7.6 Policy and Procedures for Private Fund Raising

In accordance with KCTCS Board of Regents Policy Private Fund Raising, the following policy and procedures are set forth:

7.6.4 Coordination of Private Fund Raising

The KCTCS Office of Institutional Advancement shall be responsible for initiating and implementing system-wide coordination of all private fundraising activities in support of KCTCS and/or any or all of its parts, including recognized independent foundations.

7.6.4.1 Solicitation of Major Gifts

The solicitation of gifts of $10,000 or more shall be carefully coordinated between the KCTCS Office of Institutional Advancement, the college development offices, and the recognized foundations to maximize the potential gifts from prospective contributors and to avoid the possible duplication of major gift requests from various parts of KCTCS at the same time. In cases where one or more parts of KCTCS intend to solicit major gifts from the same prospective donor within the same time period, the KCTCS Office of Institutional Advancement shall work closely with the colleges involved to resolve the timing and methods of solicitation in order to maximize the potential gift. The KCTCS Office of Institutional Advancement shall coordinate a list of certain individuals, organizations, corporations, and foundations that are deemed to have such a special relationship to the System that they are not to be solicited without the approval of the KCTCS President.

7.6.4.2 Private Funds Required for State and Federal Grants

The Office of Institutional Advancement shall work closely with the colleges and the KCTCS Office of Sponsored Projects to assess the fund-raising potential for private funds required as matching dollars for any state or federal grants prior to the submission of grant applications that would place such an obligation on the System.

7.6.5 Criteria for Acceptance of Gifts

Gifts shall be accepted that are deemed beneficial to KCTCS. In evaluating the appropriateness of proposed gifts, the following criteria will be considered:

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

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

7.6.6.1 Contributions of Property (Gifts-In-Kind)

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

KCTCS will not furnish property appraisals or valuations of property to donors for tax purposes or knowingly participate in a transaction in which the value of a gift is inflated above its fair market value to obtain a tax advantage for the donor. The valuation of gifts-in-kind shall be the fair market value, as stated in writing by the donor for gifts of $5,000 or less or as stated by a qualified third-party appraiser for gifts of more than $5,000. “Fair market value” is defined by the Internal Revenue Service (IRS) as “the price at which property would change hands between a willing buyer and a willing seller, neither having to buy or sell, and both having reasonable knowledge of all the relevant facts.”

7.6.6.2 Restricted Gifts

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

7.6.6.3 Unrestricted Gifts

Donors may make unrestricted gift(s) to KCTCS and/or all of it parts, whether for immediate use or for endowment. Unrestricted gifts to the System Office of KCTCS shall be used for system purposes at the discretion of the KCTCS President. Unrestricted gifts to a KCTCS college shall be used at the discretion of the college president/chief executive officer for college purposes within guidelines established by the KCTCS Vice President for Finance and approved by the KCTCS President. Unrestricted gifts made to a recognized foundation shall be used in accordance with policies and procedures established by the foundation’s board of directors.
7.6.6.4 Endowments

KCTCS will accept funds from donors who desire to establish an endowment, meaning the fund corpus shall be invested and only the income distributions therefrom used for expenditures to achieve the endowment’s designated purpose. An endowment agreement between the donor, the president/chief executive officer of the beneficiary institution, and the President of KCTCS shall be prepared for each new endowment fund established through the KCTCS Office of Institutional Advancement and the KCTCS Treasurer. All endowment funds contributed to KCTCS and any or all of its parts shall be invested and managed by KCTCS in accordance with the KCTCS Statement of Investment Policies, Objectives, and Guidelines. Income distributions will be deposited into restricted gift accounts for expenditures by the designated institution as stated in the endowment agreement with the donor. The KCTCS Treasurer and Office of Institutional Advancement shall provide annual reports to the colleges for the purpose of reporting to endowment donors on the investment performance of their respective endowment account(s).

7.6.7 Documentation

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

7.6.7.1 Processing and Recording

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

7.6.7.2 Reporting

The KCTCS Office of Institutional Advancement is designated as the central development office of KCTCS and shall prepare and issue all official reports on private giving on behalf of KCTCS. All gifts received by KCTCS, and all of its parts, including recognized independent foundations, shall be reported in accordance with guidelines and standards of the Council for the Advancement and Support of Education (CASE), the Council for Aid to Education (CAE), the Government Accounting Standards Board (GASB), the Financial Accounting Standards Board (FASB), and the National Association of College and University Business Officers (NACUBO).
7.6.8 Gift Receipting and Acknowledgment

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

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

7.6.8.1 Donor Recognition

The KCTCS Office of Institutional Advancement shall develop and recommend to the KCTCS President for approval various forms of recognition that are commensurate with the level of private support being received by the System and any or all of its parts, including recognized foundations. The President shall submit for approval by the KCTCS Board of Regents the recognition of donors in the form of named academic positions and named buildings. Colleges are encouraged to create various forms of donor recognition at the local level.

7.6.9 Donor Rights

KCTCS ascribes to the Donor Bill of Rights (attached hereto) and shall make every effort to be aware of and sensitive to the prospective donor’s financial needs and concerns. All KCTCS representatives involved in the solicitation process shall use their best judgment in aiding donors to make appropriate gifts. Neither KCTCS nor any of its parts should knowingly accept a gift that is contrary to the donor’s best interests.

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

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