PSC | PENSACOLA STATE COLLEGE
FOUNDATION

Policy Manual

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Adopted 10/15/12
Amended 05/18/2024
Reviewed 05/18/2024

II. GIFT ACCEPTANCE POLICY

The Pensacola State College Foundation, Inc. (“Foundation”) was established according to the non-profit corporation statute of the State of Florida. It has been granted the status of a tax-exempt 501(c)(3) organization under provisions of the IRS Code, thus making it eligible to accept gifts on behalf of Pensacola State College ("College"). The Foundation is not a private foundation within the meaning of section 509(a) of the Code because it is an organization described in sections 509(a)(1) and 170(b)(1)(A)(vi). The Foundation is headquartered in Pensacola, Florida, and encourages the solicitation and acceptance of gifts to the Foundation for purposes that will help the Foundation and College further fulfill their mission. The following policies and guidelines govern the acceptance of gifts made to the Foundation or for the benefit of any of its endowments or programs.

A. Purpose of Policies and Procedures

The purpose of this document is to set forth the criteria that the Foundation and its Finance Committee use to determine that a proposed gift is acceptable and inform prospective donors and their advisors of the types of gifts the Foundation will accept. While these guidelines establish best practices, they are designed to provide flexibility as directed by the Finance Committee.

B. Use of Legal Counsel

The Foundation seeks the advice of outside legal counsel as appropriate on matters relating to acceptance of gifts. Review by legal counsel if usually sought in connection with:

- Closely held stock transfers that are subject to restrictions or buy-sell agreements.
- Documents naming the Foundation Trustee.
- Gifts involving contracts, such as bargain sales or other documents requiring the Foundation to assume a legal obligation.
- Gifts of patents and intellectual property.
- Transactions with a potential conflict of interest that may invoke IRS sanctions.
- Other instances in which the use of counsel is deemed appropriate by the Finance Committee.
- Real estate.

C. Communications with Donors

The Foundation holds all communications with donors and information concerning donors and prospective donors in strict confidence, subject to legally authorized and enforceable requests for information by government agencies and courts. All other requests for or releases of information concerning a donor or a prospective donor will be granted only if permission is first obtained from the donor.

D. Conflict of Interest

The Foundation and its staff are prohibited from providing legal, tax, financial, or other professional advice to donors or prospective donors. Donors and prospective donors are strongly urged to seek the assistance of their own professional advisors in matters relating to their gifts and the resulting tax and estate planning consequences. The Foundation endorses the Model Standards of Practice of the Charitable Gift Planner promulgated by the National Committee on Planned Giving and the Donor Bill of Rights promulgated by the Association of Fundraising Professionals.

E. Restrictions on Gifts

Unrestricted gifts and gifts for specific programs and purposes may be accepted, provided they are consistent with the Foundation's mission, purposes, and priorities. The Foundation will not accept gifts that are inconsistent with its mission, purposes or priorities or are judged too difficult to administer.

F. The Foundation Finance Committee

The Finance Committee will review all non-marketable gifts to the Foundation, and those gifts referred to it by the Executive Director. The Finance Committee is responsible for regularly reporting its decision on gift acceptance to the Executive Committee. The Finance Committee is also responsible for reviewing these Policies and Procedures annually, or more often, as needed to ensure that they remain consistent with applicable laws and the programs of the Foundation. The following non-standard gifts should be reviewed by the Finance Committee:

- Remainder interests in property
- Oil, gas, and mineral interests
- Charitable remainder trusts
- Revocable trust agreements/Irrevocable trust agreements
- Charitable lead trusts
- Intellectual property rights
- Real Estate
- Works of art

G. Gift Acceptance for Real Estate and/or Real Property

Policy Statement

Some gifts received by the Foundation for the College include gifts of real property in which the proceeds are used for the charitable purpose specified by the donor. To ensure compliance with the Foundation Real Property Policy, the Foundation Director of Finance and Business Operations and the Executive Director will take part in the review of real property transactions. Additionally, the College President's approval is required for a gift of real property having a value greater than $1,000,000. No gift of real estate is deemed accepted until the Foundation issues a written acceptance signed by the Executive Director or the President of the Foundation.

The following policies relate to the acceptance, management, and liquidation of real property gifts. The Foundation Business Office or the Executive Director of the Foundation will make all appropriate inquiries concerning the condition of real property, including marketability, carrying costs, and environmental risks, prior to its acquisition as set forth in a donation or acquisition agreement.

Requirements

The Foundation must enter into a donation or acquisition agreement that includes the requirements that must be met before a gift of real property is accepted. The following requirements must be met for the acquisition of any interest in real property, in any capacity, prior to acceptance at closing of the transaction or recording of any documents:

1) **Foundation and Development Staff Site Visit and/or Analysis.** For all real property gifts, the Foundation Executive Director and the Director of Finance and Business Operations will review all required documentation, and will analyze the following:

   a) Market conditions for disposal of the property if so elected.

b) The condition of any improvements located on or attached to the property.
c) Current and potential zoning, land use, and concurrency issues related to the property.
d) Costs associated with holding the property for resale if so elected.
e) Considerations specific to the acquisition of the property or donor restrictions.

Staff will consult with the real estate professionals as appropriate. A real estate team should be formed, comprised of the Foundation Director of Finance and Business Operations, Foundation legal counsel, Treasurer for the Board of Governors, Executive Director of the Foundation, and College Legal Counsel. Staff will report to the real estate team. The real estate team will review the information pertaining to each of the above when considering recommendation for acceptance of the property by the Finance Committee.

2) General Warranty Deed. Title will be transferred to the Foundation by general warranty deed unless transfer is by a trustee, personal representative, or other fiduciary that will provide a deed with warranties appropriate to its capacity. Legal counsel will review all deeds prior to acceptance.

3) Appraisal. Prior to donation or sale of real property greater than $500,000, an appraisal by an appraiser with Members of Appraisal Institute (MAI) status is required. The IRS requires the donor to obtain a qualified appraisal if the value of the real property is over $5,000 and the donor wishes to claim a charitable contribution income tax deduction (IRS Form 8283). The fees for appraisals are to be incurred by the donor. For proper accounting, marketing, and donor recognition purposes, an appraisal is requested for all real property gifts.

4) Title Search and Title Insurance. A title search will be required for any real property transaction with the cost incurred by the donor. Title insurance may be required for any gift and will be required for gift acquisitions of mortgaged property. The Foundation generally discourages donations of mortgaged property, instead it is suggested that the property be sold before donation occurs.

5) Survey. A survey may be required for any real property transaction but will be required for gift acquisitions of mortgaged property. The cost of survey is to be incurred by the donor.

6) Real Property Taxes and Other Carrying Costs. Evidence must be provided by the donor that all real property taxes and other carrying costs are paid and current. Donors will pay all or prorate the taxes and other carrying costs for the year of the donation.

7) Environmental Requirements. No interest in real property, whether outright, in trust, by bequest, as a secured interest, or otherwise, will be accepted by or on behalf of the Foundation without first complying with the following procedures:

   An environmental review as described below shall be performed on every potential real property asset prior to acceptance by the Foundation. The environmental review will be performed by the person or firm selected by the real estate team. Each environmental review will be reviewed and approved by the real estate team and Foundation legal counsel.

   i) Residential, Rural, or Agricultural: For real property located in a developed residential community, a rural area, or an agricultural area, an environmental risk assessment will be performed by an approved consultant.

ii) Industrial: For real property located in a developed area where manufacturing or any class of industrial activity may have taken place, a Phase I audit will be performed by an approved consultant.

iii) High Risk Operations: For real property with present or past high-risk operations, a Phase I audit will be performed by an approved consultant. If the environmental review indicates areas of significant concern, an additional investigation, including a Phase I, Phase II, or Phase III audit, as recommended, will be performed by an approved consultant prior to acceptance of the real property.

8) If the above procedures disclose risk of liability, the real property will only be accepted with the approval of the Executive Committee.

9) All contracts for environmental audits will be prepared and reviewed by the Foundation legal counsel.

10) The donor will pay for any assessments and audits in connection with a gift of real property.

11) Insurance. The Foundation will secure adequate hazard and liability insurance coverage for real property upon the transfer of the gift from the donor to the Foundation if required.

12) Tax Exempt Filing. Following the real property closing the Foundation's legal counsel will file, as necessary, the Statement of Owner of Real Estate Claimed to be Exempt from Taxation with the appropriate city and county offices for properties acquired.

13) Unsolicited Deeds. Unsolicited deeds will not be accepted. Upon the receipt of an unsolicited deed, the grantor will immediately be notified in writing that the real property has not been accepted and will not be accepted until the requirements of this policy are met, and the deed will be returned to the donor, along with a quitclaim deed from the Foundation if necessary.

