000. In return, the company sends up to ten participants free to the Roundtable, receives ten invitations to the prestigious Sponsors' Recognition Dinner, and gets publicity in all Roundtable collateral, including newspaper ads, brochures, a banner at the conference, and press releases.

Sponsors also get an opportunity to participate in conference planning or to present one of the breakout sessions. They also get to network with other local business leaders. To start a business Roundtable in your area, we suggest that you round up represen-

tatives from the top companies in your community for an initial brainstorming session. After you have your core sponsor group, enlist their help to host a Sponsors' Luncheon at one of their sites to get more companies involved.

Don't worry if you get only a handful of companies involved in the beginning. If your Roundtable is successful, you will have companies knocking on your door next year wanting to get involved.

SPEAKERS VOLUNTEER THEIR TIME

Also, unique is the fact that about 80 percent of the presenters at the Roundtable are practitioners, rather than consultants. The Roundtable steering committee decided that more people would be interested in hearing from employees doing hands-on work rather than consultants.

The speakers do not get paid; they volunteer their time. They do get to attend the Roundtable free the day of their presentation if they want. Of course, speakers are sent gracious thank-you notes and receive a small gift.

HOW TO GET STARTED

The Roundtable is organized as a two-day conference with various topics focused on a central theme. Its work is done primarily by volunteers from the sponsoring companies, with paid help from the Foundation's executive director, an assistant, and a marketing consultant.

Use your sponsor companies. Place their employees designated to work on the Roundtable and on committees to help you carry out the work.

The following committee assignments will help your group get organized:

- The **program committee** decides the theme, the schedule, the tracks and the sessions, and commits the keynote speakers, as well as other concurrent session speakers.
- The **logistics committee** is the liaison between the conference and its chosen conference facility, looking into what size and how many rooms are available, lunch and dinner menus, registration, and logistics during the Roundtable itself.
- The **sponsor committee** hosts a pre-Roundtable luncheon and uses its business contacts to involve other companies as sponsors.

- The **marketing committee** plans the advertising, chooses the speakers' and participants' gifts, and works with the marketing consultant on the brochure.

- The **steering committee** consists of heads from each of the above committees, as well as the staff and the Roundtable chair.

- **Volunteers** do about 80% of the work for the Ohlone College Business Roundtable. Don't hesitate to ask them to help with any task that comes up.

ADDED ATTRACTIONS ARE A PLUS

Add something unique and interesting for your conference attendees. Tours of local companies not normally open to the public are a unique part of the annual Ohlone College Business Roundtables.

The 1992 Roundtable participants had a choice of seven tours of quality area companies, including car and truck manufacturing at New United Motor Manufacturing, Inc., on-time, overnight delivery operations at Federal Express, and high-tech manufacturing at Solectron.

Buses take participants to and from the tour sites. The most successful tours utilize employees in key work sites who stop their work to explain the operation.

GIVE YOURSELF PLENTY OF TIME TO PLAN

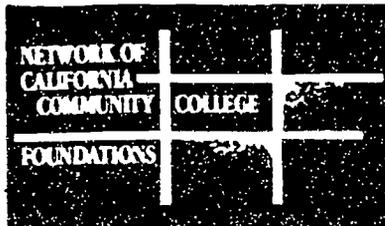
In the first few years, the Ohlone Roundtable was planned and executed in about four months. This year, planning started immediately after the last Roundtable with a review of participant evaluations. It was a year-long process that gave the group plenty of time for planning, marketing, and preparation.

Go ahead and dive in. A Business Roundtable is great publicity—and potentially great financially for your college. Remember to foster those business relationships. Those companies will be your college's friend for years down the road.

Kathy Maag is president of P.R. Connections of San Jose, the marketing consultant for the 1992 Ohlone College Business Roundtable.

Peter Hoffman is executive director of the Ohlone College Foundation.

Foundation Development Abstracts is published by the Network of California Community College Foundations. For further information or additional copies, please contact Jim Anderson at Chaffey College, 5885 Haven Ave., Rancho Cucamonga, CA 91737-3002, or call 714-941-2112.



FOUNDATION DEVELOPMENT

Abstracts

WRITING FOR DOLLARS: PROPOSALS TO FOUNDATIONS AND CORPORATIONS

Ann Ransford

Introduction

Each year foundations and corporations receive stacks of proposals from numerous organizations for many worthwhile projects. Foundations have limited funds and they desire to use them for projects that will have the greatest impact. Foundation grants represent venture capital for the purpose of solving community problems and/or improving human conditions. Foundations fund organizations that provide them with viable solutions and quality proposals. Which proposals do they choose and why? The following tips will help you increase your chances of successful grantsmanship. Before you pick up the phone, take pen in hand, or leap to the computer to start writing, the following issues should be addressed.

Competition

The competition for grants is intense. Think about the causes that need funding—the homeless, victims of child abuse, the unemployed, drug abuse programs, literacy, disease research, the arts, and the environment to name a few. You are in a competitive market, and you must package your proposal to sell and be ready to sell it with knowledge and enthusiasm.

Four Elements of Success

The following four elements are essential to accomplish a successful grant.

- A viable plan
- Research
- Access to the decision maker
- Follow through

At the root of successful fund raising is a good organizational plan. A vision of where the organization is going and what it plans to accomplish in the future. All proposed projects should fit into the plan and be well thought out with strong probability of success. Program reviewers can detect vague undeveloped ideas. In addition, it is difficult to sell, either verbally or in writing, a project that you do not fully understand or cannot clearly describe.

Research encompasses a variety of issues. You must know the foundation or corporation's areas of interest. In the case of foundations, in general, the fields of interest are limitless; however, each foundation has its own set of

funding priorities. Corporations, on the other hand, are interested in areas such as exposure, expanding opportunities, or benefits for employees such as training.

Four Elements of Success Continued

You must also know about each funding source's specific requirements. For example, what is the format for application, to whom do you send the proposal, do they require written support from a district or local manager, what are the geographical areas in which they fund, are there deadlines? What is the correct spelling and title of the individual? I know of one program officer who refuses to fund any applicant that misspells her name.

Other research issues include what type of organizations and projects have they funded in the past, and do they have a history of funding in this area? Many of these questions can be answered by studying the annual report. Other resources include foundation directories, foundation libraries, organization's IRS 990 form, and asking questions directly of the funding source.

Most successful grants have involved a close relationship between the recipient and the source. How do you develop this relationship? ...through all your contacts. If you are involved in the community, you should always be on the lookout for potential funders. Board members or community leaders often can be your entries or referrals from foundations or corporations that have funded you in the past. Be very careful about contacting board members of foundations where you are seeking funds. Some request, specifically, that this not occur.

Follow through is one of the most essential ingredients of success. When you make contact with a potential funder, you are being judged. Remember that these funders want to make solid investments in the community with services provided by quality organizations. Do what you say you will do with no exceptions. Return phone calls, get the proposal in by the deadline, and respond to requests immediately.

Use The Telephone

The phone is a tremendous tool. It provides you the opportunity to get to know someone and develop a relationship, so use it wisely. Do your homework before contacting potential funders. Don't ask time consuming questions if you can get the answers yourself. For example, what is your address, who have you funded, how much money

should I ask for? Do ask concept questions about your proposed solution. Be aware of the voice on the other end—if the person seems hassled—volunteer to call back. Don't talk about yourself or provide endless details about your organization unless asked. Listen for clues and be organized.

The Written Proposal

After you have researched the prospects and developed an attractive project, you are now ready to write your proposal. Most foundations and corporations prefer a one- or two-page overview or executive summary outlining the organization's purpose, the specific request, and the justification for the project. The content of the proposal may vary, however, in all proposals there is certain standard information that should be included. This information includes a brief statement about the organization's background, purpose of request, short- and long-range plans, the budget, and list of other funding sources. Attachments are used for other information, such as the list of Board of Directors, verification of tax-exempt status and background information.

Background

This section of the proposal presents statistical information about population served and discusses the goals and objectives of the organization. It describes current activities, accomplishments, and describes specific conditions or history unique to the project. It should also include information about support you received from community or other organizations and explain your fiscal management capability and experience.

Purpose of the Request

The statement of purpose should include the target population to be served and the problem that will be addressed. Information should be based on research and support and the documented problem or need. It is important to make a logical connection between your organization's background and the problems you intend to solve.

Program Objectives and Results

This area of the proposal is presented in outline form. It states each objective in measurable terms.

Method and Program Plan

This segment of the proposal includes information about the rationale for selecting the particular program plan. It further describes the activities, tasks, events, and staffing necessary to accomplish intended results. It presents an orderly sequence of events over a specific time frame.

Evaluation

Specific criteria should be described for monitoring and evaluating the project. Describe methods for keeping the project on target and how to determine if you have met your objectives.

Future Funding

It is important to let a funder know how you plan to continue the project after the grant is expended. Identify additional funds needed and the source of these funds. If the project can generate income through fees for services, this is usually viewed positively.

