

SECTION I
BOARD FIDUCIARY RESPONSIBILITIES and CODE OF ETHICS

Section 1.1 Fiduciary Responsibilities of Foundation Board Members

Appropriate orientation shall be given to each person who has been selected and who has agreed to be a member of the AVC Foundation Board. This orientation shall stress, among other things, the fiduciary responsibilities of each board member and of the total board.

1. Each board member is expected to understand that the Foundation is a non-profit organization organized under the statutes of the state of California, and approved as a 501(c)3 by the United States Internal Revenue Service (IRS); and that the Foundation must remain legally independent from AVC.
2. The board has a trustee duty to its donors and must, therefore, honor restrictions placed upon donor gifts, if accepted.
3. The board shall exercise independent control over the Foundation's financial operations and shall cause to be used generally accepted accounting and reporting procedures.
4. The board shall cause to be conducted periodic financial and performance audits.
5. The board shall cause to be instituted appropriate internal controls.
6. Each board member shall be responsible for acting within the scope of his/her authority and within the total scope of the mission of the Foundation.
7. Each board member individually and all board members collectively shall adhere to all appropriate laws, regulations, and legal opinions which apply to the Foundation and its existence.
8. The board members collectively shall be responsible to see that appropriate financial management policies and practices are instituted and employed.
9. The board must follow Brown Act rules for public meetings. Specifically, if a member of the public would like to address the board on any agenda item(s), a speaker card must be presented to the Board President prior to the start of the board meeting. State law prohibits the Board of Directors from taking action on or discussing non-agenda items; therefore the matter will be referred to the Foundation Executive Director for follow up. Each speaker is limited to three minutes.

Section 1.2 Code of Ethics

The Foundation shall have a code of ethics, which incorporates applicable and relevant state laws. Additionally, the pledge of cooperation and the acceptance of a "single-purpose" of both the institution and the Foundation shall be included. See Appendix 1.

Section 1.3 Confidentiality of Foundation Records and Files

All information, records, and files relating to donors and prospective donors, and their gifts, shall be considered strictly confidential and not available to the public. The responsibility for maintaining confidentiality of such information, records and files rests with the Executive Director of the Foundation.

Requests for information not covered by this policy from individuals, organizations, or the media shall follow these procedures:

1. A written request shall be submitted to the Executive Director clearly setting forth the information requested.
2. Also included shall be the reason for needing the information, and how the information will be used.
3. The Executive Director may supply the information or may submit the request to the Executive Committee at its next regularly scheduled meeting.
4. The decision of the Executive Committee shall be final.

Section 1.4 Foundation Office

The Foundation is located on the campus of Antelope Valley Community College, 3041 West Avenue K, Lancaster, CA 93536.

SECTION II
COST RECOVERY
GIFT FEES/FUND MANAGEMENT FEES POLICY

Section 2.1 Interest Earned and Allocated/Cost Recovery

Objective

To defray Foundation operational costs, an annual fee may be established by the Finance and Investment Committee. The Finance and Investment Committee may also make exceptions to the cost recovery policy. Administrative costs that will be accrued to the Foundation's unrestricted account on specified gifts are recovered for providing the following services:

- Accounts payable processing
- Accounts receivable processing
- Annual audit
- Annual State and Federal filing fees for non-profit organization
- Automated accounting
- Billing and collection services
- Cashiering
- Check preparation
- Contract preparation and review
- Expenditure controls (authorized purchase through purchase order control)
- Banking services; a fee of three (3) percent will be added for merchant services use
- General cash administration
- Insurance costs
- Legal services
- Monthly bank reconciliations
- Payroll/personnel administration
- Project management reports
- Risk management
- Staff support and accounting related matters
- Reporting to regulatory agencies (Chancellor's office, State of California, tax returns)
- Donor cultivation
- Planning and administering recognition events, signage, etc.

Temporary Restricted Accounts

Funds managed in pass-through and designated accounts will earn interest for funds' unrestricted account. This will compensate the Foundation for the administration of these funds.

Endowed Funds

An annual administrative fee of two (2) percent of the balance on June 30 will be assessed from endowed funds maintained by the Foundation; this fee will be credited to the Foundation's unrestricted fund.

Major Gifts

Major gifts received by the Foundation as a result of a donor naming a building or area within or outside of a building or on the campus will be deposited into the AVC Foundation unrestricted fund. Five (5) percent of the gift will go to the Foundation to defray the costs of cultivating and acquiring the gift. In addition, the cost for naming signage and donor recognition (including event costs) will be paid from the initial gift.

SECTION III

FUND MANAGEMENT SERVICE POLICY

Section 3.1 Types of Accounts

The Foundation maintains its assets in one of three portfolios for investment and accounting purposes:

Portfolio I: Pass-through Accounts (Temporary Restricted)

These are accounts that have regular and frequent activity with respect to deposits and check writing. Funds are available upon request with completion of the appropriate signed check request form. The funds are maintained in a checking account and a linked money market account. These accounts require significant time and attention from the Foundation office staff and the College's Business Office because of the frequent activity on them.

Portfolio II: Designated Accounts (Temporary Restricted)

Donors designate these accounts for specific programs or purposes. Donations are deposited into them as they are received.

Portfolio III: Endowments (Permanent Restricted)

The corpus is defined as that amount originally gifted to the Foundation by a donor and any amount contributed to the original gift by a donor or through the Foundation's investment management policy, and excludes any additional interest, dividends, or appreciation of the originally gifted amount. A minimum of \$10,000 is required to establish an endowment. The fund must be started with \$2,000 and a viable plan to achieve \$10,000 or any higher agreed amount over a 5-year period. If the endowment at the end of the 5 years has not reached the \$10,000 minimum, the fund will be liquidated and the balance moved to the Foundation's General Endowment. If the endowment was for a scholarship and it does not get fully funded then the fund will be liquidated and the balance moved into the AVC Scholarship Endowment Fund. Endowed accounts are invested and only the interest income may be spent according to the Foundation's spending policy. These accounts are invested in long-term investments, such as stock, equities and bonds. Earnings are credited and fees are debited to the account according to the endowed fund balance. The Foundation's Spending Policy sets forth guidelines for determining how much of the endowment earnings may be spent.

Section 3.2 General Procedures

1. Upon the establishment of any fund, a fund establishment form (Appendix 2) will be completed and kept on file in the Foundation Office.
2. A minimum of two and a maximum of three signatories may be established for a fund. Any one of the signatories may request money from the established fund.
3. A Request for Foundation Funds form (Appendix 3) must be completed to access money from any specific fund.
4. The Foundation Office must receive check requests a minimum of three working days before checks will be issued.

5. The investment of funds and assessment of fees will be done in accordance with the Foundation's Gift.
6. Quarterly reports that give information on every Foundation account are available in the Foundation Office.
7. Any requests for transactions from organizations and groups who have accounts with the Foundation must be made in writing using the appropriate forms.

Section 3.3 Fund-raising Activities Associated with Foundation Accounts

1. All fund-raising activities conducted by organizations whose funds are held by the Foundation must meet the legal standards for nonprofit fund-raising events (IRS 526 and IRS 1776).
2. Activities conducted to raise funds held by the Foundation must have plans filed with the Foundation Office.
3. The Foundation will provide the club, organization or department for which the Foundation holds funds with numbered receipts. All incoming funds collected by these groups will be reflected on the receipts and the duplicated copy sent with the funds to the Foundation Office.
4. Donors contributing to these fund-raising events will be thanked by the organization planning the event. The organization or department will provide the Foundation Office with the names and description of the donation made, and the Foundation Office will send the official thank-you letter with the proper wording that may be used by the donor for tax purposes.
5. The Foundation's tax-exempt number will be made available to donors who request it.

