

Asheville-Buncombe Technical Community College Foundation Gift and Investment Policy

Board of Directors authorizes responsibilities to the following:

The Executive Director will:

- Review the gifts and submit recommendations to the Executive Committee.

The Executive Director, along with the Treasurer and Finance Committee, will:

- Oversee the investment of Foundation Funds.

The Treasurer and Finance Committee will:

- Recommend and implement policies adopted by the Board which govern the acceptance of gifts and investment of Foundation funds.

1. Acceptance of Gifts. Gifts to the Asheville-Buncombe Technical Community College Foundation, Inc., for the benefit of Asheville-Buncombe Technical Community College, may be accepted in the form of:

- Cash
- In-kind gifts of equipment, materials, supplies, and services
- Stocks, bonds, securities
- Real property
- Life insurance
- Bequests
- Other types of deferred gifts

2. Nature of Gifts. Persons may make gifts to the Asheville-Buncombe Technical Community College Foundation, Inc. without restriction, specification, conditions, or limitations. These gifts shall be known as unrestricted gifts. Persons may also make gifts to the Foundation and may specify the terms and conditions upon which the gifts shall be administered and distributed. These gifts shall be known as restricted gifts. Gifts to the Foundation with provisions that prohibit spending principal, but provide that the investment income generated from the principal may be used to support activities are known as endowment gifts. The interest from an endowment gift may be unrestricted or restricted.

- Unrestricted gifts are allocated at the full discretion of the Foundation Board of Directors to the areas of greatest need. The Treasurer will report at the annual board meeting about unrestricted gifts to the board.

- Restricted gifts from donors are used as soon as practical for the purpose specified. Interest earnings or income from such gifts are credited to the original restricted category unless directed otherwise by the donor.

All contributions, unrestricted, restricted, or endowment, once accepted, are property of the Asheville-Buncombe Technical Community College Foundation, Inc. However, any equipment received or purchased by the Asheville-Buncombe Technical Community College Foundation, Inc., will be gifted to the College upon receipt unless directed otherwise by the Foundation Board. Any contributions or expenditures, which would endanger the non-profit status of the Asheville-Buncombe Technical Community College Foundation, Inc., will be refused.

3. Endowment Gifts. Separate endowment funds may be established in the Asheville-Buncombe Technical Community College Foundation, Inc., for restricted or unrestricted purposes, with a minimum gift of \$25,000. Any interest earned or income generated from endowed monies will be expended and/or credited back to principal as specified by the donor.

4. Partially Funded Endowments. In special circumstances, the Executive Committee may approve the establishment of an endowment fund with a smaller initial gift, providing the donor intends to add to principal the amount needed for the endowment to reach full funding within five years from the date of its establishment. Until the principal reaches \$25,000, interest will be credited to the endowment fund. If the approved fund does not reach \$25,000 within five years, the Foundation office will contact the donor for permission to redirect the gift to another fund. The Foundation can redirect all monies at the discretion of both the Finance Committee and the Executive Committee, if the donor has not responded to this request within thirty days.

5. Review of Gifts. The Finance Committee shall evaluate all prospective in-kind and designated gifts to the Foundation using the criteria outlined in these policies. Other persons may be consulted for recommendations or information, but confidentiality shall be maintained at all times and in all such discussions.

6. Criteria for Evaluation of Acceptance. The following guidelines will be used in evaluation of gifts to the Foundation:

- A. All gifts must be within the Internal Revenue Service regulations governing charitable contributions.
- B. The acceptance of a restricted gift imposes a legal obligation to comply with the terms established by the donor. No gift shall be accepted which:
 - 1) Is inappropriate or not conducive to the best interest of the College,
 - 2) Is a commercial endeavor,
 - 3) Would obligate the College and/or Foundation to undertake responsibilities, financial or otherwise, which it may not be capable of meeting for the period required by the terms of the gift, or
 - 4) Is so restrictive and contains so many attached terms and conditions as to make its use unnecessarily difficult.

- C. The nature of the gift, the identity of the donor, and the kind of program which the gift is intended to support, shall be carefully evaluated in order to avoid placing the College or the Foundation in an undesirable position. A prospective gift, which could subject the College or Foundation to criticism and controversy, must be weighed in light of its ultimate student value and contribution to the community.
- D. Gifts-in-kind designated for a use by a particular unit on campus should be reviewed by the Executive Director of the Foundation in conjunction with the unit designated to receive the gifts, to ensure that acceptance will not involve financial commitments in excess of budgeted items or other obligations disproportionate to the usefulness of the gift.
- E. When in-kind gifts are given to the Foundation, it shall be the responsibility of the donor to obtain an appraisal for the gift for tax purposes. The Foundation shall not become involved in the appraisal process. Direct involvement in securing appraisals could result in the appraisal's accuracy and objectivity being challenged by the Internal Revenue Service.
- F. Refer to Section 600 of the College Policy Manual

7. Acknowledgements and Receipts. Acknowledgements and receipts shall be sent to donors from the Foundation Office, unless it is clearly noted that the gift is not to be acknowledged and no receipt is to be sent.

8. Redirection of Gifts. Once a gift is processed and acknowledged, it may be redirected by the original donor when justified by circumstances. Such changes should be in writing and permitted only if firm expenditure commitments have not been made based on the original processing of the gift. If the original purpose of the gift becomes no longer applicable, the Foundation Board of Directors reserves the right to redirect the funds in the absence of a contrary intent of the original donor.