Budget

Proposals must include a budget that outlines both administration and program costs. The budget should reflect the costs for the project, not only the general operating budget. Budgets should be structured in columnar form, listing the expenses on the left and the dollar amount in the right column, and should follow general accounting principles.

Cover Letter

A cover letter should always accompany a proposal and must be addressed (by name) to the individual responsible for the funding program. Here is the opportunity to summarize and to present information that didn't fit anywhere else in the proposal. In addition, you can indicate your support by the person who signs or co-signs your letter. This person should be in a position to speak with authority about your organization. Include a phone number for future contact.

In conclusion, if your written proposal is concise, well organized, and understood by the reader and you have given attention to your competition, have a viable plan, researched your prospects, identified the decision maker, and you continue to be persistent and enthusiastic—you have excellent odds for success.

Ann Ransford is Executive Director of the Glendale College Foundation, Inc., Glendale, California and NCRD Director, Region IX

Foundation Development Abstracts is published by the Network of California Community College Foundations. For further information or additional copies, please contact Jim Anderson at Chaffey College, 5985 Haven Ave. Rancho Cucamonga, CA 91701-3002, or call 714 941-2112

YOU'RE INVITED TO

Join the Quality Revolution



Presented By: Ohlone College Foundation
and The Mercury News

MAY 19-20, 1993 - SANTA CLARA MARRIOTT

TRACKS

- Customer Satisfaction
- Employee Teams
- Psychology of Quality
- Quality Leadership
- Quality Tools
- Sustaining Quality
- Training for Quality

HIGHLIGHTS

- Keynote Speakers: Dr. Stephen R. Covey, Internationally Renowned Speaker and Author, and Horst Schulze, President and CEO, Ritz-Carlton
- One-day, Pre-Conference Workshop: Introduction to Total Quality Principles
- Roundtable Fee Includes Tours of Leading Businesses Focusing on Quality
- Hear From Experienced Team Members, Managers and CEOs

Sponsors To Date

Ohlone College Foundation,
The Mercury News, American
Medical Response, Inc., Apple
Computer, Inc., Applied Materials,
Cisco Systems, Conner
Peripherals, Denron, HMT Tech-
nology, Inc., Intel, Moore Busi-
ness Forms, New United Motor
Mfg., Inc., Pacific Bell, Pacific
Gas and Electric, Pro Fasteners
Read-Rite Corp., Solectron,
SyQuest Technology, and
Owens-Corning Fiberglas

