7.4 Recognition of Independent Foundations

Any independent, not-for-profit foundation organized for the purpose of raising private funds and working to enhance the programs and services for any institution of the Kentucky Community and Technical College System (KCTCS) shall seek recognition as the fund-raising arm of the institution with which it is associated and shall adhere to the following policy:

7.4.1 Legal Status

The foundation shall be recognized by the Internal Revenue Service (IRS) as a Section 501(c)(3) organization. A copy of the IRS Determination of Tax Status shall be supplied to the college and be made available for review upon request to officials of KCTCS.

The foundation’s Articles of Incorporation shall provide that the sole purpose of the foundation is to support the KCTCS college with which it is associated. The Articles shall also provide that, in the event the foundation is dissolved, all assets and property will be transferred to the college that is part of KCTCS.

The foundation’s bylaws will more specifically provide for the role of the foundation, its board of directors, and its committees. The bylaws shall not be inconsistent with these guidelines.

7.4.2 Board of Directors

7.4.2.1 Membership

The foundation’s board of directors should be comprised as follows:

- No less than 6 members and no more than 30 members. Elected board members from the community shall comprise the majority of the foundation board.

- The college president/chief executive officer shall be an ex-officio, voting member of the foundation’s board of directors. Per the Commission on Colleges of the Southern Association of Colleges and Schools (SACS) Principles of Accreditation, “The institution’s chief executive officer has ultimate control of the institution’s fund-raising activities.”

- The college’s chief development officer or other person chosen by the college president/chief executive officer shall be an ex-officio, voting member of the foundation’s board of directors and shall serve as the foundation’s executive director.
At least one member of the foundation’s board of directors shall be elected from the current membership of the college’s board of directors to serve as an ex-officio, voting member.

The terms of all members of the foundation board of directors shall be staggered so that approximately one-third of the terms expire each year, except that the ex-officio members shall serve for the periods that they hold their respective offices.

### 7.4.2.2 Compensation

Members of the foundation’s board of directors shall serve without compensation, but by resolution of the board of directors may be reimbursed for expenses paid or incurred in the performance of their duties as directors.

### 7.4.2.3 Meetings/Minutes

The foundation’s board of directors shall meet a minimum of two times per year with a majority of the members present. The Executive Committee or other committees of the board of directors may meet on a more frequent basis as needed.

The foundation’s Secretary shall keep accurate minutes of all meetings of the directors and shall have the care and custody of the foundation’s minute book.

### 7.4.2.4 Custody and Care of Funds

The foundation shall have a Treasurer who is a voting member of the foundation’s board of directors. The Treasurer, subject to the order of the board of directors, shall have the care and custody of the money, funds, valuable papers, and documents of the foundation, and shall have and exercise, under the supervision of the board of directors, all the powers and duties commonly incident to such office. The Treasurer shall deposit all funds of the foundation in such bank or banks, trust company or trust companies, or with such firm or firms doing a banking business, as the board shall designate.

### 7.4.2.5 Audit/Reporting Guidelines

The foundation shall file annually and make available for public review the IRS Form 990 as required by federal law.

The foundation shall supply annually to KCTCS the names, home and business addresses, and telephone numbers, and titles of its board of directors.
The foundation shall provide to the development office of the college with which it is associated the names and addresses of prospective donors and the donors’ names, addresses, and amounts and designation of gifts received in a manner prescribed by the KCTCS Office of Development, for the purpose of appropriate reporting, acknowledgment, and recognition by KCTCS.

### 7.4.3 Fund-Raising Practices

The foundation should assure that in all solicitations, the solicitors

- Identify his/her relationship to the foundation and the KCTCS college for which they are seeking support.

- Advise donors at the time of solicitation that they may make contributions directly to the college to be deposited into appropriate gift accounts maintained by the college.

- Clearly state the purpose, programs, and activities for which the funds will be used.

- Conduct fund-raising without excessive pressure.

- Should not directly or indirectly solicit contributions for any purpose by misrepresentation of his/her name, occupation, financial condition, social condition or residence, and no person should make any other misstatement, practice any deception or fraud in connection with any solicitation or any contribution for any purpose.

- The foundation should establish and exercise adequate controls over fund-raising activities and contributions received, including commitment to writing of all fund-raising transactions.

- The foundation should also seek to keep fund-raising and administrative costs below 20% of the foundation’s total annual income.

- In all cases where funds are transferred from the foundation to the college, copies of documentation from the donor(s) that state the intended use of the gift(s), and that include the donor’s name(s) and address(es), shall accompany the transfer of funds. The foundation, the college, and KCTCS will respect the wishes of donors who wish to remain anonymous.
7.4.4 Terms and Privileges of Recognition

During the term of this recognition, the foundation shall be the private fund-raising arm of the college with which it is associated.

The foundation and the college shall enter into a Memorandum of Understanding (MOU) that stipulates the obligations of both parties and defines the use of and compensation for the facilities, equipment, personnel, and services of the college to carry out foundation activities. Such agreements shall be in compliance with guidelines and policies adopted by the KCTCS Board of Regents and shall comply with applicable state laws.

Donors to the foundation during the term of this recognition shall be acknowledged and recognized in the same manner and afforded the same privileges as donors to the college and KCTCS.

7.4.5 Maintaining Recognition

Failure to comply with any of these guidelines may cause a foundation to forfeit the KCTCS recognition as a recognized independent foundation and all benefits provided thereby.

A. In the event of failure to comply, a foundation shall be notified in writing that KCTCS is withdrawing its recognition. Unless the foundation secures a renewal of its recognition within 30 days of the receipt of such notice, the foundation shall no longer be recognized.

B. Within 60 days after termination of recognition, the foundation shall transfer to the college with which it is associated all gifts received, including all accrued interest, during the time period of recognition for the purposes restricted by the contributors and/or otherwise provided for in the Memorandum of Understanding (MOU) between the foundation and the college.

7.5 Naming of Privately Funded Academic Positions

The following policy shall govern the establishment of permanent endowment or other private funding for academic positions: