

**SOUTHERN WEST VIRGINIA COMMUNITY COLLEGE FOUNDATION, INC.**  
**SFP-4007**

**SUBJECT:** Gift Acceptance Policy for Securities

**REFERENCE:** SFP-4003, Gift Acceptance General Policy

**ORIGINATION:** June 14, 2010

**EFFECTIVE:** July 13, 2010

**REVIEWED:** New Policy

**SECTION 1. PURPOSE**

- 1.1. The objective of this policy is to outline the Southern West Virginia Community College Foundation's (Foundation) policy for accepting gifts of securities.

**SECTION 2. DEFINITIONS**

- 2.1. Depository Trust Company (DTC) - A member of the U.S. Federal Reserve System, a limited-purpose trust company under New York State banking law and a registered clearing agency with the Securities and Exchange Commission.
- 2.2. Marketable Securities - Securities that can be easily converted into cash. Such securities will generally have highly liquid markets allowing the security to be sold at a reasonable price very quickly. This includes stocks, bonds and mutual funds.
- 2.3. Foundation - Southern West Virginia Community College Foundation, Incorporated.
- 2.4. Foundation President - President of the Southern West Virginia Community College Foundation, Incorporated.
- 2.5. Foundation Vice President - Vice President of Southern West Virginia Community College Foundation, Incorporated.
- 2.6. College - Southern West Virginia Community and Technical College.
- 2.7. College President - President of Southern West Virginia Community and Technical College
- 2.8. CFO - Chief Financial Officer at Southern West Virginia Community and Technical College
- 2.9. Vice President for Development - Vice President for Development at Southern West Virginia Community and Technical College
- 2.10. Designee - A person has been delegated responsibility

## SECTION 3. POLICY STATEMENT

- 3.1. The Southern West Virginia Community College Foundation accepts gifts of marketable securities and calculates the contribution based on the value of the closing price of the security on the date of the contribution. Gifts of securities to the Foundation are managed through United Wealth Management in Charleston, West Virginia. All gifts of securities are coordinated by the Development Office at Southern West Virginia Community and Technical College. There are several ways to make a gift of securities, depending upon whether the securities are registered to a specific individual or are held in a bank custodian account or in a brokerage account. Gifts of marketable securities may be physically or electronically delivered. Donors are requested to contact the Southern West Virginia Community and Technical College Development Office prior to making donations of securities.

3.1.1. Securities Registered in Certificate Form – A contribution of stock is completed on the unconditional delivery of a stock certificate, a properly endorsed stock power, along with a disclaimer, to the “Southern West Virginia Community College Foundation, Incorporated,” and a signature guarantee, if applicable. The signature on the stock power must correspond with the name as written upon the face of the stock certificate in every particular without alteration or enlargement, and must be guaranteed by a commercial bank or a trust company or by a firm having membership in the New York or American Stock Exchange. Donors should contact their banking institution for proper endorsement instructions. If sent by mail, the stock power should be mailed separately from the securities, which are freely negotiable when combined physically with the stock power.

3.1.1.1. For physically delivered securities, the transfer is complete when the Foundation or an authorized representative actually receives the stock, stock power, and signature guarantee, if applicable. If the donor delivers the stock certificate to the donor’s broker, then the transfer is not complete until the stock is actually transferred to the Foundation’s Trustee at United Wealth Management.

3.1.2. Securities Held in a Brokerage Account – Securities held by a broker may be delivered by wire through the Depository Trust Company (DTC) to the Foundation’s trustee, United Wealth Management which is the preferred method of receiving securities. If a donor chooses this method, the donor must inform the Foundation in advance so United Wealth Management can be alerted to accept the securities and acknowledgment of the gift may be properly made. Contributions of securities held for a donor by a brokerage firm is not considered complete until the shares are transferred to the Foundation’s custodian account or other approved brokerage account.

3.1.3. Mutual Funds and Privately Held Stock – The Foundation accepts transfer of mutual funds and privately held stock. Procedures for transferring mutual funds and privately held stock often require a more complex process and vary with each company, therefore, separate instructions apply and additional steps for processing are required. These types of transfers may take considerably longer than the transfer of securities and an appraisal may be required. Before initiating the transfer, the donor should contact the Development Office regarding their intent to make a gift of a mutual funds or privately held stock.

3.1.4. Year-end Gifts of Securities – Gifted securities must be received by the Foundation by December 31, in order to qualify as a gift in a particular year. Depending on the transfer method used, there may be a several-day delay in our receipt of the gift.

3.1.5. Other procedures may apply based on considerations such as: the majority interest of company is transferred to the Foundation, potential tax consequences to the Foundation, additional liability or

potential liability related to the ownership of the company, type of company and financial stability of the company, as well as other characteristics related to the company.

#### **SECTION 4. BACKGROUND OR EXCLUSIONS**

4.1. None.

#### **SECTION 5. GENERAL PROVISIONS**

5.1. None.

#### **SECTION 6. RESPONSIBILITIES AND PROCEDURES**

6.1. Once the Foundation accepts these types of gifts in accordance with its Gift Acceptance General Policy (SFP-4003), the Development Office or designee will process the gift for proper acknowledgment and receipting.

6.2. The following outlines specific instructions that apply to each type of delivery.

6.2.1. Physical Delivery of Marketable Securities - The Development Office will complete the Stock Acceptance Procedure Form with the appropriate information and submit it to the Development Office accountant. Once the Development Office accountant receives the stock certificate, power, and signature guarantee, if applicable, the certificate and stock power will be forwarded with the appropriate documentation to the trustee at United Wealth Management with a letter of direction. This will allow the stock to be transferred to the proper Foundation investment account. If the certificate and stock power are separate documents, they will be mailed in separate envelopes to the Foundation's trustee at United Wealth Management for security purposes. The Development Office accountant will calculate the contribution based on the value of the closing prices of the security on the date the contribution is received. The donation information will be forwarded to the Development Office representative for processing.

6.2.2. Electronic Delivery through the DTC of Marketable Securities - Securities held by a broker may be delivered by wire through the Depository Trust Company (DTC) to the Foundation's trustee at United Wealth Management. The donor or broker must contact the United Wealth Management trustee in order to ensure that securities are properly received into the account.

6.2.2.1. Once the Development Office accountant receives confirmation from the United Wealth Management trustee of receipt of the stock, the value of the stock will be calculated by using the closing market prices of the stock on the day that the stock is received into the Foundation's account. The donation information will be forwarded to the Development Office representative for processing.

6.2.3. Mutual Fund and Privately Held Stock Transfer – Before initiating the transfer, it is recommended that a donor or the donor's broker contact the Development Office when gifting units of a mutual fund and/or privately held stock. Procedures for transferring mutual funds and privately held stock vary with each company. In some cases, the units may be transferred directly to the Foundation's account via DTC. In other cases, the Foundation may be required to open an account with the fund and have the gifted units transferred into that account. These types of transfers may take considerably longer than the transfer of securities.

6.2.3.1. Generally, an appraisal is needed for non-cash gifts of \$5,000 or more. However, if the non-cash gift is privately held, non-publicly traded stock, the threshold that warrants an appraisal is \$10,000 or more. If an appraisal is needed, the donor must obtain a qualified appraisal by an independent third party to determine the value of the property at the time the gift was made. It must be prepared, signed and dated by a qualified appraiser; prepared within 60 days of the date of the contribution; and not involve a prohibited type of appraiser fee. IRS Form 8283 provides general appraisal requirements.

**SECTION 7. CANCELLATION**

7.1. None.

**SECTION 8. REVIEW STATEMENT**

8.1. This policy shall be reviewed on a regular basis with a time frame for review to be determined by the President or the President’s designee. Upon such review, the President or President’s designee may recommend to the Board that the policy be amended or repealed.

**SECTION 4. SIGNATURES**

---

**President** **Date**

**Attachments:** SFP-4007.A , Stock Acceptance Procedure Form  
Depository Trust Company (DTC) Stock Gift Procedures

**Distribution:** Members, Southern West Virginia Community College Foundation, Incorporated  
President, Southern West Virginia Community and Technical College  
Development Office, Southern West Virginia Community and Technical College  
[www.southernwv.edu](http://www.southernwv.edu)

**Revision Notes:** None

—