SECTION IV

INVESTMENT POLICY

Section 4.1 Statement of Purpose

The Finance and Investment Committee shall review and make decisions for investment of Foundation funds and management of Foundation assets as required by the Bylaws. This statement of investment policy reflects the investment policy, objectives, and constraints of the entire Antelope Valley College Foundation. The Antelope Valley College Foundation's Finance and Investment Committee sets forth this statement of investment policy to:

1. Define and assign the responsibilities of all involved parties.
2. Establish clear investment goals and objectives of Foundation assets.
3. Offer guidance and limitations to all Professional Experts (Investment Managers) regarding the investment of Foundation assets.
4. Establish a basis for evaluating investment results.
5. Manage Foundation assets according to prudent standards as established by applicable law.
6. Establish the relevant investment horizon for which the Foundation assets will be managed. In general, the purpose of this statement is to outline a philosophy and attitude that will guide the investment management of the assets towards the desired results. It is intended to be sufficiently specific to be meaningful, yet flexible enough to be practical. Investment policies will be recommended by the Finance and Investment Committee and approved by the Foundation's Executive Committee and subsequently ratified by the full Board of Directors of the Antelope Valley College Foundation.

Section 4.2 Administrative Policy

1. The intention of the donor shall be a prime concern of the Foundation. No agreement shall be made between the Foundation and any agency, person, company or organization on any matter, whether investments, management, or otherwise, without consideration of the donor's interests or expressed wishes.
2. All information concerning donors and the amount of their gifts shall be kept strictly confidential by the Foundation and its authorized personnel, unless permission is obtained from the donor to release such information. This does not preclude normal donor recognition or efforts to solicit donors.
3. All gifts-in-kind accepted by the Foundation intended for ownership by Antelope Valley College will be transferred to the College in a timely manner. The Foundation will accept and record all donations/gifts to AVC, though donations requiring an official or government title may be titled directly to the College.
4. Funds will be placed in a bank, insurance company, or investment management company with an investment adviser registered under the Investment Advisers Act of 1940. Investments may also be in stocks, bonds, mutual funds, Government Treasury Bills (both long and short term), and bank or brokerage money market funds.
5. The Foundation's financial accounting system shall follow U.S. Generally Accepted Accounting Principles.
6. All financial records shall be kept in the Foundation Office at Antelope Valley College, 3041 West Avenue K, Lancaster, California, 93536-5426.
7. An independent auditor, normally in conjunction with the Antelope Valley College

Community College District's annual audit, shall audit the Foundation's books annually.

Section 4.3 UPMIFA

Uniform Prudent Management of Institutional Funds Act (UPMIFA)
Enacted in 2008 as SB 1329, and effective Jan. 1, 2009, California adopted the Uniform Prudent Management of Institutional Funds Act. UPMIFA requires prudent spending and investing practices in an entity's endowment policies. The Board has defined prudence based on the following factors:

- Duration and preservation of the endowment fund
- Purposes of the institution and the endowment fund
- General economic conditions
- Possible effect of inflation or deflation
- Expected total return from income and appreciation of investments
- Other resources of the institution
- Institutional investment policy

Under UPMIFA the concept of "underwater" accounts no longer exists. However, in order to determine that spending is prudent the current market value will be compared to Historical Dollar Value (HDV), which the Board has defined as the donor gift amount.

These objectives are to be considered in conjunction with guidelines and restrictions set forth in this Policy.

Section 4.4 Delegation of Authority

The Finance and Investment Committee of the Foundation is a fiduciary and responsible for directing and monitoring the investment and management of Foundation assets. As such, the Finance and Investment Committee is authorized to delegate certain responsibilities to professional experts in various fields. These include but are not limited to:

1. Assist the Finance and Investment Committee in: establishing investment policy, objectives, and guidelines; selecting investment managers; reviewing such managers over time; measuring and evaluating investment performance.
2. Purchase, sell or hold the specific securities that will be used to meet investment objectives.
3. Maintain possession of securities of the Endowment Funds, collect dividend and interest payments, redeem maturing securities and ensure receipt and delivery following purchases and sales. Perform regular accounting of all assets owned, purchased, or sold, as well as movement of assets in to and out of the Foundation Funds accounts.
4. Professional experts such as attorneys, auditors, and others may be employed by the Finance and Investment Committee to assist in meeting its responsibilities and obligations to administer Foundation assets prudently.

Professional experts will be held responsible and accountable to achieve the objectives herein stated. While it is not believed that the limitations will hamper professional experts, experts may

request modifications that they deem appropriate. All professional experts will acknowledge their acceptance of fiduciary responsibility.

Section 4.5 Endowment Funds

By definition, these are funds for which the donors have stipulated, as a condition of the gift, that the principal should be maintained inviolate and in perpetuity, for the purpose of producing present and future income to support the purpose(s) stipulated in the gift. Under UPMIFA, the AVC Finance and investment Committees of the Foundation will strive to maintain the historic dollar value but the emphasis will be to maintain giving consistent with the donor's intention. The Foundation's policy will be to invest the endowed principal in assets that balance growth of principal and generation of income.

1. The investment parameters include investing the funds for long-term growth and income with acceptable risk.
2. The Foundation will delegate investment management authority to selected money manager(s) and organizations that will report on the investment performance of the funds.
3. To maintain the endowment's value over time, the Foundation will adhere to the Foundation's Spending Policy in Section IX.

Section 4.6 Assignment of Responsibility of Professional Experts

Section 4.6.1 Responsibility of the Professional Expert(s)

Each professional expert must acknowledge in writing his/her acceptance of responsibility as a fiduciary. Each professional expert will have full discretion to make all investment decisions for the assets placed under his/her jurisdiction, while observing and operating within all policies, guidelines, constraints, and philosophies as outlined in this statement. A scope of work shall be developed for each professional expert, taking into consideration the following:

1. Discretionary investment management including decisions to buy, sell, or hold individual securities, and to alter asset allocation within the guidelines established in this statement.
2. Report, on a timely basis, quarterly investment performance results.
3. Communicate any major changes to economic outlook, investment strategy, or any other factors that affect achievement of investment goals.
4. Advise the Finance and Investment Committee of any changes relative to their investment management organization: Examples include changes in portfolio management personnel, ownership structure, investment philosophy, etc.
5. If requested by the Finance and Investment Committee, provide voting proxies on behalf of the Foundation and communicate such voting records to the Finance and Investment Committee on a timely basis.
6. Assist in the development and periodic review of the investment policy.
7. Conduct professional expert searches when requested by the Finance and Investment Committee.
8. Monitor the performance of the Professional Expert(s) to provide the Finance and Investment Committee with the ability to determine the progress toward meeting the investment objectives.
9. Communicate matters of policy, manager research, and manager performance to the Finance and Investment Committee.

10. Review Foundation fund's investment history, historical capital markets performance, and review the investment policy statement with any newly appointed members to the Finance and Investment Committee.

Section 4.7 General Investment Principles

1. Investments shall be made solely in the interest of the Antelope Valley College Foundation.
2. The Fund shall be invested with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the investment of a fund of like character and with like aims.
3. Investment of the Fund shall be so diversified as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so.
4. Cash or cash equivalents should be invested in interest-bearing accounts whenever possible while maintaining safety and liquidity.

Section 4.8 Investment Management Policies

Long-term Growth of Assets – The Foundation's objective is to grow over time and increase its purchasing power by earning a total return in excess of inflation over multi-year periods. The investment manager will seek to minimize risk through diversification. Risk Aversion - Understanding that risk is present in all types of securities and investment opinions, the Finance and Investment Committee recognizes that some risk is necessary to produce long-term investment results that are sufficient to meet the Foundation Fund's objectives. However, the professional experts are to make reasonable efforts to control risk and will be evaluated regularly to ensure that the risk assumed is commensurate with the given investment opinions and objectives.

Adherence to Investment Discipline - professional experts are expected to adhere to the investment management advice for which they were hired. Experts will be evaluated annually by the Finance and Investment Committee for adherence to investment discipline.