FOR MORE INFORMATION CALL 510/659-6020

THE FIFTH ANNUAL OHLONE COLLEGE BUSINESS ROUNDTABLE

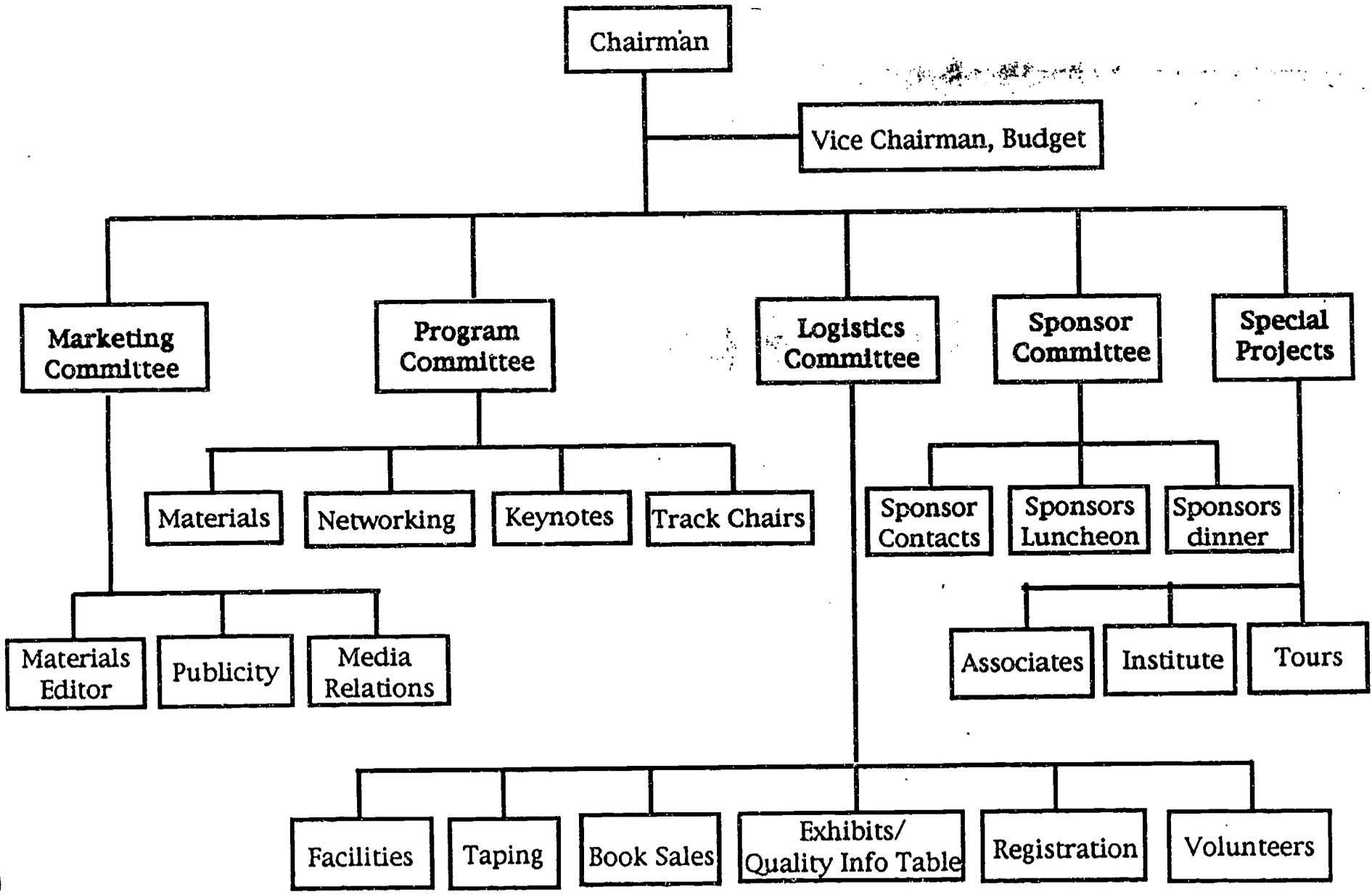
605

BEST COPY AVAILABLE

566

Fifth Annual
Ohlone College Business Roundtable

57



567

6/26/92

616

BEST COPY AVAILABLE

617

**Fourth Annual
Ohlone College Business Roundtable**

SPONSOR BENEFITS

- Recognized as a leader in local business community
- Send up to ten participants to the Business Roundtable
- Send up to ten individuals to the Sponsors' Recognition Dinner
- Opportunity to network with other leading-edge local companies
- Receive visibility through brochures, Mercury News Ads, conference materials, and a large banner
- Be associated with a major and successful educational conference on "quality"
- Participate in conference planning
- Present a program session on quality

Fifth Annual Ohlone College Business Roundtable
"Join The Quality Revolution"
Presenter Information

Our Expectations

- Presenters will utilize a variety of instructional techniques, i.e.: lecture, visual aids, handouts, discussion, etc. Studies show retention of information is greatly increased when people both hear and see the information.
- Because you have more to say than time allows, please use handouts to augment your presentation. This can serve several good purposes. First, it allows you to concentrate more on the other parts of your presentation by simply referring to the information, rationale, etc., contained in the printed material. Second, it provides a valuable reference piece and reminder to your audience of the point which you made.
- Instructional materials will be understandable and of high quality. Quality here means handouts will be word processed/typed, legible, timely (current to trends), and stapled or bound (if more than one sheet). Handouts should be 3-hole punched for inclusion in participant binders. The recommended number of copies is 200.

Note: Ohlone College will make copies of clean masters submitted two weeks prior to your session. We will do our best to protect your materials. However, lost or damaged presentation materials will not be the responsibility of the Ohlone Business Roundtable, therefore, please keep a high quality master (if possible). Refer to the mailing information at the end of this communication.

- The conference rooms tend to be long and narrow, therefore, viewfoils/transparencies will be simple, large type or print, well-spaced to afford reading from a distance. Lettering should be at least 1/4" high. Thirty point to 36 point type is usually appropriate; avoid type smaller than 24 point.

Basic Presentation Guidelines

After you have a good sense of what is expected of you and what the logistical arrangements and constraints are, you will be better prepared to organize your knowledge in the best manner to effectively educate your audience. Remember, although some in your audience may also be knowledgeable about your topic, only you know it from your unique perspective and experience. In this effort we offer the following suggestions:

1. **Focus on key points.** If possible reduce your message to a few basic ideas. Then build your presentation to support those ideas.
2. **"Brevity is blessed"**. Be as brief and concise as possible. The questions and discussion phase can allow for elaboration or clarification if necessary.
3. **Relate to your audience.**