14) Special Types of Acquisitions. In addition to the above requirements, the following types of real property require additional items prior to acquisition:

a) Properties Valued at Less than $10,000:
For real property valued at less than $10,000, the donor must pay all costs of transfer to the Foundation, including those incurred through environmental assessments and title searches, and all real estate taxes. For purposes of complying with the $10,000 limit, real property value will be determined either by a qualified appraisal, the ad valorem tax-assessed value, or determination by staff.

b) Real Property Given to Fund Charitable Remainder Unitrusts:
Real property will only be accepted to establish net income unitrusts or flip trusts, with conditions acceptable to the President of the Foundation , the Foundation Treasurer, and the Executive Director of the Foundation. IRS rules prohibit the acceptance of mortgaged property to fund charitable remainder unitrusts.

c) Real Property Given to Fund Charitable Gift Annuities:
Real property will not be accepted to fund charitable gift annuities.

d) Time Share Units:
Time-share units will not be accepted by the Foundation.

15) Management and Transfer of Real Property All real property held by the Foundation in any capacity will be managed in a manner designed to comply with all federal and state regulations and to minimize or eliminate any liability resulting from hazardous materials. The sale or transfer of real property by the Foundation will be handled in a manner designed to eliminate any future liability by the Foundation for hazardous substance remediation. The Foundation will fully disclose to a prospective transferee for any and all information concerning the condition of any hazardous substances existing on the real property. The Foundation may convey title to real property only by means of a special warranty deed or (where appropriate) a trustee's deed without warranties or a quitclaim deed.

16) Non-Discrimination. The Foundation will not discriminate or condone discrimination in its real property activities. The Foundation will conduct all affairs in compliance with all applicable state and federal Equal Opportunity, Fair Housing, Equal Credit Opportunity, and other anti-discrimination laws.

17) Exceptions. Upon written request, after consultation with the real estate team and Executive Committee, exceptions to these policies and procedures will be considered on an individual basis by the Foundation Board of Directors.

18) Notification of Options. If the real property is accepted, such gift should be consistent with the mission of the College or may be readily liquidated and the proceeds used by the Foundation to support the College. Acceptance of such gift will not involve significant additional expense in its present or future use, display, maintenance, or administration; no financial or other burdensome obligation or expense is or will be directly or indirectly incurred by the Foundation or the College as a result thereof.

    Because donors' charitable tax deductions may be impacted by the Foundation's use or disposition of such gifts, the Foundation shall notify donors in writing prior to acceptance of the gift one of the following options:

    a) Your gift will be retained by the Foundation for use in furtherance of its mission for a minimum of three years and until and unless a change of circumstances arises; or
    b) Your gift may not be retained by the Foundation, and the Foundation has the right to sell or otherwise transfer your gift for such consideration and at such time as the Foundation may determine.

       Notwithstanding any provision of this Gift Acceptance Policy, whenever such a gift is accepted after providing a donor with the notice described in subsection (a), the gift shall be retained by the Foundation unless and until an unforeseen change of circumstances arises that would subject the Foundation to a recurring financial loss. In such event, the Foundation shall only sell or transfer any such property after the Foundation Board of Directors has approved the proposed sale or other disposition.

H. Appraisals and Tax Returns

With the exception of works of art donated by the artist, if the gift value exceeds $5,000, then one independent appraisal using IRS Form #8283, Section B must accompany the In-Kind donation form when presented for approval. This appraisal should not be conducted by the donor, Foundation personnel, or College personnel who have participated in the processing of the In-Kind donation form or any board member or organization associated with board member. The cost of the appraisal is the responsibility of the donor.

For works of art donated by the artist, the value estimated by the donor on the Foundation's In-Kind donation form may exceed $5,000; however, the value recorded by the Foundation on its internal books will not exceed $5,000 unless accompanied by an appraisal as indicated in the preceding paragraph.

Donors will be provided an acknowledgment letter from the Foundation describing the in-kind gift received which will not assign a value to the gift. Donors are responsible for determining any charitable deduction resulting from a gift for their tax purposes.

I. Legal Fees and Professional Fees

Legal fees and professional fees for completion of the gift are the responsibility of the donor.

J. Type of Gifts

The following gifts may be considered for acceptance by the Foundation without further committee review:

a. Cash
b. Tangible personal property, including in-kind gifts
c. Securities
d. Life insurance
e. Retirement plan beneficiary designations
f. Bequests
g. Life insurance beneficiary designations
h. Automobiles - for the sole purpose of training in programs if offered by the College

K. Gifts for the Benefit of the College

Donations being considered for the benefit of the College are to be processed through the Foundation. The Foundation Executive Director is responsible for the review and compliance of gift and procedural standards. Approved gifts will require the following signatures:

- Foundation Executive Director
- Department Director
- College President

Fundraising on behalf of the College is conducted by the Foundation in collaboration with College staff and, from time to time, may incorporate specific fundraising campaign initiatives. The Foundation Executive Director will advise appropriate College personnel of the acceptance or rejection of the proposed gift.

L. Miscellaneous

- Securing appraisals and legal fees for gifts to the Foundation: It will be the responsibility of the donor to secure an appraisal (where required) and the advice of independent legal, financial, or other professional advisers as needed for all gifts made to the Foundation.
- Valuation of gifts for development purposes: The Foundation will record a gift received by the Foundation at its valuation for gift purposes on the date of gift.
- Acknowledgement of Gifts: Upon acceptance of any gift to the Foundation, the Foundation will formally acknowledge/receipt the gift. The acknowledgment sent to the donor from the Foundation

for a non-cash gift will describe the gift but will not assign value to the non-cash gift. The Foundation Executive Director will ensure appropriate and timely acknowledgement of all gifts. Questions concerning this policy should be directed to the Foundation Executive Director or Finance Committee.

- Responsibility for IRS Filings upon sale of gift items: The Foundation Business Office is responsible for filing IRS Form 8282 upon the sale or disposition of any non-marketable asset sold within three years of receipt by the Foundation when the charitable deduction value of the item is more than $5,000. The Foundation must file this form within 125 days of the date of sale or disposition of the asset.
- Disclosure provided for pooled funds. The Foundation will provide all appropriate disclosures as required by the Philanthropy Protection Act of 1995 for gifts contributed to pooled funds.
- Gifts of stocks/bonds/securities will be liquidated as soon as the Foundation is aware the gift has been received.
- The Board of Governors has the authority to consider exceptions to the agreement language on a case-by-case basis.

III. Gift Return Policy

Adopted 3/1/17
Amended
Reviewed 06/28/23

Gifts made to the Pensacola State College Foundation are non-refundable unless otherwise approved by the Foundation Executive Committee.

IV. Naming Guidelines

Adopted 10/15/12
Amended 6/25/19
Reviewed 2/21/24

The Foundation adopts the Pensacola State College Facilities Naming Guidelines as approved by the District Board of Trustees included as Exhibit A of this policy manual.

The Foundation allows the naming of Endowments, Scholarships, Programs, Awards, and Teaching chairs at the following levels:

PENSACOLA STATE COLLEGE FOUNDATION NAMING GUIDELINES

	Minimum Contribution	Time to Establish	Choose Name	Outline Criteria	Permanent
Donations to Existing Scholarships, Program Funds, Teaching Chairs, and/or Awards	N/A	N/A	No	No	No
***Annual Award**	$5,000/Year	Single Annual Payment	**Yes**	**Yes**	No
***Annual Programs**	$5,000/Year	Single Annual Payment	**Yes**	**Yes**	No
***Annual Scholarships**	$5,000/Year	Single Annual Payment	**Yes**	**Yes**	No
Endowed Program Fund	$20,000	Up to 3 Years	**Yes**	**Yes**	**Yes**
Endowed Scholarships	$20,000	Up to 3 Years	**Yes**	**Yes**	**Yes**
Endowed Teaching Chairs	$100,000	Up to 5 Years	**Yes**	**Yes**	**Yes**

**If "Annual" funds fall below the awarding threshold, the fund balance will be moved into the fund balance with the closest matching criteria. If there is no fund matching the criteria, the funds will be moved into the Fund for Excellence.*

All contributions received must meet the Gift Acceptance policy established by the Pensacola State College Foundation Finance and Executive Boards.

V. Capital Assets Policy

Adopted 5/12/11
Amended 9/21/21
Reviewed 2/21/24

Capital assets of The Foundation will be defined as tangible or intangible assets that will be used for the operation and benefit of the Pensacola State College Foundation and that have initial useful lives extending beyond a single reporting period.

Items with a cost of $10,000 or more per item and having a useful life of in excess of three years will be capitalized at historical cost and depreciated in a systematic and rational manner over the estimated useful lives of the assets.

Equipment/furniture with an acquisition cost of less than $10,000 per item will be expensed during the year of purchase, although equipment with a cost of $5,000 or more per item will be inventoried.

VI. Travel Policy

Adopted
Amended 5/23/18
Reviewed 5/24/23

Allowed Foundation travel types and reimbursement rates shall be consistent with the College.

Foundation staff and those acting on behalf of the Foundation should submit reimbursement requests and/or paid receipts for authorized travel to the Foundation.

Foundation staff may facilitate all types of travel expenditures via electronic commerce within the allowable rates. Any expenditures exceeding reimbursement rates must be refunded to the Foundation.

VII. General

Adopted
Amended 5/23/18
Reviewed 5/24/23

In the absence of a formal adoption of Foundation policy, all staff assigned to the Foundation and those acting on behalf of the Foundation, are to comply with all Pensacola State College policies. Upon adoption or amendment of a Foundation policy, the Foundation policy shall supersede that of the College.

Adopted
Amended 4/19/23
Reviewed 4/19/23

VIII. Investment Policy Statement

Pensacola State College Foundation, Inc. is a private, non-profit corporation that was chartered in 1965 by the State of Florida as the direct support organization authorized to encourage, solicit, receive, acknowledge, manage, and expend private gifts on behalf of Pensacola State College. It is incorporated as a 501c (3) charitable organization.

As a tax-assisted institution, Pensacola State College cannot meet all its needs with state and student support only. The Pensacola State College Foundation promotes the annual giving program of the college and solicits funds for various projects which the college cannot otherwise fund. In addition, donations are sought for scholarships and other worthwhile projects which assist Pensacola State College and its students.

The Board of Governors of the Foundation oversees the management of the Foundation. The Board of Governors is made up of the community who have an interest in the College. The business of the Foundation is administered at Pensacola State College by the Foundation staff.

The Board of Governors of the Pensacola State College Foundation meets quarterly and holds an annual meeting in May of each year to elect new governors.

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1. INTRODUCTION AND OVERVIEW

The Bylaws of the Foundation, ARTICLE I, Section 6, empowers the Investment Committee to review, recommend, and make investments and re-investments in accordance with the Investment Policy of the Pensacola State College Foundation. The Investment Committee members will be selected by the Finance Committee. The chair and/or co-chairs of the Investment Committee will be current member(s) of the Pensacola State College Foundation Governors. The chairman of the Finance Committee will serve as an ex-officio member of the Investment Committee. The committee will report to the Board of Governors through the Finance Committee.

Accepting this responsibility, the Investment Committee has adopted these investment management guidelines. The guidelines apply to all funds invested by the Foundation. Within these guidelines, management flexibility is exercised by the Investment Committee as authorized by the Bylaws of the Pensacola State College Foundation, Inc. The committee will, upon establishment of the investment policies, evaluate them periodically and update them as appropriate.

The Investment Committee is charged with the responsibility of investing the assets of the Foundation as a prudent investor would, given the distribution requirements, purposes, and circumstances of the Foundation, in accordance with the Florida Uniform Prudent Management of Institutional Funds Act, (“UPMIFA”).

This standard requires the exercise of reasonable care, skill, and caution, and is to be applied to investments not in isolation but in the context of the Foundation portfolio as a whole, and as part of an overall investment strategy which incorporates risk and return objectives reasonably suitable to the Foundation.

In making and implementing investment decisions, the Governors of the Foundation have a duty to:

- Diversify the investments of the Foundation to reduce risk.
- Incur only the costs that are reasonable in amount and appropriate given the responsibilities of the agents
- Act with prudence in deciding whether and how to delegate authority and in the selection and supervision of agents

2. PURPOSE

To execute the foregoing duties, the Trustees of the Foundation have established this document. This document will:

- Establish the investment objectives of the Foundation and determine the policies and guidelines that will provide long term stability and continuity to the management of the Foundation’s assets.
- Establish a clear understanding by all involved parties as to their respective duties and responsibilities regarding the ongoing management of the Foundation’s assets.

3. INVESTMENT OBJECTIVES

The Pensacola State College Foundation investment goal is to preserve the purchasing power of the endowments for equity among all generations while providing sustainable resources for the programs and activities of the college that are supported by the Foundation.

Foundation funds should be invested to produce maximum total return consistent with prudent risk limits. Total return includes interest, dividends, realized and unrealized capital appreciation less all management costs.

The Foundation will seek to achieve the following:

- Maximize portfolio returns, while minimizing investment risks.
- A long-term return on investments, net of expenses, that is equal to or exceeds the investment benchmarks which assume the same level of risk as the Foundation.
- Maintenance of sufficient liquidity to fund current programs.

4. POLICIES

It is crucial to link asset allocation to the Foundation's investment objectives. The allocation of the portfolio over various asset classes is the single most important determinant of investment risk and return. Historically, returns have been greater in equities than in bonds or cash. Since the Foundation has a long-term investment horizon, the Foundation should have a significant portion of its investments in equities. Because market values and market conditions are constantly changing, an asset allocation policy should be expressed in ranges instead of a single percentage target to keep from incurring the transaction costs associated with rebalancing too frequently. For these reasons, a policy targeting a range of 45% to 75% in equities will be used as a guide, with the initial target set at 60%.

While equities provide greater long-term returns over most time periods, there is always the possibility of experiencing a prolonged or precipitous decline in equity prices as occurred in 1929 (equities down 70%). To mitigate against such loss and to provide more predictable and dependable cash flow, the Foundation should also invest in bonds. A policy targeting a range of 25% to 55% in bonds will be used as a guide, with the initial target set at 40%.

Movement within the approved range may be directed by the Investment Committee to respond to changing market conditions, but the Committee should refrain from making frequent tactical changes. Use of a balanced or "swing manager" by the Committee to make tactical shifts in response to changing market conditions will be permitted.

Recap of Policy

	Target Range	Initial Target
Equities	45% to 75%	60%
Bonds	25% to 55%	40%
Alternatives	0% to 15%	0%

Cash Flows/Rebalancing

New contributions to the Foundation should be applied to, and payment by the Foundation withdrawn from, asset classes in such a way as to bring the Foundation's asset allocation back toward its Target Asset Allocation. The Foundation will undertake active rebalancing from time-to-time to bring the fund in-line with the Target Asset Allocation. The Committee recognizes that changes in economic conditions and shifts in financial markets may lead to deviations from the Initial Target allocations. Any deviations exceeding +/- 5% will be the trigger for the Consultant to make an investment recommendation to the Committee.

5. GUIDELINES

Equities

Given the substantial commitment to equities and their inherent volatility, it is essential that the Foundation's portfolio be well diversified at all times. To achieve diversification the Foundation will invest across various equity styles, capitalization sizes, and industry sectors. The Foundation's portfolio may also be invested in shares of foreign (developed and emerging) companies listed on the U.S. exchanges or recognized foreign exchanges in the form of mutual funds, common trust funds, and exchange traded funds (ETFs).

Permitted Investments:

- Equities listed on a domestic or foreign exchange.

Prohibited Investments:

- Use of leverage in account (margin or derivative securities that increase risk).
- More than 5% in any one issuer. In addition, the manager will not invest in any security which is illiquid so that the purchase or sale of his position would adversely affect the share price.

Ranges Within Equities:

- No more than 25% of the Foundation's assets may be invested in international and emerging market equities (with emerging equities totaling no more than 25% of the international allocation i.e., 20% total = 15% developed and 5% emerging).
- A range of 5% to 15% of Foundation assets will be invested in Mid Capitalization Equities.
- A range of 5% to 15% of Foundation assets will be invested in Small Capitalization Equities.

Bonds

The bond portfolio is designed to diversify the Foundation's assets and to cushion the portfolio in the event of an economic downturn. To achieve this, generally, the Portfolio should not unduly bear credit risk and should be invested in bonds of higher quality. However, the Foundation is permitted to selectively invest in a diversified Portfolio of non-investment grade bonds.

Permitted Investments:

- Bonds issued in United States Dollars. The Foundation's portfolio may also be invested in bonds of foreign (developed and emerging) companies or governments listed on the U.S. exchanges or recognized foreign exchanges in the form of: mutual funds, common trust funds, and exchange traded funds (ETFs).

Prohibited Investment:

- Use of leverage in account (margin or derivative securities that increase risk).
- More than 5% in any one issuer except the United States Government.
- No more than 5% of Foundation assets may be invested in diversified portfolio of non-investment grade bonds.

Cash and Equivalents

Cash should be transitional or held for the purpose of providing liquidity to meet the Foundation's cash flow requirements.

Permitted Investments:

- Commercial paper with an A-1 or P-1 rating at the time of initial investment.
- Money Market Funds.

Other Investments:

- Private Equity, Private Real Estate, Real Assets, Hedge Funds, Long-Short Funds and Multi-Strategy Funds to include both illiquid and liquid securities will be permitted only with prior approval of the Committee. The total of "other" assets in the aggregate is not to exceed 15% of the Foundation's assets.

Manager Agreements (In General)

Each investment manager will be provided guidelines containing provisions consistent with these policies but tailored to the individual style and objective of the manager:

- Managers should adhere to policy at all times.
- Turnover should be kept to a minimum.
- Where appropriate, index funds with low fees may be used.
- Use of mutual or commingled funds will be allowed if they conform to the guidelines as if they were holding the individual securities.
- Manager's agreements will include specific guidelines and objectives for the portfolio and an itemization of all fees and costs to be incurred by the Foundation in connection with the portfolio's management.
- Managers should communicate, in writing, any significant developments at the firm. These developments include change (both actual and anticipated) in firm ownership, organizational structure, professional personnel, accounts/assets gained or lost, or fundamental investment philosophy.

6. DUTIES AND RESPONSIBILITIES

a. Board of Governors

The entire Board of Governors is charged with the ultimate responsibility for the Foundation's assets. As a practical matter, the Board will delegate responsibility for the day-to-day operations of the Foundation to the Executive Director and his/her staff. The Board may also seek advice from outside professionals such as consultants and investment managers.

b. Investment Committee of the Board

The Investment Committee shall oversee the implementation of the investment policies. The Investment Committee will also make recommendations to the Board as to hiring outside professionals such as consultants and investment managers. The Committee (through the Finance Committee) will make reports to the Board on a regular basis on the status of the Foundation's assets as well as its investment performance relative to the objectives and policies set by the Board.

c. Executive Director (as related to the investment of the Foundation's assets)

Responsible for the day-to-day implementation of the investment policies set forth by the Board. Reports to the Investment Committee the status of the Foundation's assets and investment performance as requested by the Committee.

d. Consultant

Advise the Investment Committee on matters relating to the investment of the plan's assets. These matters include:

- Investment policy, structure, and implementation
- Appropriateness of asset allocation strategies
- Investment manager searches
- Reports to the Investment Committee on the status of the Foundation's assets and investment performance.
- Monitors the assets to ensure compliance with guidelines and policies, and reports to the Investment Committee any discrepancies.

e. Investment Managers

Responsible for managing the assets under their supervision in accordance with direction from the Board. Reports to the Investment Committee on the status and performance of the assets under their supervision.

f. Custodian

Responsible for holding and accounting for the assets under their supervision. This includes collection of all income, daily sweep of cash to money market fund, settlement of all trades, and producing monthly statements.

7. DISTRIBUTION OF INCOME

Annual Spending

Recognizing the need for sustainable income to support the beneficiaries of endowments, spending should not exceed 5% of the three-year average earnings of the portfolio. Earnings include interest, dividends, and capital gain distributions.

The 3-year calculation is applied to the fund balance at the end of the year. A pro-rata adjustment calculation may be made for new year gifts.

8. MEETINGS

The Investment Committee will meet at least quarterly to review the performance of the investments of the Foundation. The consultant and/or those managers deemed appropriate, will be available to report to the Investment Committee as requested by the Committee.

These Investment Objectives, Policies, and Guidelines will be reviewed at least annually and updated as needed~~.~~

IX. Operating Reserve Policy

Adopted 2/23/22
Amended 2/23/22
Reviewed 3/29/2023

PURPOSE

The purpose of the Reserves Policy for the Pensacola State College Foundation is to ensure the stability of the mission, programs, and ongoing operations of the organization and to provide a source of internal funds for organizational priorities such as building repair and improvement, program opportunity, and capacity building.

The Reserves Policy will be implemented in concert with the other governance and financial polices of Pensacola State College Foundation and is intended to support the goals and strategies contained in these related policies and in strategic and operational plans.

DEFINITIONS AND GOALS

Operating Reserve

The Operating Reserve is intended to provide an internal source of funds for situations such as a sudden increase in expenses, one-time unbudgeted expenses, unanticipated loss in funding, or uninsured losses. Operating Reserves are not intended to replace a permanent loss of funds or eliminate an ongoing budget gap. It is the intention of Pensacola State College Foundation for Operating Reserves to be used and replenished within a reasonably short period of time. The Operating Reserve Fund is defined as a designated fund set aside by action of the Board of Directors. The minimum amount to be designated as Operating Reserve will be established in an amount sufficient to maintain ongoing operations and programs measured for a set period of time, measured in months. The Operating Reserve serves a dynamic role and will be reviewed and adjusted in response to both internal and external changes.

The target minimum Operating Reserve Fund is equal to three months of average operating costs. The calculation of average monthly operating costs includes all recurring, predictable expenses such as contract labor, occupancy, office, travel, program, and ongoing professional services. Depreciation, in-kind, and other non-cash expenses are not included in the calculation.

Accounting for Reserves

The Reserve Funds will be recorded in the financial records as Board-Designated Operating Reserve. The Funds will be funded and available in cash or cash equivalent funds. Reserves will be included with the general cash and investment accounts of the organization.

Funding of Reserves

The Operating Reserve will be funded with surplus unrestricted operating funds. The Board of Directors may from time to time direct that a specific source of revenue be set aside for Operating Reserves. Examples could include one-time gifts or bequests, special grants, or special appeals.

Use of Reserves

Identification of appropriate use of reserve funds.

The Executive Director and staff will identify the need for access to reserve funds and confirm that the use is consistent with the purpose of the reserves as described in this Policy. This step re- quires analysis of the reason for the shortfall, the availability of any other sources of funds before using reserves, and evaluation of the time period that the funds will be needed and replenished.

Authority to use reserves

The Executive Director will submit a request to use Reserves to the Finance Committee of the Board of Directors. The request will include the analysis and determination of the use of funds and plans for replenishment. The organization's goal is to replenish the funds used within twelve months to restore the Reserve Fund to the target minimum amount. If the use of Reserves will take longer than 12 months to replenish, the request will be scrutinized more carefully. The Finance Committee will approve or modify the request and authorize transfer from the fund. (OR, the Finance Committee will recommend the request to the Executive Committee or the Board.)

Reporting and monitoring

The Executive Director is responsible for ensuring that the Reserve Funds are maintained and used only as described in this Policy. Upon approval for the use of Reserve Funds, the Executive Director and Manager, Finance and Business Affairs will maintain records of the use of funds and plan for replenishment, if required. He/she will provide regular reports to the Finance Committee/Board of Directors of progress to restore the Fund to the target minimum amount, if required.

Review of Policy

This Policy will be reviewed every other year, at minimum, by the Finance Committee, or sooner if warranted by internal or external events or changes. Changes to the Policy will be recommended by the Finance Committee to the Board of Directors.

X. Purchasing Card Policy

Adopted 4/27/22
Amended 4/27/22
Reviewed 3/29/23

Section I: Pensacola State College Foundation Purchasing Card Policy

The Pensacola State College Foundation operates a Purchasing Card to allow designated employees access to Foundation funds for the purposes of Foundation business in lieu of their personal funds. PSC Foundation funds are restricted for disbursement based on specific donor intent.

Allowable Purchases with the Foundation Purchasing Card (PSCF PCard):

- Foundation sponsored events
- Fundraising
- Donor relations
- Campaign
- Designated college program needs
- Athletics
- Supplies for athletic teams as designated by donor intent
- Recruitment of student athletes using the PSC Business Expense Reimbursement Policy and the PSC Purchasing and Travel Card Policy
- Maintenance of properties managed by the Pensacola State College Foundation
- Travel
- Travel expenses as designated by the PSC PCard Policy
- Fuel for rental cars or college vehicles
- Fuel for personal vehicles while on PSCF business is prohibited to be purchased on a PSCF PCard. Personal vehicle usage for college related travel will be reimbursed to the employee at the rate of .585/mile and should be submitted on a PSCF cash disbursement form.

Prohibited Purchases

- Non-work or personal items
- Cash advances/wire transfers/money orders
- Cash refunds

Section II: Card Issuance and Cancellation

The Pensacola State College Foundation Manager of Finance and Business Affairs is responsible for the issuance and cancellation of all cards.

Issuance

a. PSC Department Head will send an email to PSCFoundationFinance@pensacolastate.edu to request a PSCF PCard for the designated employee.
b. Follow instructions on letter accompanying card, need verification ID and phone number (850-484-1233).
c. Be sure to set up PIN. Only you can reset PIN if it's forgotten.

Cancellation

Cards will be cancelled by the PSCF Director of Finance and Business Affairs for the following reasons:

- Cardholder misuse of the card.
- Cardholder terminates employment for any reason.
- Cardholder's job status changes that they no longer require a card.
- Cardholder reports loss or theft of the card.

Section III: Card Funding

- Card must be funded prior to use.
- Existing cardholders will request funding on a quarterly basis.
- The PSC Foundation Manager of Finance and business will set quarterly funding based on available program funds.
- Funding requests must include the amount of funds requests and the purpose for the request. For Example, "$500 Women's Basketball Team Supplies", or "$2500 Event Costs for Foundation Day of Clays"
- New Cardholders will request initial funding immediately after the card has been issued.

Section IV: Receipt, Sign Off and Approval

Cardholder responsibilities

- It is the cardholder's responsibility to obtain receipts that specifically identify items purchased and any other pertinent backup documentation.
- If the cardholder is unable to obtain or has lost a receipt, they must complete a lost receipt form signed by both employee and supervisor and submit with other receipts.
- Safeguarding the card always.
- Not allowing anyone to use their card.

Program administrator responsibilities

- The PSCF Manager of Finance and Business Affairs will serve as the program administrator.
- The program administrator will issue and cancel cards
- The program administrator will oversee card usage and report inappropriate activity.

Weekly reporting, sign off and approval

- The cardholder is responsible to ensuring a weekly report of PCard purchases for charges occurring in the prior week. The accompanying receipts is approved by the Department head and submitted to the PSCF Manager of Finance and Business Affairs. In the Bank of America Works application, the cardholder will use the "PSCF Disbursement Report – Accountholder" from the Reporting menu and sign off and obtain approval.
- Failure to submit timely weekly reports will be considered misuse of the PSCF PCard.

Section V: Training

- Cardholder training will be mandatory for use of the PSCF Pcard.
- Training ensures the cardholder understands the policies and procedures of the PSCF PCard.
- The Cardholder will be required to sign a PSCF PCard Agreement that validates the cardholder has received training and a copy of the policies.

Section VI: Sales Tax Exemption

- Purchases made in Florida and for use in Florida are exempt from Florida sales tax.
- Cardholders are given a Consumer's Certificate of Exemption Card to use as documentation when needed. Cardholders should keep the Consumer's Certificate.
- Cardholder diligence is expected in dealing with merchants regarding sales tax.

Adopted 9/28/22
Amended
Reviewed 07/26/2023

XI. Guidelines for Reporting and Counting Charitable Gifts

To maintain credibility and transparency associated with the College's fundraising campaigns, these guidelines have been created as the standard to be used by the PSC Foundation, WSRE Foundation, and PSC fundraising boards for counting and reporting, valuation, and crediting donations.

Key Principles:

The guidelines are based upon several key principles. Among the most important of these are that the guidelines should:

- Be clear, transparent and easily understandable by development professionals as well as the wider audience of staff, volunteers, regulators and benefactors.
- Provide a mechanism for comparison among charitable organizations based on criteria that can be applied comparatively across the broad charitable community.
- Consider the considerations, perceptions and expectations of the donor.
- Focus on counting and reporting, not accounting, valuation or crediting.
- Recognize that the IRS charitable deduction calculations were not created for the purpose of counting planned gifts and, while valid for tax purposes, do not offer a way of counting planned gifts that recognizes the total campaign and development effort or the actual value of the commitment to Pensacola State College Foundation or WSRE Foundation.
- Not replace a policy of recommending donors consult their tax attorney to determine IRS tax deductible value of their gifts.
- Recognize that campaigns are usually finite, often with a multi-year timeframe. We also recognize that some organizations conduct a series of annual campaigns with a structure very similar to multi-year campaigns.

Reports of fundraising activity should reflect clearly the activity that has transpired and its results. By reporting three complementary but separate categories, these guidelines emphasize that clarity. They speak the same language that donors use when they make their gifts, and that other groups speak when they issue reports.

Transparency in reporting standards is a function of accuracy, completeness and clarity. These counting guidelines address all three dimensions.

Campaign - Our use of the term "campaign" simply recognizes that we report results in definitive time segments. While our primary reporting will be on an annual basis, we will periodically place a longer multi-year campaign umbrella over our fundraising and our counting for each campaign will be defined by the board's* defined term associated with each. (* "board" refers to any College Fundraising Board endorsed by the PSC Board of Trustees)

RECOMMENDATIONS

Regardless of the duration of our campaign the goal of these guidelines is to better structure with clarity our expectations, so that we can be more transparent in our reporting. Regardless of campaign, we report gifts based on:

> Category A: An outright goal for gifts that are usable or will become usable for institutional purposes during the reporting period (whether one or more years).
>
> Category B: Legacy gifts: irrevocable deferred gift goal for gifts committed during the reporting period but usable by the organization at some point after the end of the period; and, revocable deferred gift goal for gifts solicited and committed during the reporting period but in which the donor retains the right to change the commitment and/or beneficiary.

- *These two categories can be used to guide both the goals we set at the beginning of our campaigns, and the reporting of results during the campaign period. In this way, we can measure results against aspirations, and can articulate clearly and definitively that all types of gift commitments are crucial to achieving our charitable mission.*
- Categorical goals will reflect, much better than a single goal, the true nature of our fundraising.
- Overriding Rule - We "count" toward our stated goal in each category only new commitments made during that reporting period. However, we should still report all charitable receipts or changes in commitments that affect our financial state, even when these are not counted toward campaign goals.
- At no time, will anything in these guidelines replace the naming guidelines adopted by the PSC District Board of Trustees that dictate 51% of any gift must be received before a naming opportunity is bestowed upon any donor. Additionally, thresholds for gift acceptance and recognition that are established by the PSC District Board of Trustees and the PSC Foundation Board of Governors will remain the ruling policy for recognition to be received regardless of the fundraising campaign.

Counting Gifts:

Basic Principles

The following principles for counting gifts will be utilized by the Fundraising Boards approved by the PSC Board of Trustees for fundraising activities:

- Only those gifts and pledges received or committed during the period identified for the campaign will be counted in campaign totals.
- Gifts and pledges may be counted to only one campaign. The value of canceled or unfulfilled pledges will be subtracted from campaign totals when we determine they will not be realized.
- If a commitment was recorded in Category B Legacy Gifts that are defined as (revocable commitments) in a previous campaign without a dollar figure or with only a nominal figure attached to it is realized in a current campaign, it will be recorded in Category A (outright gifts) as a current gift.
- The value of previously recorded gifts or commitments will only be adjusted in the event of subsequent philanthropic activity by the donor, not fluctuations in market value. For example, if a bequest donor increases the amount of a previously counted bequest commitment, the additional amount may be counted in fundraising totals for the period in which the donor provides notification of the increased amount.
- Only gifts received by the DSO or fundraising entity approved by the PSC District Board of Trustees may be counted toward campaign totals. In cases where the DSO or fundraising entity is directly involved in grant awards that flow to the College, the College President will decide whether the grant award will be counted toward a campaign total prior to that amount being reported.

Pledge Payment Period

The pledge payment period will not exceed five years for commitments counted in Category A, and if exceptions are approved by an endorsed college Fundraising Board's Oversight Committee, the exceptions will be enumerated in campaign reports.

When we Report Gifts

Outright gifts are reported only when assets are transferred irrevocably to the College. Deferred irrevocable gifts are reported only when assets are transferred to the gift instrument. Revocable commitments are reported when the gift instrument is executed, and sufficient documentation is received (i.e. copy of the legacy gift instrument executed by the donor's legal counsel or written documentation of a pledge detailing the timetable on which pledge payment(s) will be received).

As a minimum, the following results should be available for reporting:

- The total of outright gifts and pledges received, reported at face value, and payable within the campaign period and post-campaign accounting period, as specified in the campaign plan.
- The total of irrevocable deferred commitments, which will be received at an undetermined time in the future, reported at face value.
- The total of revocable deferred commitments, which will be received at an undetermined time in the future, reported at estimated value (value is determined by IRS valuation standards and GAAP & GASB) or, if the campaign goal so stipulates, reported as the number of new revocable commitments regardless of estimated value.

(Refer to calculation methodology documents)

Report Categorization

Category A: Outright Gifts

Definition and Examples

Gifts that are usable or will become usable for College purposes during the reporting period, whether one or more years. Examples include:

a) Cash
b) Marketable securities
c) Other current gifts of noncash assets
d) Irrevocable pledges collectible during the reporting period
e) Cash value of life insurance owned by the Foundation (net of policy loans)
f) Realized life insurance or retirement plan benefits in excess of the amounts reported in previous campaigns
g) Realized bequests in excess of the amounts reported in previous campaigns
h) Distributions from Donor Advised Funds
i) Qualified Charitable Distributions from IRAs
j) Total expected lead trust distributions irrevocably committed to the College which start during the reporting period
k) Lead trust distributions in which the College is a revocable beneficiary, but only as they are received

*Note: Gifts must be processed using a PSC District Board of Trustee and approved Fundraising Board Gift Acceptance Policies.

Pledges: Pledges are counted upon receipt of the written pledge, provided the pledge is in accord with these guidelines.

- Pledges to make outright gifts: Such pledges must be written and must commit to a specific dollar amount that will be paid according to a fixed time schedule. The pledge payment period, regardless of when the pledge is made, should not exceed five years. Therefore, a pledge received even on the last day of the campaign is counted in campaign totals and may be paid over a five-year period.

Guidelines for reporting specific types of assets in Category A

- Cash: Report cash at full value as of the date received by the institution.
- Marketable Securities: Marketable securities are counted at the average of the high and low quoted selling prices on the gift date (the date the donor relinquished dominion and control of the assets in favor of the College). Note: These reporting standards do not address the multitude of tax rules regarding the delivery of securities by the donor to the donee.
- Gifts of Property: Gifts of real and personal property that qualify for a charitable deduction are counted at their full fair-market value as determined by a qualified independent appraiser. (Donors are responsible for the costs associated with securing the appraisal)
- Nongovernmental Grants and Contracts: Grant income from private, nongovernmental sources is reported; contract revenue is excluded.
- Realized Testamentary Gifts and Realized Retirement Plan Assets: All bequests and retirement plan assets realized during the defined duration of the campaign are counted at full value in campaign totals, insofar as the amount received exceeds commitments counted in a previous campaign.

Category B: Legacy Gifts

Irrevocable Deferred Gifts - Definition and Examples

Gifts committed during the reporting period, but usable by the College at some point after the end of the period. Examples include:

- Split interest gifts such as charitable gift annuities, pooled income fund shares and charitable remainder trusts in which the beneficiary designation is irrevocable.
- Life estates
- Death benefit of paid-up life insurance in which the Foundation is both owner and beneficiary.
- Irrevocable testamentary pledges or contract to make a will
- Charitable remainder trusts, gift annuities and pooled-income funds: Gifts made to establish charitable remainder trusts (including charitable remainder trusts administered outside the institution) where the remainder is not subject to change or revocation, gift annuities and contributions to pooled income funds will be credited to campaign totals at face value. When additions are made to gifts that have been counted in previous campaign(s), the additions can be counted in the current campaign.
- Remainder Interest in a Residence or Farm with Retained Life Estate: A gift of a remainder interest in a personal residence or farm will be counted at the face value.

Revocable Deferred Gifts - Definition and Examples

Gifts solicited and committed during the reporting period, but which the donor retains the right to change the commitment and/ or beneficiary. Examples include:

- Estate provisions, either from a will or a living trust.

- Charitable remainder trusts in which the donor retains the right to change the beneficiary designation. When additions are made to gifts that have been counted in previous campaign(s), the additions can be counted in the current campaign.
- IRAs or other retirement plan assets in which the College's interest remains revocable by the donor.
- Life insurance in which the donor retains ownership (face value less any policy loans) and in which charity is owner but premiums remain due.

<u>To Count Legacy Gifts or Estate Provisions (Irrevocable or Revocable Gift Instruments)</u> in campaign totals, the following requirements must be satisfied:

- The commitment must specify an amount to be distributed to the College or, if a percentage of the estate or a trust or of a beneficiary designation, specify a credible estimate of the value of the estate at the time the commitment is made.
- Have verification of the commitment through one or more of the following forms:
    - A letter or agreement from the donor or donor's advisor affirming the commitment.
    - Copy of will or beneficiary designation form
    - Notification form provided by the PSC District Board of Trustees, authorized Fundraising Entity and Fundraising Board, signed by donor or advisor
    - An acknowledged email or text affirming the donor's intention

Charitable/Deferred Pledge Agreement. A deferred pledge agreement is a legally binding document, tested in the courts of several states, that places an obligation on the estate of the issuer to transfer a certain amount to the institution. Under such agreements, the executor of the donor's estate is held legally responsible for payment of the specified amount from the estate. The campaign will carefully investigate the actual circumstances underlying the estate and be conservative in counting such commitments toward campaign totals. If any circumstances should make it unlikely that the amount pledged by bequest will be realized by the College, then the commitment will be further adjusted according to specific circumstances, or not reported at all.

Donor Recognition

Donor Recognition will be provided according to the College's Naming Agreement and the PSC Board of Trustees authorized Fundraising Entity policies. Recognition will be at "counted" value in the appropriate category listed in these guidelines on any fundraising campaign donor wall or report.

Note: PSC's recognized legacy society is the Bell Tower Heritage Society. Any legacy gift will be recognized under the Bell Tower Heritage Society header on donor walls, panels; or, in literature detailing the campaign results. Donor recognition for those making a legacy gift will not include a dollar value.

Adopted 11/03/23 **Amended** **Reviewed**

XII. Pensacola State College Foundation Guidelines on Recruiting Expenses

Section I: Purpose

Recruiting is defined by the National Junior College Athletic Association as any solicitation of a prospect or prospect's relatives (or legal guardians) by an institutional staff member or by a representative of the institution's athletic interests for the purposes of securing the prospect's enrollment and ultimate participation in the institution's intercollegiate athletic program. Per the NJCAA, all transactions and financial records of support organizations must be open, available, and accounted for by college officials. The purpose of this guideline is to provide a definition of expenses considered as recruiting and funded by the PSC Foundation through the specified intent of donors. All recruiting activities must comply with the policies of the Pensacola State College and the *National Junior College Athletic Association*.

Section I: On-campus Recruiting

The following expenses will be considered reimbursable by the PSC Foundation:

- One on-campus visit per recruit not to exceed two days.
- Travel between the recruit's home and institution.
- Commercial airline travel not to exceed coach fare.
- Auto travel will be reimbursed for round trip by current PSCF mileage rate.
- Meals for the recruit during the visit not to exceed the PSC meal reimbursement policy.
- Parents or guardian's expenses related to an on-campus visit will not be considered reimbursable by the Foundation.

Section II: Off Campus Recruiting

Athletic department staff's visits to a prospect at any location for recruiting purposes will be considered reimbursable by the PSC Foundation for his/her own expenses. The representative of PSC may not expend funds or provide benefits to the recruit or the recruit's representatives during an off campus recruiting trip.

Reimbursable expenses for off campus recruiting:

- Mileage round-trip from PSC campus and recruiting location per the PSCF mileage rate.
  - Use of college vehicle and appropriate documentation
  - Mileage is reimbursed by a PSCF Foundation Disbursement request paid directly to the athletic staff member.
- Meals per the PSC meal reimbursement policy during the duration of the off campus recruiting trip.
  - Sales tax paid on meals will not be reimbursed.
  - Exemption certificates will be provided to each athletic staff member.
- Lodging per the PSC travel policy during the duration of the off campus recruiting trip.
  - Sales tax paid on lodging will not be reimbursed.
  - Exemption certificates will be provided to each athletic staff member.
- Car rental for the purposes of off campus recruiting.
  - Sales tax paid on car rentals will not be reimbursed.
  - Exemption certificates will be provided to each athletic staff member

Adopted 11/03/23
Amended
Reviewed

XIII. CONFLICT OF INTEREST POLICY & BOARD MEMBER AND OFFICER DISCLOSURES

Statement of General Policy. The Pensacola State College Foundation, Inc. recognizes that both real and apparent conflicts of interest naturally occur while conducting the Foundation's daily affairs. A conflict, as used in this policy, refers only to the personal, proprietary interests of the persons covered by this policy and their immediate families and not to philosophical or professional differences of opinion. Conflicts occur because the many persons associated with the Foundation should be expected to have and do, in fact, generally have multiple interests and affiliations and various positions of responsibility within the community.

Conflicts are undesirable because they place the interests of others ahead of the Foundation's obligations to its corporate purposes and the public interest. Conflicts are also undesirable because they often reflect adversely upon the persons involved and upon the institutions with which they are affiliated, regardless of the facts or motivations of the parties. The long-range best interests of the Foundation, however, do not require the termination of all association with persons who may have real or apparent conflicts if a prescribed and effective method can render such conflicts harmless to all concerned.

Therefore, the Foundation's affirmative policy shall be to require that all actual or apparent conflicts be disclosed promptly and fully to all necessary parties and to prohibit specific involvement in the affairs of the Foundation by persons having such conflicts.

Interested Person. Any member of the Board of Governors, Executive Committee, Finance Committee, or member of any other committee with board-delegated powers who has a direct or indirect financial interest, as defined below, is an interested person.

Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- an ownership or investment interest in any entity (other than one percent or less of the securities of publicly traded companies) with which the Foundation is then doing business or is proposing to do business or
- a compensation arrangement with the Foundation or with any entity or individual with which the Foundation is then doing business or is proposing to do business or
- a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Foundation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.

In most instances, an interested person with a financial interest will have a real or apparent conflict of interest; therefore, unless the Executive Committee, at the request of the interested person, should make a determination to the contrary in a specific instance, all interested persons with financial interests will be presumed to have a real or apparent conflict of interest.

Disclosure of all Conflicts. All interested persons shall disclose all real or apparent conflicts that they discover or have brought to their attention in connection with the Foundation's activities. “Disclosure” as used in this policy shall mean providing promptly to the appropriate persons notice of the real or apparent conflict. An annual disclosure statement shall be circulated to all persons to whom this policy applies to assist them in considering such disclosures, but disclosure is appropriate whenever conflicts arise. Notice of a conflict shall be filed with the president of the Foundation or any other person designated by the president from time to time to receive such notifications. All disclosure notices received hereunder shall be noted for the record in the minutes of a meeting of the Executive Committee. In addition, if an interested person is in a position to vote on or approve any transaction or arrangement in which he or she has or may have a real or apparent conflict that has not already been disclosed, the interested person must immediately disclose the existence of his or her real or apparent conflict and all material facts to the board/committees with board delegated powers considering the proposed transaction or arrangement. In any event, the interested person must disclose the real or apparent conflict before voting on or approving the transaction or arrangement. All board/committee members and officers with Board delegated powers shall have a duty and responsibility to bring to the attention of any other board/committee member or officer and the appropriate Board or committee itself any facts or circumstances of which they have knowledge that might indicate that such other board/committee member or officer may have a real or apparent conflict of interest.

Proscribed Activity by Persons Having Conflicts. When an interested person believes that he or she or a member of his or her immediate family might have or does have a real or apparent conflict, he or she should, in addition to filing the disclosure notice described above, abstain from making motions, voting, executing agreements, or taking any other similar direct action on behalf of the Foundation where the conflict might pertain; and remove himself or herself from the meeting during the discussion and vote on the issue as to which he or she has a real or apparent conflict.

Exceptions. When any person requests in writing, or upon its own initiative, the Executive Committee, after consultation with the general counsel, may determine that a financial interest of an interested person does not constitute a real or apparent conflict under certain specified circumstances, may establish further guidelines consistent with the interest of the Foundation for the resolution of any real or apparent conflicts, and may make an exception to those policies where they determine it is the best interest of the Foundation so to do.

Confidential Information. Frequently, board/committee members, in the performance of their board responsibilities, obtain confidential information. It shall be against the Foundation's policies to discuss with anyone who does not have a need to know any information not already publicly known that might adversely affect the Foundation's interest, including information relating to strategic planning, decisions, operations, plans, financial or business prospects, or to use such information to the personal advantage of the board/committee member or to another organization with which the board/committee member is associated or has a financial interest in.

I have read the foregoing Conflict of Interest Policy adopted by the Executive Committee of the Pensacola State College Foundation, Inc. and, in accordance with the said policy, hereby disclose the following potential conflicts of interest (if yes, please so indicate, otherwise indicate no):

FOR YEAR 2024 (1/1/24 through 12/31/24), PLEASE DISCLOSE THE FOLLOWING INFORMATION:

• During Year 2024, do you have a family member that is an employee of Pensacola State College Foundation, Inc. or Pensacola State College?

YES_____ or NO_____

If yes, please provide the name of the employee and a description of your relationship with the individual.

• During Year 2024, are you an employee or owner of an entity that does business with Pensacola

State College Foundation, Inc. or Pensacola State College?

YES_____ or NO_____

If yes, please provide the name and position.

• During Year 2024, if you had a family member receive a scholarship or grant awarded by Pensacola State College Foundation, Inc. or Pensacola State College, to the best of your knowledge, was it obtained solely by the family member's own means, i.e. the family member did not engage an interested party"?

YES_____ or NO_____

If no, please explain.

Signature: Date:

Print Name:

Adopted 11/03/2023
Amended
Reviewed

XIV. Confidentiality Policy

A first principle of fundraising is to recognize the inherent personal dignity of any person who is discussed as a prospective donor to this campaign.

It is assumed that in the course of preparing for and conducting the campaign for Pensacola State College, Board members, committee members, employees, and fundraising consultants will have the occasion to discuss information of a personal, financial and confidential nature. The following policies are established to affirm Pensacola State College's sincere commitment to protect the dignity and trust of its benefactors, friends, and prospective donors.

All fundraising-related discussions concerning major gift prospects, whether individuals, foundations or corporations, are to be held in confidence.

While it is never the intent to discuss matters of a personal or family nature regarding prospects, should such a disclosure happen in the course of a campaign meeting or activity, such information will be treated with the highest level of confidence.

All information concerning financial capability, past giving patterns, specific gifts and/ or personal disclosures about giving interests are to be treated confidentially - that is within the circle of those of who are assigned to the prospect or are providing counseling or guidance relative to the prospect.

All discussions and/ or reports of gifts and pledge commitments made during committee meetings are to be held in confidence until the donor's desires concerning publicity or anonymity are expressed in the written confirmation of the pledge or gift.

Adopted 02/21/2024 **Amended** **Reviewed**

XV. DISTRIBUTION OF INCOME CALCULATION

Annual Spending

As stated in Policy VIII. Investment Policy Statement 7. Distribution of Income: *Recognizing the need for sustainable income to support the beneficiaries of endowments, spending should not exceed 5% of the three-year average earnings of the portfolio. Earnings include interest, dividends, and capital gain distributions.*

The 3-year calculation is applied to the fund balance at the end of the year. A pro-rata adjustment calculation may be made for New Year gifts.

Goal: Some Scholarships and Programs have an endowment that funds them through earnings each year. Those Scholarships and Programs should get a portion of the earnings generated by the endowments for the year.

Based on the Investment Policy Statement, the calculation is as follows:

1. The three-year earnings from Synovus Investment Statements are averaged.
2. The three-year End of Year balance from Synovus Investment Statements is averaged.
3. The three-year earnings average is divided by the three-year balance average to get a percentage of earnings to apply to each endowment.
4. That percentage is then applied to the end-of-year balance of endowments in FE.
5. Each scholarship/program funded by an endowment will receive their Percentage Earning for the year.
6. Endowments that are begun within the year will have a pro-rated balance to apply the Percentage Earning for the year.

Facilities Naming Guidelines

Pensacola State College, hereinafter referred to as "College", possesses many valuable tangible and intangible assets, which may have significance in building resources for the institution. Significant funds are required to enable the College to continue to construct and renovate its facilities to ensure student access and the delivery of a high quality educational program. Private donor's contributions play an important role in the receipt for these necessary resources. The intent of the Naming Guidelines is to preserve the integrity of the College's assets ensuring that if they are named, they are done so with consideration of appropriate gifts or non-monetary contributions to the College and Pensacola State College Foundation, Inc.

Purpose

Pensacola State College seeks to provide appropriate recognition to donors for their generosity. Although such recognition may take many forms, the Naming Guidelines seeks to establish guidelines for the naming of facilities and programs and serves as a guideline for the Pensacola State College District Board of Trustees, herein referred to as the "Board of Trustees", the President of the College, herein referred to as "President", the Pensacola State College Foundation Board of Governors, hereinafter referred to as "Foundation Board", the Foundation Executive Director and staff and volunteers who assist in the solicitation of gifts.

The Naming Guidelines are established to assure an appropriate reflection of the history of the College as well as consistency, fairness, fitting recognition and good value in exchange for the honor or privilege of name association with a program, fund, or physical aspect of the College. As gifts can encourage others to give, the Naming Guidelines are intended only as a guide and allows for flexibility on a case-by-case basis.

Definitions

Gift	A "gift" is a voluntary, philanthropic transfer of assets received from an individual, a corporation, a foundation or other organization. A gift may be made through a number of vehicles, including but not limited to cash, stocks, estates, trusts, in-kind and real estate.
Institution	The term "institution" in these guidelines refers to the Pensacola State College.
Naming	The term "naming" in these guidelines refers to the conferral of an individual's or organization's name to a building, room, endowed chair, or other initiative or property to honor the philanthropic support and/or distinguished contributions of that individual or organization.
Facilities	Facilities include tangible and intangible assets. Tangible assets include, but are not limited to: campuses, outreach centers, buildings, outdoor facilities (ex. courtyards, lakes, parking lots, trails, walks, structural components of outdoor settings of the College) laboratories, classrooms, and conference rooms. Intangible assets include, but are not limited to: schools, college-wide centers and institutes, departments, campus centers and institutes, academic chairs, teaching chairs, and scholarship funds.

Facilities Naming Guidelines

Categories of Naming

Gift Related Naming
A gift-related naming occurs when a donor makes a tax-deductible contribution to the institution or the Pensacola State College Foundation and is recognized with a naming.

Honorific Naming
An honorific naming may be bestowed in recognition of the dedication or meritorious contribution of a person. A person being recognized by an honorific naming must have exhibited values consistent with the mission and vision of the institution, must have an established relationship with the institution, and must have contributed measurably to the good of society. When an individual is considered for an honorific naming, the proposal shall be reviewed and approved by the Foundation Executive Director / Chief Development Officer and the President prior to being submitted to the Board of Trustees for final approval. The Board of Trustees must approve all honorific naming.

Naming Opportunities and Necessary Approvals

Guidelines
The Pensacola State College District Board of Trustees (Board of Trustees) authorizes the Pensacola State College Foundation, Inc., as its direct support organization, to recommend the naming of facilities (tangible and intangible assets) of the College in recognition and acknowledgment of philanthropic gifts from individuals and other entities.

Naming opportunities shall extend to both tangible and intangible assets. Tangible assets include, but are not limited to: campuses, outreach centers, buildings, outdoor facilities (ex. courtyards, lakes, parking lots, trails, walkways, structural components of outdoor settings of the College) laboratories, classrooms, and conference rooms. Intangible assets include, but are not limited to: schools, departments, campus centers and institutes, academic chairs, teaching chairs, and scholarship funds.

Naming opportunities that are not otherwise set forth in these guidelines must be recommended by the Foundation Executive Director to the President. Upon the President's recommendation, naming facility will then be submitted for approval by the Board of Trustees.

Naming Guidelines in Recognition of a Contribution to the College

The Foundation Board will be responsible for setting and recommending minimum gift amounts required for naming of each type of asset subject to ratification by the Pensacola State College Board of Trustees. Sponsorships, bricks, and special events or programs do not fall under these guidelines.

The Foundation Board may make recommendations; however, ultimate authority to accept or decline any proposal to name at Pensacola State College rests with the President and the Board of Trustees. Should a donor contribution be utilized to construct a building with matching funds from the State of Florida Facilities Enhancement Challenge Grant, and if consideration under review is for a naming for a living person, the Board of Trustees must receive prior approval for the naming from the Florida State Board of Education, per Florida Statute, 1011.32(12).

1. **Relevance**
   A gift-related naming opportunity requires that the gift amount significantly advance the College, endowments, scholarships or other projects or must be reasonably related to the facility, place, position or item being named, as approved by the President.

Naming Guidelines in Recognition of a Contribution to the College (continued)

2. **Determination of Current Value**
   For the purposes of the Naming Guidelines, the current value of buildings and other major facilities and of donated real property shall be determined by the Florida Department of Education, Division of Florida Colleges and/or an independent appraisal. In all other circumstances where current value is required to be determined under these guidelines, the determination shall be made by the institution through the President's Office.

3. **Gifts of Monies, Securities, Real Estate, Personal Property and Other Types of Gifts**
   The President has the authority to consider various types of gift arrangements other than cash, securities, real estate and personal property to be gifted in consideration of a naming, in accordance with gift acceptance policies established by the Foundation and recommended by the Foundation Executive Director for approval by the Board of Trustees.
   These arrangements may include, but are not limited to, charitable trusts, charitable gift annuities, life estate gifts, life insurance, irrevocable beneficiary designations and gifts of less than the entire interest in a property. The Board of Trustees, shall be informed, by the President, of the manner in which the gift is pledged, and the Board of Trustees shall determine whether it is in the best interest of the institution to accept or reject the gift.

4. **Duration of a Naming/Permanency of a Naming**
   A naming in recognition of a gift shall be for the life of the building, other facility, program or endowment, or item being named unless otherwise agreed to in the gift agreement.
   Where a building or part thereof has been named and a gift from an individual, family, organization or foundation is involved, a facility receives a designation that shall last the lifetime of the facility, unless otherwise stipulated in a written, signed Memorandum of Understanding (MOU), at the time of gift acceptance, subject to the provisions specified below.
   Where a building or part thereof has been named and a gift from a corporation is involved, the corporation shall be given the opportunity to substitute another naming opportunity of similar value with the name subject to approval by the Board of Trustees for a period of time to be negotiated between the College and the donor.
   Provisions: Any legal impropriety or other act which brings dishonor or disrepute to the College or the community at large on the part of the donor, the individual bestowed in an honorific naming, or a corporate donor, shall make the gift and naming subject to reconsideration by the District Board of Trustees.

5. **All Naming**
   All naming must be in accordance with the requirements of Pensacola State College and the Naming Guidelines.

6. **Fundraising, Development Campaigns and Marketing of Naming Opportunities**
   All fundraising and development campaign efforts related to naming opportunities and the marketing of naming opportunities must be coordinated with the President and the Foundation Executive Director. The President shall be responsible for obtaining required approvals from the Board of Trustees related to naming. The President may delegate responsibilities to the Foundation Executive Director for coordination of fundraising and development campaign efforts to secure gifts related to naming opportunities.
   On approval by the Board of Trustees, the President and Foundation Executive Director shall maintain a college-wide naming schedule listing required gift levels for naming opportunities.

Naming Guidelines in Recognition of a Contribution to the College (continued)

7. **Approval Authority**
   Unless previously stipulated, as in the event of a Capital Campaign where such solicitations are planned, the President must approve all gift-related naming opportunities of $1,000,000 or more prior to solicitation of any prospective donor. No commitment regarding naming for such gifts shall be made to a donor or honoree prior to recommendation by the Foundation Executive Director and approval by the President and the Board of Trustees. Each proposal shall be made in writing in accordance with the requirements of the Naming Guidelines. A gift agreement stating the terms of the gift-related naming must be signed by both the donor and the President and Foundation Board Chair when applicable. The proposal and gift agreement shall be maintained by the Foundation and Development office in accordance with Federal and State Records Retention Requirements.

8. **Exceptions**
   The President may recommend to the Board of Trustees a naming opportunity that does not fall within these guidelines. The Board of Trustees must approve any exception.

Gift Acceptance/Funding

Cash, cash equivalent gifts or irrevocable deferred gifts qualify for the naming of facilities.

Gifts committed through pledges or irrevocable deferred arrangements may qualify for naming, but will not be activated until at least 51% of the commitment has been received by the Foundation and documented in the financial records of the Foundation. Board of Trustee's approval cannot be granted in gift naming opportunities until the donor's name or the name of the person being honored is presented in writing.

If irrevocable deferred gifts are to be used for the naming gift (existing or planned facilities), the value of the trust will be considered to be the "Present Value of the Remainder Interest" at the time the trust is created. Present value refers to the current value of the remainder interest of trust assets, as determined by Internal Revenue Code. The Present Value of the Remainder Interest must be greater than or equal to the level for naming facilities set by the College. The Pensacola State College Foundation is to be provided with a copy of the duly signed and executed document designating the gift as irrevocable.

Irrevocable trust gifts will be considered on a case by case basis for naming new construction or facilities. The District Board of Trustees will consider naming facilities for donor once the project is fully funded. The Foundation will seek matching funds from the State of Florida for all eligible gifts received for naming facilities. Florida Statute 1011.32 (3,6).

Facilities

An approved Naming Opportunities List should be maintained in the Offices of the President and Foundation Executive Director, which outlines the available naming opportunities for new or existing facilities. Facilities – a building or a specialized wing, room or area within a college building; an activity area such as an athletic field, a gazebo or specialized structure within an activity area (e.g. bleachers or stands, field house, press box, etc.) of the college campuses. Any other physical feature of the college campus which is determined as a desirable naming opportunity by a potential donor.

Donors of appropriate amounts may have their names submitted for consideration of naming a facility. Final authority for naming facilities rests with the Board of Trustees, upon recommendation by the President.

A decision to create new property or activities, or to renovate existing property, is to be made on the basis of established College operational criteria approved by the President.

Any artist's renderings, construction models, or other plans should be identified as conceptual and not a literal depiction of what a new or renovated property will ultimately be.

Details of construction planning, furnishing, equipment, etc., rests solely with the President in consultation with the Department managing Facilities. However, the donor may be invited to participate in planning dialogue where appropriate.

Guidelines for Termination of Naming

Cancellation of a program, termination of a chair, relocation or closure of a facility, demolition of a building or a similar happenstance may result in the termination of named recognition. If appropriate, the Foundation Board may recommend that an alternative form of recognition be extended.

The Foundation Board will present a proposal to the President regarding the discontinued use of an existing name which will outline the reasons for termination and present an analysis of risks associated with this action. The President's recommendation for the termination of naming will be forwarded to the Board of Trustees for consideration.

The Foundation is responsible for contacting the individual or group regarding termination of naming. If the individual is deceased, the Foundation will take due action to contact next of kin, or personal representative.

Existing named property, with mutual consent of donor and Foundation Board, may be grandfathered under the Naming Guidelines.

Recognition of Facilities Naming Donors

All gifts to name buildings will be recognized with the appropriate name displayed prominently on the exterior of the building in accordance with Pensacola State College's typeface and signage codes. They shall be mounted, near the main entrance of the building.

All gifts to name facilities other than buildings shall be commemorated with a bronze or appropriate plaque or signage.

Donor wishes are to be taken into consideration with regards to unveiling the memorials and commemorative gifts and will be conducted in consultation with the Foundation Executive Director.

Donor Recognition

The designation of a naming shall not be publicly announced until final approval has been obtained as required under the Naming Guidelines. Further, for cash or other liquid assets, a donor shall not be publicly recognized in regard to a naming until the institution has received at least 51% of any gift related to the naming and the remainder must be received within five to seven years unless recommended and approved by the President and the Board of Trustees.

In consideration of naming opportunities related to legacy gifts, the board could consider a naming opportunity after the legacy gift has been received.

The President and Foundation Executive Director shall maintain a uniform donor recognition plan for naming opportunities. (See reference document: Donor Recognition Plan under consideration)

Should the company, organization, or individual making a naming gift come into disrepute in the college or community at-large, the President may recommend to the District Board of Trustees that the use of the name be discontinued.

Donor Recognition

Florida Statute 1011.32(12). Facilities Enhancement Challenge Grant
Reference documents
• Naming Opportunities

Approved:
Effective:
Revised: 04/17/2024

PENSACOLA STATE COLLEGE

Pensacola State College does not discriminate on the basis of race, color, national origin, sex, disability, age, ethnicity, religion, marital status, pregnancy, sexual orientation, gender identity or genetic information in its programs, activities and employment. For inquiries regarding the College's non-discrimination policies, contact: The Executive Director of Institutional Equity and Student Conduct, 1000 College Boulevard. Building 5, Pensacola, Florida 32504, (850) 484-1759

Adopted 04/17/2024