Section 4.9 Specific Investment Goals

Over the investment horizon established in this statement, it is the goal for invested assets to:

Meet or exceed the benchmark. The stock component benchmark will be the S&P 500 Index and the bond component benchmark will be the Barclays Aggregate Bond Index. Of total invested funds, the maximum ration of equity investments to fixed investments (stocks to bonds) shall be 75-25. The target ratio shall be 70-30. The Foundation executive director is authorized to rebalance the portfolio as a prudent investor would and as market conditions warrant to adjust the ratio, but shall not exceed the 75-25 ratio without consulting with the Finance and Investment Committees.

1. Display an overall level of acceptable risk in the portfolio that is consistent with the risk associated with policies as established in 4.7 (Investment Management Policies) specified above. Risk will be measured by the standard deviation of quarterly returns.

Specific investment goals and constraints for each professional expert, if any, shall be incorporated as part of this statement of investment policy. Each expert shall receive a written

statement outlining his/her specific goals and constraints.

Section 4.10 Definition of Risk

The Finance and Investment Committee realizes that there are many ways to define risk. It believes that any person or organization involved in the process of managing the Antelope Valley College Foundation assets must understand how it defines risk so that the assets are managed in a manner consistent with the Foundation objectives and investment strategy as outlined in this statement of investment policy. The Finance and Investment Committee defines risk as the standard deviation of quarterly returns.

Section 4.11 Liquidity

To minimize the possibility of a loss occasioned by the sale of a security forced by the need to meet a required payment, the Finance and Investment Committee will periodically provide investment counsel with an estimate of expected net cash flow. The Finance and Investment Committee will notify the investment experts in a timely manner, to allow sufficient time to build up necessary liquid reserves. To maintain the ability to deal with unplanned cash requirements that might arise, the Finance and Investment Committee requires that not less than 2 months of operating expense shall be maintained in cash or cash equivalents.

Section 4.12 Investment Guidelines

1. Allowable Assets

A. Cash Equivalents

- Treasury Bills
- Money Market Funds
- Commercial Paper
- Banker's Acceptances
- Repurchase Agreements
- Certificates of Deposit

B. Fixed Income Securities

- U.S. Government and Agency Securities
- Corporate Notes and Bonds
- Mortgage Backed Bonds
- Preferred Stock
- Fixed Income Securities of Foreign Governments and Corporations
- Planned Amortization Class Collateralized Mortgage Obligations (PAC CMOs) or other "early tranche" CMOs

C. Equity Securities

- Common Stocks
- Convertible Notes and Bonds
- Convertible Preferred Stocks
- American Depository Receipts (ADRs) of Non-U.S. Companies (Exception: emerging growth)
- Stocks of Non-U.S. Companies (Ordinary Shares)

- REIT (real estate investment trusts)
- D. Commingled Securities
 - Mutual Funds that invest in securities as allowed in this statement.
 - Exchange traded funds (ETF)
- E. International Funds
 - Up to 20% in international funds with no more than 10% in emerging markets.
- F. Other Assets
 - GIC's - Guaranteed Insurance Contracts

2. Stock Exchanges

To ensure marketability and liquidity, investment advisors will execute equity transactions through the following exchanges: New York Stock Exchange, American Stock Exchange, and NASDAQ over-the-counter market. In the event that an investment manager determines that there is a benefit or a need to execute transactions in exchanges other than those listed in this statement, written approval is required from the Finance and Investment Committee.

3. Prohibited Investments

Prohibited investments include, but are not limited to the following:

- A. Direct investment in Commodities and Future Contracts
- B. Private Placements
- C. Options
- D. Limited Partnerships
- E. Venture-Capital Investments
- F. Interest-Only (IO), Principal-Only (PO), and Residual Tranche CMOs
- G. Direct investment in Derivative Securities

4. Prohibited Transactions

Prohibited transactions include, but are not limited to the following:

- A. Direct engagement in short selling
- B. Margin Transactions

5. Asset Allocation Guidelines

The assets placed under professional management by the Antelope Valley College Foundation shall be in accordance with the following asset allocation guidelines:

- A. The asset allocation target will be determined quarterly.

ASSET CLASS	ALLOCATION TARGET	RANGE
Equities	69%	55-75%
Fixed Income	29%	20-40%
Cash & Equivalent	10%	2-10%

- B. The Finance and Investment Committee may employ investment managers whose investment disciplines require investment outside the established asset allocation guidelines. However, taken as a component of the aggregate Foundation Funds, such disciplines must fit within the overall asset allocation guidelines established in this statement. Such investment managers will receive written direction from the Finance and Investment Committee regarding specific objectives and guidelines.

- C. The Finance and Investment Committee recognizes the importance of diversification in a

portfolio. Attention should be given to the “Sector Weightings” within the various positions held in the portfolio to avoid significant overlap in one issue or asset class. The committee realizes there are limits set by portfolio managers regarding the amount of exposure in one asset class or position held within any particular fund.

D. In the event that the above aggregate asset allocation guidelines are violated for reasons including but not limited to market price fluctuations, the Finance and Investment Committee will instruct the investment manager(s) to bring the portfolio(s) into compliance with these guidelines as promptly and prudently as possible. In the event that any individual investment manager’s portfolio is in violation of its specific guidelines, for reasons including but not limited to market price fluctuations, the Finance and Investment Committee expects that the investment manager will bring the portfolio into compliance with these guidelines as promptly and prudently as possible without instructions from the Finance and Investment Committee.

6. Guidelines for Fixed Income Investment and Cash Equivalents

A. Foundation funds may be invested only in investment grade bonds rated BBB or higher.

B. Foundation funds may be invested only in commercial paper rated A1 or higher.

C. Portfolio Duration:

a. Portfolio	Maximum Average Duration
b. Operating	2 years
c. Investment Funds	7 years

D. Money market funds selected shall contain securities whose credit rating at the absolute minimum would be rated investment grade by Standard and Poors, and/or Moody’s.

Section 4.13 Selection of Investment Managers

The Finance and Investment Committees’ selection of investment manager(s) must be based on prudent due diligence procedures. A qualifying investment manager must be a registered investment advisor under the Investment Advisors Act of 1940, or a bank or insurance company. The Finance and Investment Committees require that each investment manager provide, in writing, acknowledgment of fiduciary responsibility to the Antelope Valley College Foundation and a current securities license.

An investment advisor should conform to the following standards:

- It should be operating in good standing with regulators and clients, with no material pending or concluded legal actions.
- It should provide detailed additional information on the history of the firm, its investment philosophy and approach, and its principals, clients, locations, fee schedules, and other relevant information.
- It must assume, in writing, fiduciary status concerning investments of the Foundation.

Section 4.14 Investment Manager Performance Review and Evaluation

Performance reports generated by the investment manager shall be compiled at least quarterly and communicated to the Finance and Investment Committee. The investment performance of total portfolios, as well as asset class components, will be measured against commonly accepted performance benchmarks. Consideration shall be given to the extent to which the investment results are consistent with the investment objectives, goals, and guidelines as set forth in this policy. The Finance and Investment Committee intends to evaluate the portfolio(s) over at least a three-year period, but reserves the right to terminate an investment manager for any reason including the following:

- A. Investment performance that is significantly less than anticipated given the discipline employed and risk parameters established or unacceptable justification of poor results.
- B. Failure to adhere to any aspect of this statement of investment policy, including communication and reporting requirements.
- C. Significant qualitative changes to the investment management organization. Investment managers shall be reviewed annually regarding performance, personnel, strategy, research capabilities, organizational and business matters, and other qualitative factors that may impact their ability to achieve the desired investment results.

Section 4.15 Investment Policy Review

To assure continued relevance of the guidelines, objectives, financial status and capital market expectations as established in this statement of investment policy, the Finance and Investment Committees will review investment policy at least annually.

SECTION V GIFTS

Section 5.1 Background and Purpose

The purpose of this policy is to provide management with the criteria and framework by which donations may be accepted or recommended to the Board of Directors for acceptance.

The Foundation Office at Antelope Valley College is responsible for

- Coordinating the College's outreach programs to alumni, the community, business and industry, and private agencies with the aim of helping the College achieve its goals so that academic quality and service to the region can be maintained and advanced;
- Managing the acceptance and processing of all gifts made to the college and maintaining all donor records.

Section §72670 of the California Education Code and Title 5 of the California Code of Regulations (Section §59259 (j)) provides the broad authority for the Foundation to function as the sole recipient of gifts, bequests, devises, endowments, trusts, and similar funds in support of Antelope Valley College. At the adoption of this policy statement, the specific authority of the Foundation to function as the recipient of gifts and related funds for and on behalf of Antelope Valley College is set forth in the Master Agreement between the District Board of Trustees of the Antelope Valley College District and the Directors of the Antelope Valley College Foundation. Any changes in policy or procedures need to be approved by the Board of Directors of the Foundation and the President/Superintendent of the Antelope Valley Community College District. The provisions of this policy shall be interpreted with the authority recited above.

The Foundation is an IRS qualified Section 501(c)3 tax-exempt charitable-educational organization. IRS has classified the Foundation as not being a private Foundation under Section 509 (a) of the Internal Revenue Code. The State of California has classified the Foundation as a public benefit under the Nonprofit Corporation Law.

Section 5.2 Policy

1. General

- A. Only gifts, bequests, devises, endowments, trusts and similar funds which are designated for the use of (in trust for) the College or to the Foundation for College programs or projects may be considered for acceptance. The Foundation Executive Director has the authority to accept all donations that do not violate the Board of Trustees policies or the educational mission of the College except as provided below.
- B. Except as provided below, the Foundation Executive Director, or his/her designee, has authority to accept but or related funds and instruments designated by the donor/grantor for purposes or uses that are consistent with the policies of the Board of Trustees, or for established instructional or support programs and functions within the educational mission of the College or District authorized by the College Superintendent/President (or designee).

- C. The valuation and substantiation of charitable gifts is a matter between the donor/taxpayer and the taxing agency. Therefore, the Foundation, as a recipient of such gifts, will not estimate to the donor the value of non-cash gifts. The Foundation will cooperate fully with the donor in the gift substantiation process required by the taxing agency.

If the total tax deductible non-cash contribution to all charitable organizations will exceed five hundred dollars (\$500) and is less than five thousand dollars (\$5,000) in the same tax year, the donor will be asked to supply documentation as to fair market value of the donation. In addition, the donor must complete IRS Form 8283 (222.irs.gov/form 8283) which is to be filed with the donor's tax return. If the total value of the gift is assessed over five thousand dollars (\$5,000), a qualified appraisal must be obtained by the donor in order to complete Form 8283. If the Foundation disposes of the non-cash gift over five thousand dollars (\$5,000) within two years of receipt, the Foundation will complete IRS Form 8282 and send a copy to the donor and the IRS.

2. Special Acceptance Criteria

Gifts for new College programs, real property gifts or donations creating a substantial or unique obligation of the Foundation and/or the College shall be submitted to the College Superintendent/President (or designee) for evaluation and approval/non-approval. Examples of gifts that may create a unique obligation on the part of the Foundation and/or the College include but are not limited to the following: equipment, vehicles of all types, marine craft, aircraft, supplies and materials and real estate. Gifts that have the potential of violating College policies, state or federal laws or creating a liability for the Foundation or the College will also be submitted to the College's Superintendent/President (or designee) for review prior to acceptance. The Superintendent/President (or designee) will evaluate the acceptability of the gift and its conformance to District policies and regulations. The Superintendent/President (or designee) may at his/her discretion submit a letter to the Foundation or the board of trustees relative to acceptance/non-acceptance of the proposed gift.

3. Reports to the Board of Trustees

At the next regular meeting of the board of trustees following acceptance of any gift not requiring approval, a summary report of such gifts shall be submitted to the board.

4. Implementing Guidelines

The Executive Director of the Foundation is authorized to establish management guidelines consistent with this policy for purposes of implementing this policy statement.

5. Liquidation of Gifts

- A. It shall be the general policy of the Foundation to liquidate gifts of land, stock, bonds or other collateral upon receipt or as soon thereafter as practical unless such gifts are accepted with restrictions.
- B. The liquidation of such gifts shall be the responsibility of the Finance and Investment Committee and the funds from such sales shall be placed in unrestricted Foundation funds – unless there are donor stipulations, which shall then be honored.

- C. Any exceptions to this liquidation of gifts policy shall be brought before the entire Foundation Board for approval.
- D. The Finance and Investment Committee will review at minimum on an annual basis all exceptions to liquidation policy and forward any recommendations to the Board of Directors for approval.

SECTION VI

NAMING OPPORTUNITIES

Section 6.1 Role of the Foundation Office

Naming opportunities are recognized as being integral to the fund-raising process and an important form of donor recognition. As such, the Antelope Valley College Foundation shall facilitate the naming opportunities program. To minimize duplication of effort, the Executive Director should be the initial point of contact with any prospective donor for naming opportunities.

Section 6.2 Named Endowment Funds

Named endowment funds offer a way to associate an individual or organization's name in perpetuity with the important work of Antelope Valley College. Names associated with endowed funds at Antelope Valley College become a part of the language and legacy of the District, bringing honor to the name and inspiring students and faculty for generations to come.

Endowment funds management procedures are defined and governed by the Antelope Valley College Foundation Fund Management Service Policy.

Section 6.3 Endowment Giving Opportunities

The following major endowed giving opportunities at Antelope Valley College would provide significant and lasting support for faculty, students and programs:

- Endowed Chair/Distinguished Professor – minimum \$1.25 million
- Named Lectureship Series – minimum \$250,000
- Named Artist-in-Residence – minimum \$100,000
- Named Library Collection – minimum \$50,000
- Named Awards - Faculty/Staff/Students – minimum \$10,000 (Scholar in Residence)

Named student scholarships are governed by the Scholarship Program Policies and Procedures.

Antelope Valley College welcomes planned gifts, as well as outright gifts, to establish endowments. Planned gifts offer donors the opportunity to provide a gift through a bequest in a will or revocable trust, or through an irrevocable provision in a pooled income fund or charitable remainder trust. Naming opportunities during the donor's lifetime will recognize irrevocable planned gifts. The college Superintendent/President (or designee) and the Vice President of Academic Affairs will oversee the designation of Endowed/Distinguished Professors, Outstanding Faculty and Lectureship Series naming opportunities.

Section 6.4 Facilities and Landscape Naming Opportunities

The Antelope Valley College facilities and landscape on the campus offer many opportunities for the names of generous donors to be associated with the College in a lasting and permanent manner. The target gift amount is 25% of actual or replacement construction costs. Classrooms, laboratories, support and other facilities may be named in recognition of generous major gifts to Antelope Valley College. These gifts may be in the form of an outright cash gift for purchase of

equipment or room furnishings, donation of new equipment for the named facility, or establishment of a special fund for renovations, program enhancements or landscape improvements. Listed below are some of the many naming opportunities available and guidelines for appropriate gift levels.

1. GROUP ONE: Named Bricks, Plaques, and Benches
2. GROUP TWO: Donor Walls
3. GROUP THREE: Buildings
4. GROUP FOUR: Areas within Buildings
5. GROUP FIVE: Exterior Campus Sites/Landscaping Projects

GROUP ONE: Named Bricks, Plaques and Benches

Group one consists of named bricks, plaques, benches, or named seats in future auditorium space for established gift amounts.

- a. Brick Program
- b. “Buy-A-Seat” Program (such as theaters, auditoriums, stadium seats, etc.)
- c. Benches

GROUP TWO: Donor Walls

Donor Walls may be located in buildings throughout the campus and usually have several levels of recognition. The names of each giving level will be unique to the program area in which the donor wall is located.

Annual Gift:

- President’s Circle – \$1,000 or more unrestricted
- President’s Gold Circle - \$5,000 or more unrestricted
- AVC Partners – \$5,000 to \$9,999

One-time or Defined Pledge:

- AVC Benefactors – \$25,000 to \$49,999
- AVC Society – \$50,000 to \$99,000
- Trustees Academy – \$100,000 to \$999,999
- AVC Founder’s Circle – \$1,000,000 and above

GROUP THREE: Buildings

This group contains opportunities for recognition of donors supporting new and existing buildings. Named buildings will be valued at no less than \$1 million. The established criteria will be applied to determine the level of donor gift for each naming opportunity.

Buildings in this group include:

- Administration Building
- Horticulture Building
- Business Education
- Child Development Center
- Fine Arts (Art & Gallery)
- Performing Arts Theatre
- Fine Arts (Music & Offices)
- Fine Arts
- Facilities

Field House
Gymnasium
Health and Sciences Building
Library
Liberal Studies & Offices
Liberal Studies
Lecture Halls
Math/Engineering
Offices – Math/Science
Offices – Technical Ed
Offices – Language Arts & Social Science
Student Center
Student Services & Information
PE Offices
Technical Ed 1
Technical Ed 2
Technical Ed 3
Technical Ed 4
Technical Ed 5
Technical Ed 6
Technical Ed 7
Theater

No building on the campus shall be named for a religious or political organization, cult, service organization or a special interest group of any type. Buildings may be renamed for families, individuals and their spouses, or the name of a private nonprofit 501(c)3 Foundation naming the required gift if the Foundation name is that of an individual or family. Corporate entities and other organizations may be recognized on the College's donor's wall under the appropriate level of giving category

GROUP FOUR: Areas within Buildings

Group four includes areas within buildings, such as conference rooms, offices, labs, classrooms, foyers, studios, interior atriums, etc. Gift recognition in this group is in pre-determined minimum gift amounts and listed on a Naming Opportunities List developed for each of the buildings and for the areas on the campus.

GROUP FIVE: Exterior Campus Sites and Landscape and Beautification Projects

Outside areas may include streets, fountains, gardens, benches, pathways, golf driving range, parking lots, atriums, commons, courtyards, quads, clock towers, etc.

Section 6.5 Affixing Relative Values to Buildings, Rooms, and Areas Within and Outside of Buildings

The Foundation Office will establish a coherent and organized approach – involving appropriate staff – to determine the value of buildings and outside areas on campus in order to establish the appropriate donation for naming purposes. The first draft is included as Exhibit 1. Such staff may include the director of facilities planning and campus development, Deans and/or faculty familiar with the facility and its program, the Vice President of Business Services, etc. The Executive

Director of the Foundation and any appropriate staff he/she chooses to involve will establish the actual cash values for each naming opportunity. The valuing of the buildings and areas on campus will adhere to sound principles and practices of fund-raising so as to avoid undervaluing or overvaluing facilities.

Buildings, rooms, labs, foyers, offices, other areas within buildings and outside areas on the campus will be valued using the following criteria:

- Importance to a program, to students or to the community
- Visibility or prominence
- Appeal to potential donors
- Size

Current naming opportunities are attached in Appendix 4.

Section 6.6 Review and Approval of Naming Opportunities Lists

1. Request Procedure

- a. Requests for the naming of buildings, their interior areas and for exterior areas on the campus shall be brought by the Foundation's Executive Director to the District's Facility organization for review.

- b. The Superintendent/President (or designee) will forward the requests and recommendations to the Antelope Valley College Foundation Board for review and then the Superintendent/President (or designee) will forward to the Antelope Valley College Board of Trustees for final review and approval.

Section 6.7 Naming Opportunities as Recognition for Service

On rare occasions, a member of the Antelope Valley College staff or a volunteer may be nominated for a naming opportunity without tender of a gift of cash or other real property. Such an individual may be recommended to have a building, area within a building, or outside site named for him or her. Such a naming recommendation may be made when the service that the recommended individual has rendered meets the following criteria:

1. Service rendered may be documented as clearly and measurably exceeding in quality and accomplishment what might be ordinarily expected of someone occupying the same position.
2. Such service was rendered over a period of not fewer than ten years.
3. Such service has materially and profoundly contributed to the overall advancement of the institution through any combination of the following: facilities improvements; program development and enhancements; fostering consensus building; noteworthy fund raising; creation of partnerships with business and industry and other public and private agencies that clearly advance the institution; providing leadership that clearly and significantly contributes to the advancement of the institution; is recognized in the field of education and/or by business and industry or government as having made significant contributions to the educational profession or to the economic development of the region, or to workforce development, thereby bringing status and recognition to the institution; other pertinent criteria.

4. The value to the institution of the contribution made by the nominee is considered to be equivalent or nearly equivalent to the value of the facility or area to be named for him/her in terms of institutional advancement, and the nomination form clearly delineates this equivalency in terms of the previously listed criteria for evaluating the service.
5. There should be an appropriate relationship between the use of the facility or its function and the person for whom it is named as recognition.
6. Guidelines for nominating and providing appropriate supporting documentation will be made available in the office of the Antelope Valley College Foundation. The completed nominating form will be submitted to the Foundation Office. The proposed building or area to be named for the individual will be included with the nomination. A committee comprised of District representation of administrators, faculty, students, staff, and community volunteers serving on the Foundation Board will review the nomination and make a recommendation to the District's Physical Resources Committee.

Section 6.8 Procedure for Establishing Relative Values of Buildings and Areas

The Foundation Office is responsible for establishing the values and protocols for all District naming opportunities. The target gift amount is 25% of actual or replacement construction cost. The Executive Director will involve Foundation board member representative(s), appropriate staff in this process, such as the director of facilities planning and campus development, Deans and/or faculty familiar with the naming opportunity and/or its programs,. Those involved in the process may change according to the facility or area being valued. The Naming Opportunities List(s) shall be submitted to the District's Physical Resources Committee for review and comment.

The Foundation Office and the Superintendent/President (or designee) shall establish gift levels in terms of dollar amounts affixed to each building with input from staff in the program area that the facility serves. Professional fund-raising guidelines and practices will be used to assure that these values are not under- or over-stated.

Section 6.9 Board of Trustees Acceptance of Naming Recommendations

Naming of facilities and sites shall be recommended by the AVC Foundation to the Superintendent/President (or designee) and then brought to the Board of Trustees for approval. The Board of Trustees reserves the right to accept or reject a recommendation.

Section 6.10 Signage

1. Donor's Name

A donor will be given the opportunity to define how his/her name should appear on signage. The donor's gift will include the cost of signage and recognition event for the naming opportunity.

The options offered include:

- A. First and last name (i.e., Ethyl Jones Child Development Center)
- B. First name, middle initial, last name (i.e., James A. Jones Child Development Center)
- C. First names of each spouse or of two family members and last name (i.e., James and Ethyl Jones Child Development Center)
- D. Last name (i.e., The Jones Child Development Center)

- E. Any of the above with a generational designation (i.e., James A. Jones, III Child Development Center)
- F. Any of the above with the word Memorial to commemorate a deceased individual (i.e., James A. Jones, III Memorial Child Development Center)

2. Typeface and Signage

Whenever possible, all plaques and lettering are to be in conformance with established forms of donor recognition. Lettering will be placed according to the standards established by the Office of Facilities Planning and Campus Development. All signage must be consistent with Antelope Valley College's existing signage.

Section 6.11 Gift Recognition Replacement

1. In the event that donor names must be removed for new construction, or in the event a building is destroyed by natural disaster and is rebuilt and to be used for its original purpose, recognition shall be replaced per the original agreement. In the event a building is drastically altered through construction, Antelope Valley College shall reserve the right to add donor names to a building and/or alter the placement of the donor signage and typeface to correspond with the reconstruction. Any donor's signage displaced as a result of this will be rededicated in an alternative location.
2. The Foundation Office is responsible for maintaining a complete inventory of all displaced donor's signage and the safe storage of any plaques or letters removed in this process.
3. Antelope Valley College reserves the right to remove any gift recognition as a result of the non-payment of a pledge, or the failure to fulfill the terms of a gift-acceptance agreement.
4. Naming opportunities will be available for deferred gifts only if the gifts are irrevocable, and the Antelope Valley College Foundation Office is provided with a copy of the duly signed and executed estate planning document designating the gift as irrevocable.

SECTION VII **SCHOLARSHIP PROGRAM POLICIES AND PROCEDURES**

Section 7.1 Scholarship Donor-Foundation Agreement

To establish a scholarship fund with the Antelope Valley College Foundation, the donor completes the Scholarship Agreement form (Appendix 4). The Foundation Executive Director or designee is available to clarify items on the form and assist the donor in making decisions related to the criteria for awards. A prospective donor may call the Foundation Office to schedule an appointment or to receive guidance over the telephone.

The signed Scholarship Agreement form should be returned to the Foundation Office with a check, cash, credit card or money order made out to the Antelope Valley College Foundation. To be awarded within the same academic year, the scholarship gift must be received by the Foundation Office on or before the last day of December in the year prior to the scholarship being awarded.

Changes or revisions may be made to the Scholarship Agreement at a future date at the discretion of the donor; however, changes will not take effect until after an award cycle has been completed if the scholarship has already been advertised.

Donors are encouraged to keep the criteria for awards as broad as possible to assure that the scholarship can be awarded. Donations designated for specified programs and/or designated for specified student eligibility criteria shall be administered in accordance with the donor's stipulation(s) and applicable law. The Executive Director or designee of the Foundation can assist a prospective donor with this.

Section 7.2 Minimum Scholarship Awards

The minimum scholarship award is \$500.

Section 7.3 Endowed Scholarships

An endowed scholarship may be established in the name of the donor or in another name specified by the donor with an initial minimum gift of \$10,000. Scholarship awards will be given based on the spending policy established in this document. The endowed scholarship funds will be subject to the gift fee policy established in this document.

The corpus of the endowed account is defined as that amount originally endowed by the donor plus any future endowed amounts contributed to the fund by the donor and/or any percentage reinvested by the Foundation to maintain the fund value over time.

A donor may under some circumstances start an endowed scholarship fund with a \$2,000 gift, but at that time he or she will be required to submit a viable plan to bring the endowment to the \$10,000 level within five years starting from the date that the endowment was established. If the endowment does not reach the \$10,000 level within the allotted five years, the fund will be liquidated and the balance moved into the AVC Scholarship Endowment Fund. The fund will not earn interest income until it reaches the minimum \$10,000 requirement.

Scholarship awards will be made as long as there is sufficient appreciation to make the initial minimum \$500 award. A donor may fund the scholarship awards separately with an additional gift annually until such time that the endowed fund has grown sufficiently to make the stipulated awards.

Any matched endowed scholarship will adhere to the matching entity's policies and procedures.

Section 7.4 Designated Scholarship Funds

To establish a designated (not endowed) named scholarship fund, the donor must gift at least \$1,000 and commit to making scholarship gifts from this account for a minimum of three years. The minimum scholarship award will be \$500. The donor may stipulate that one or more awards at or above that level will be made each semester or annually.

If the account balance is insufficient to award the designated scholarship amount, the scholarship donor will be contacted and given the opportunity to contribute to that fund in order to reach the needed balance. If after three (3) years no contribution is made or a contribution is made that is not sufficient to make the designated award(s), the fund will be liquidated and the balance redirected to the AVC Scholarship Endowment.

Because the scholarships are posted online at least a semester before the selection process begins, it is important that donors maintain the balances in their scholarship accounts.

Section 7.5 General Scholarship Fund

One-time scholarship awards will be handled through the Temporary Restricted Fund. The award will be made in the name of the donor or his/her business, or in honor or memory of a person designated by the donor. The minimum award remains \$500.

Section 7.6 Selection of Scholarship Recipients

The Antelope Valley College Scholarship Selection Committee may be composed of faculty, staff, donors, community volunteers and Foundation directors. Each scholarship being awarded must have a minimum of three committee members to review, rate and select the applicants. Committees meet in the spring. Students are requested to complete an online scholarship application. Donors are notified annually of their respective scholarship recipients.

In accordance with IRS 526 regarding Charitable Contributions, donors are not allowed to solely make scholarship selections for their specific scholarship. They are, however, invited to participate in a scholarship committee (minimum of three members) to assist in the selection of his/her scholarship recipient as long as the donor does not know any of the applicants for his/her scholarship per Revenue Ruling 68-484, 1968-2 C.B 105.

Section 7.7 Disbursement of Scholarship Checks

Incoming and continuing students at Antelope Valley College will have their scholarship checks credited to their accounts in the Fall and Spring semesters upon proof of enrollment For

example, if a student was awarded a \$1,000 scholarship, then they would receive \$500 in the Fall and \$500 in the Spring.

If the student is transferring to a four-year university, the full amount of the scholarship check will be forwarded to the Financial Aid Office of the four-year university. The student must provide AVC Financial Aid with the 4-year school information, proof of enrollment and 4-year school student ID

The student must contact the Financial Aid office within the academic year following the scholarship award to be eligible to receive the funds. If the student does not enroll in courses in the academic year ending June 30 following the scholarship award, the scholarship is forfeited. The donor will be contacted, and the funds returned to the original fund account.

SECTION VIII
ADMINISTRATIVE GUIDELINES FOR SUPPORT GROUPS

Section 8.1 Definition, Purpose and Privileges

Provisions of this section are in accordance with AP3600 defining auxiliary groups for Antelope Valley College. Because all funds raised in support of Antelope Valley College must come through the Antelope Valley College Foundation, any organizations created as auxiliary groups that include fund raising in their purpose will be considered support groups. They will be recognized as such and administered by the Antelope Valley College Foundation.

1. A support group is any group, organization, foundation, or association other than a college alumni association or the Antelope Valley College Foundation:
 - (1) Whose primary purpose is to provide assistance through fund raising, public outreach, and other support for the College's mission; or
 - (2) Whose representatives or activities make the entity indistinguishable from the college itself; or
 - (3) That acts as an agent of or intermediary for the College. Support groups typically operate with some affiliation or collaboration with the college to raise gift funds and/or provide public support for the college. Each support group shall be organized and operate so that contributions will be directed through or the Antelope Valley College Foundation and shall be deemed tax-deductible under relevant provisions of state and federal tax law.
2. A support group that has received official recognition from the College is authorized to use the name of the College or any institutional unit thereof. Additionally, the District may permit a support group to use space, equipment, and staff support in the performance of its recognized support activities. Without such recognition, no group may (1) represent itself as raising funds or otherwise providing support on behalf of, or for the benefit of, the College, a campus or institutional unit thereof; (2) use the name of the College or any of its campuses, facilities, or programs either expressly or by implication in connection with such activities; (3) use College facilities, equipment, or personnel in connection with such activities.

Section 8.2 Official Recognition

1. General Recognition
 - A. The Antelope Valley College Foundation must approve the fund raising activities of its support groups and is expected to maintain documentation compliance.
 - B. A support group must request and receive official recognition from the Superintendent/President (or designee), subject to these Administrative Guidelines (hereinafter referred to as the "guidelines").
 - C. A request for the recognition will be denied when an organization does not meet the required terms for recognition or when the Superintendent/President (or designee) determines that an organization does not serve the best interest of the College.
2. Initial Recognition

The District shall develop procedures for registration of support groups. Potential support groups must submit the following to the Superintendent/President (or designee):

- A. A current list of officers, Board of Directors (if any) and principal contact person for the organization.
 - B. A statement of the organization's purpose and goals and/or enabling documents (e.g., bylaws, constitution, or other governing documents).
 - C. A current roster of names and addresses of donors and members must be provided upon request by the Superintendent/President (or designee).
 - D. A statement signed by the officers/representatives of the organization stating that its Board of Directors (or the governing body) has read and formally voted that it will comply with the policy and these guidelines.
 - E. A list of the types of activities, including fund raising and membership drives, the organization intends to undertake and how the organization financially intends to support these activities.
3. Annual Renewal of Recognition
- For continued recognition, the District is responsible for annual approval of support groups and is expected to maintain files, records, and materials as needed. A support group must submit the following to the Superintendent/President (or designee) on an annual basis:
- A. An updated list of officers, Board of Directors (if any) and the principal contact person for the organization;
 - B. Any changes to the organization's structure, purpose and goals, and /or enabling documents (e.g., bylaws, constitution, articles of incorporation or other governing document);
 - C. An updated roster of names and addresses of donors and members must be provided upon request by the Superintendent/President (or designee);
 - D. A statement signed by the officers/representatives of the organization stating that its Board of Directors (or the governing body) had read and formally voted that it will continue to comply with the policy and these guidelines
 - E. An annual plan of fund-raising, membership drives and other activities for the ensuing fiscal year and how the organization will financially support these activities;

Section 8.3 Failure to Comply

If a support group does not comply with these guidelines, the Superintendent/President (or designee) shall, by written notice, require the support group to comply within a reasonable time period or have its recognition as a support group withdrawn.

1. In the event the group fails to comply within the time period specified, the Superintendent/President (or designee) may withdraw the support group's official recognition and take all necessary actions in that regard.
2. Upon withdrawal of recognition, the assets of the support group shall be transferred to The Antelope Valley College District or the Antelope Valley College Foundation, as designated by the Superintendent/President (or designee), for purposes consistent with the terms of individual gifts and purposes of the support group. In the event the support

group fails within a reasonable time period to transfer its assets, the District counsel shall take such legal action as may be necessary to compel transfer.

3. Once official recognition has been withdrawn, the support group may no longer use the College's name, facilities, equipment, or support staff. Should the support group fail to cease these activities, the District counsel shall take such legal action as may be necessary.

Section 8.4 Organization

1. Each support group's operations shall be conducted and managed by its governing body, as set forth in its statement of purpose, goals, and/or enabling documents. These documents shall include the following clauses:
 - A. The Superintendent/President (or designee) and the head of the sponsoring department(s) (or designee) are ex-officio voting members of the governing body; and
 - B. In the event of dissolution, or if a support group elects to become a non-recognized organization, its assets shall be transferred within three (3) months to the Antelope Valley College District or the Antelope Valley College Foundation, as designated by the Superintendent/President (or designee), for purposes consistent with the terms of the individual gifts and purposes of the support group.
 - C. The Executive Director of Business Services, college auditor and/or internal audit shall be authorized to receive, from any financial institution with which the organization maintains accounts, any information, records, or photocopies of transactions relating to the accounts as the College may at any time request from the financial institution.
2. A support group created after the effective date of these guidelines shall operate as an unincorporated organization that instructs all donors to make charitable donations directly to the Antelope Valley College Foundation solely for the benefit of the college programs/departments for which the funds are donated.

Section 8.5 Financial Activities

1. The financial transactions of a support group that is not a tax-exempt organization must be processed through a fund in the Antelope Valley College Foundation.
2. A support group shall operate on a fiscal year basis commencing each July 1 and ending each June 30.
3. Contracts, grants, clinical trials, or specific projects funded by external sponsors must be entered into directly by the District and the research sponsor, not through a support group. Gifts designated for a specific research project or a specific researcher, or otherwise intended to support research activities, may be made only to Antelope Valley College District or the Antelope Valley College Foundation, and must conform to applicable College policies and procedures. Among other things, this will enable the College to comply with the State of

California Political Reform Act that requires disclosure by the faculty member of any financial interest in the donor. A support group may not be used as a vehicle to avoid these requirements.

4. Only the Antelope Valley College Foundation may hold endowments. A support group may not hold and invest endowment funds for the benefit of the College. Support groups can accept endowments only in the name of the Antelope Valley College Foundation. The terms of the endowments must be reviewed with the Antelope Valley College Foundation Executive Director prior to formal acceptance. In addition, nothing in this paragraph shall preclude the ability of support groups to have current expenditure funds invested in certificates of deposit and/or interest-bearing instruments.
5. A support group may not (a) directly or indirectly employ; or (b) supplement the salary of; or (c) provide any consulting fees, loans, or perquisites to any College employee outside of the established College personnel policies and practices.
6. The financial activities of a support group shall be administered in accordance with prudent business practices and generally accepted accounting principles.
7. Support groups shall not maintain non-gift income balances in excess of \$50,000 without the prior written approval of the Superintendent/President (or designee).

Section 8.6 Accounts with Financial Institutions

1. With the express, written permission of the Superintendent/President (or designee), a support group may maintain a bank account solely for non-gift income (e.g., membership dues, ticket sales, advertising, etc.) that is to be expended solely for the benefit of the members themselves (such as gatherings, social events, etc.)
2. Support groups are prohibited from using the College or the Antelope Valley College Foundation, an Alumni Association or any other District entity's tax identification number when opening an account with a financial institution.
3. All checks in excess of \$1,000 drawn on external bank accounts require two signatures by members of the support group's governing body.

Section 8.8 Business Transactions

The governing body shall approve in advance business transactions involving a support group and the personal or business affairs of any support group, director, officer, or volunteer. In addition, , directors, officers, and volunteers of a support group shall disqualify themselves from

making, participating in making, or in any way attempting to use their official positions to influence a decision in which they have or would have a financial interest.

Section 8.9 Fundraising/Membership Dues

1. A support group must be officially recognized in order to conduct fund-raising activities in support of the College's mission.
2. A support group shall submit plans for proposed solicitations to the Antelope Valley College Foundation Executive Director for review and approval before communication with prospective donors, and shall instruct donors to make gifts directly to the Antelope Valley College Foundation. Under no circumstances may College funds or gifts made payable to Antelope Valley College Foundation or to any other College entity be deposited into a bank account maintained by a support group.
3. A support group may not attach additional terms, conditions or restrictions, reporting requirements, intellectual property rights, or other conditions to a gift without the prior written approval of the Superintendent/President (or designee). The College and /or the Antelope Valley College Foundation retain the authority to accept or reject gifts and transfers of funds from support groups.
4. A support group may not solicit or accept deferred gifts (e.g., estates and bequests, trusts or life insurance, etc., or real or tangible personal property). All planned gifts must be given directly to the Antelope Valley College Foundation.
5. A support group may not hire fund-raising consultants or fund-raising personnel. If such consultants or fund-raising personnel are deemed necessary by the governing board of the support group and the Superintendent/President (or designee) to assist a support group with a particular activity, the support group can make arrangements with the Superintendent/President (or designee) for the College to hire such consultants or personnel, and shall reimburse the College for the full cost.
6. All fund-raising campaigns in excess of an amount determined by the District must be approved in writing by the Superintendent/President (or designee) and the Dean or Head of the unit that it will support to ensure that the proposed fund-raising activities are appropriate and do not conflict or interfere with the fund-raising activities of other campaigns.
7. A support group shall establish an accounting record for each fund-raising campaign listing revenues, expenses, and net income, and submit it to the Superintendent/President (or designee).
8. A support group may not impose gift-processing fees or other charges against its gifts except as documented and approved in writing in advance by the Superintendent/President (or designee) and the support group's governing body. If charges against restricted gifts or income there from are to be made for costs of

administering a gift to the support group, the support group shall include in its literature a statement to that effect.

9. Non-gift membership dues assessed by a support group on its members are to be limited to a reasonable amount per individual per year.