ASHEVILLE-BUNCOMBE TECHNICAL COMMUNITY COLLEGE FOUNDATION, INC.,
GUIDELINES FOR SCHOLARSHIPS

Endowed

Endowed scholarships may be established by a donor with a minimum gift of \$25,000. The principal remains intact in perpetuity and generates interest to award scholarships. If the purpose of the original donation is no longer applicable, funds may be redirected as outlined on Page 3, Item 8, Redirection of Gifts.

Named Scholarships

Named scholarships may be established with a minimum donation of \$1,000.00 and may carry the name of the donor or be used to honor any person designated by the donor. These

scholarships may or may not be designated to a specific curriculum program for a period of up to one year. In the event the restricted scholarship is not used within the twelve month time frame, the money will be reverted to the General Scholarship Fund.

Scholarships Designated for Award to Students in a Specific Curriculum

Gifts in any dollar amount, but designated as scholarship money to be awarded to students enrolled in a specific curriculum, have been and will continue to be accepted by the Foundation. Awards out of these accounts, however, will only be made when the amounts are sufficient to justify a scholarship award, and donors should be made aware that these monies may not be awarded on an annual basis.

INVESTMENT POLICY

The investment management of Asheville-Buncombe Technical Community College Foundation, Inc. funds shall be the responsibility of the Treasurer and Executive Director.

The Treasurer and Executive Director will work with the Foundation Board of Directors, the Finance Committee, and the Investment Manager(s) to establish investment objectives and asset allocation guidelines. It is the intent of the Foundation to manage the portfolio to:

- Provide safety of principal with conservatively managed income and equity investments.
- Invest funds in such a way that monies will be available when needed.
- Earn the highest yield possible after consideration is given to safeguarding the funds of the Foundation.
- Consider the State Treasurer's Short-Term Investment Fund as a prime vehicle for the Foundation's investment funds so long as the yields are competitive.

The investment goals will be reviewed by the Finance Committee quarterly with at least an annual report submitted to the Foundation Board of Directors. The Treasurer shall report at least quarterly to the Foundation Board on the status of the Foundation's investments and shall evaluate regularly the policy of investments.

FINANCIAL MANAGEMENT COMPANIES

The Finance Committee will be responsible for interviewing financial management companies and making recommendations for approval to the Foundation Board of Directors. The Investment Manager will be evaluated annually by the Finance Committee with respect to performance and meeting investment goals with reports presented to the Board of Directors. The Finance Committee will be responsible for determining if and when it is necessary and prudent to conduct an interview process for other potential investment managers.

ASHEVILLE-BUNCOMBE TECHNICAL COMMUNITY COLLEGE FOUNDATION, INC.,
GUIDELINES FOR RESTRICTED FUNDS PORTFOLIO

Purpose

Contributions to this account are made with the intent that the interest and principal are to be used to fund a specific project.

Investment Objective

The primary objective of the portfolio is to provide safety of principal and liquidity for distributions. Maximum income, commensurate with safety of principal is also desired.

Permissible Asset Allocation	Range	Target
Cash	0-100%	50%
Fixed Income (formerly Bonds)	0-50%	50%
Equities	0%	0%

Distributions

The portfolio will be managed on a “total return” approach, in which cash, income, and principal will be used to satisfy the distributions. Distributions may occur at any time, according to the timing of specific projects.

Safety

Safety of the portfolio is of prime concern. No more than 10% of the portfolio may be invested in any one security, except U.S. Government obligations and securities that are themselves diversified, such as mutual funds. Unregistered issues, speculative options, short sales, and commodities are prohibited. Non income producing assets are permitted.

Performance Management

Performance will be reported quarterly on a time-weighted, total return basis. Evaluation of performance will include consideration to a full market cycle as well as the characteristics and constraints of the portfolio. Performance of benchmarks, such as the Salomon Smith Barney 30-Day U.S. T-Bill Index and the Lehman Government/Credit Index will also be included. The inception date for performance measurement shall be November 1, 2000.

ASHEVILLE-BUNCOMBE TECHNICAL COMMUNITY COLLEGE FOUNDATION, INC.,
GUIDELINES FOR ENDOWMENT PORTFOLIO

Purpose

The purpose of the Asheville-Buncombe Technical Community College Foundation Endowment portfolio is to fund current and future goals of the Foundation. The Endowment portfolio is expected to have a perpetual time horizon.

Investment Objective

The primary objective of the portfolio is to provide long term appreciation of assets and their purchasing power while controlling risk at an acceptable level.

Permissible Asset Allocation	Range	Target
Cash	0-10%	5%
Fixed Income (formerly Bonds)	15-35%	25%
Equities	50-65%	57%
Alternative Investments	0-30%	5%
Real Assets	0-10%	8%

Alternative asset classes, such as foreign stocks, hedge funds, private equity funds, real estate, environmental funds, venture capital funds, managed interest funds, and commodities/assets, may be held as a portion of the equity component. The portfolio should be fully invested; however, the investment advisor may hold cash for tactical reasons.

Distributions

The portfolio will be managed on a “total return” approach, in which cash, income, and principal will be used to satisfy the distributions. Not more than 4% of the average of the three previous year-end market values shall be distributed annually.

Safety

Safety of the portfolio is of prime concern. No more than 10% of the portfolio may be invested in any one security, except U.S. Government obligations and securities that are themselves diversified, such as mutual funds. Unregistered issues, speculative options, short sales, and commodities are prohibited. Non income producing assets are permitted.

Performance Management

Performance will be reported quarterly on a time-weighted, total return basis. Evaluation of performance will include consideration to a full market cycle as well as the characteristics and constraints of the portfolio. Performance of benchmarks, such as the S & P 500 Stock Index and the Lehman Government/Credit Index will also be included. The inception date for performance measurement shall be November 1, 2000.