Section 8.10 Audit

1. A support group shall permit the Superintendent/President (or designee, including the College Auditor) to inspect and audit its books and records, as well as those of its financial institution(s) as relates to the support group's account(s) on request. In addition, a support group shall permit, if applicable, the District auditor to review directly all bank account records.

Section 8.11 Superintendent/President's Responsibilities

1. The Superintendent/President (or designee) is responsible for ensuring that adequate controls and processes are in place to determine that support groups are in compliance with the policy and these guidelines. Each recognized support group shall be notified in writing that compliance with these guidelines and any College policies and District regulations previously referenced herein are a condition of continued recognition.
2. The Superintendent/President (or designee) shall designate an official of the District unit that benefits from the support group to ensure that the support group is in compliance with the Policy and these Guidelines, unless the Superintendent/President (or designee) designates another District entity as having those responsibilities.
3. The District shall determine the procedures necessary for a support group to be officially recognized, consistent with the Policy and these Guidelines. The Superintendent/President (or designee) may require additional and more stringent rules than those found in these guidelines, but at no time may a District adopt rules that effectively void or liberalize the Policy and these Guidelines.
4. The District shall publish annually a list of all officially recognized support groups. The list shall be maintained in the District responsible for support group compliance.
5. The District shall maintain a control record of all accounts with financial institutions approved pursuant to Section IV, Section 4.13 above, and shall forward a copy of such control record to the Executive Director of Business Services of Antelope Valley College on a quarterly basis.

Section 8.12 Miscellaneous

A. The Superintendent/President (or designee) may make an exception for a support group, which normally would fall under Guidelines because of a unique situation. However, no such exception shall void or liberalize the requirements for accounts with financial institutions to be approved pursuant to Section IV, Section 4.13 above. The Superintendent/President (or designee) may recommend such an exception in a letter that identifies the specific exception being requested and explains why the exception is necessary.

B. In addition to the above, the Superintendent/President (or designee) at the District may provide an exception to all or part of these Guidelines. For those support groups with minimal levels of activity, those whose activities result in gross revenues of less than \$10,000 per year. Notwithstanding the foregoing, no such exception shall void or liberalize the requirements for accounts with financial institutions to be approved pursuant to Section IV, Section 4.13, above. Such an exception or exceptions must be documented in a writing that identifies the specific exception(s) and explain why the exception(s) is/are necessary.

The Superintendent/President (or designee) may establish additional operational conditions as may be appropriate, consistent with the Policy and these Guidelines.

SECTION IX
SPENDING POLICY

9.1 Purpose and Background

In order to maintain its 501(c)3 nonprofit status, the Foundation is required to spend annually five percent of the value of its portfolio. To both support the Antelope Valley College Foundation's programs in the present, as well as to ensure growth for the future, the Foundation has adopted a spending guideline based on a rolling total return to the investment portfolio. The Board of Directors recognizes that the most important element to ongoing sustainability is preservation of future purchasing power.

9.2 Endowment Spending

The Board of Directors has established a total spending objective equal to five percent of fair market value for the total Endowment fund for each end of fiscal year.

In order to accomplish this goal, the target rate of return for the portfolio is 7 percent:

▪ Spending – total expenses	7percent
○ Management Fee	2 percent
○ Distribution	5 percent
▪ Real Growth	1 percent
TARGET RETURN	7 percent

The amount available for spending on operational expenses (Annual Management Fee) will be two percent of the end of the fiscal year.

Reviewed: Last reviewed and approved by the Foundation BOD – 8/25/15.

SECTION X
IRS

Section 10.1 IRS Rules and Regulations – Adherence

The Foundation shall strictly adhere to all IRS rules and regulations that pertain to a non-profit Foundation classified as 501(c)3. Generally accepted accounting and reporting procedures shall be utilized to ensure explicit understanding of all revenues and expenditures. Due diligence shall be exercised by staff and external qualified auditors shall be employed on a regular basis.

Section 10.2 Foundation Responsibilities Regarding Donor Premiums

1. Definitions:

- A. DONATIVE’S INTENT – Court decisions state, “a gift is not a gift unless it is motivated by detached and disinterested generosity.”
- B. PREMIUMS – An incentive of some value offered (given) to a donor; the value may be deemed to be of minimal (token) “or it may be deemed to be of substantial value.”
- C. DISCLOSURE RESPONSIBILITY – This responsibility has been placed upon each non-profit organization by the IRS with the ultimate “threat” of loss of tax-free status.
- D. FAIR MARKET VALUE – As defined in IRS publication 526, fair market value is the price at which property would change hands between a willing buyer and a willing seller, neither having to buy or sell, and both having reasonable knowledge of all the relevant facts.

2. Foundation Responsibility/Disclosure

The Foundation shall exert reasonable effort to notify donors of the deductibility amount of each gift. This shall be done through printed information, which shall indicate the value of any “premium” involved to alert the donor(s) of the potential deductibility of the value of the premium, if substantial.

3. IRS Rules – Substantive Value Guidelines for Implementations of Policy

In February of 1990, the IRS issued “safe harbor” rules for premiums of minimal value;

- “Donor can safely ignore premiums or benefits if their value totals less than two (2) percent of the contribution with a cap of \$50.” Total pledge shall be considered amount of gift.
- Foundation can give “token items” without tax consequences provided (1) the donor gives more than \$27.26 and (2) the total cost of premium(s) does not exceed \$5.45.

- “Value of a benefit is based upon fair market value, not upon its cost to the non-profit organization.”
- “IRS assumes that a donor used (accepted) any offered benefits unless the donor specifically refuses it.”
- “Final burden of proof of deductibility of a gift falls upon the taxpayer.”

SECTION XI **POLICIES**

Section 11.1 Exception to Policies

If the Executive Director deems an exception to a policy advisable and/or necessary, and if it is not feasible to call a board meeting, the Executive Committee shall have power to authorize the exception.

Any such exception(s) shall be reported to the board at its next scheduled meeting. Ratification of such action shall be requested.

Section 11.2 Annual Policy Review

These Policies and Procedures and Bylaws shall be reviewed and updated bi-annually or as needed by the Bylaws and Policies and Procedures Committee and submitted to the Executive Committee for its consideration and its recommendation to the board. Once presented to the board, the board will have a first reading and discussion at a scheduled board meeting. There will be a second reading and discussion at a second scheduled board meeting and the third meeting will be the voting meeting at a scheduled board meeting.

SECTION XII **BOARD NOMINATIONS**

Section 12.1 Purpose

The Governance Committee is a standing committee charged with the responsibility of identifying potential Board members and candidates for nomination to the Executive Officer positions and Standing Committee chairs.

Section 12.2 Timeframe

By January, the Governance Committee shall present a list of prospective candidates to the Executive Committee for its review and approval.

The Foundation Board of Directors will approve the final slate of candidates for the positions of director, officer or standing committee chair at the last meeting of the fiscal year.

Whenever called upon to do so by the Executive Committee or the Board of Directors, the Governance Committee shall present to the Executive Committee the names of individuals to fill vacant directorates or qualified directors to fill vacant offices in accordance with the AVC Foundation Bylaws.

Section 12.3 Process

Following an orientation meeting, the Governance Committee shall actively solicit candidate recommendations from the entire Board of Directors. In selecting candidates, the committee shall take into consideration geographical location, industry, and relationship with Antelope Valley College, ethnicity, gender and other factors that will result in a broad community representation. Where practical, an incorporated effort shall be made to have at least two candidates for each vacant position to be considered by the committee.

Committee members will propose a list of possible candidates to the Executive Committee for approval at the January meeting.

Each candidate will be contacted by a team of at least two individuals, one of whom is a member of the committee. The committee will then reconvene to discuss the nominees and draft a slate of candidates to present to the Board of Directors for approval at the last meeting of the fiscal year.

Approved candidates will be presented at the third quarter Board of Director's meeting for final approval to approach.

The appropriate member(s) of the Nominations and Board Development Committee will contact the approved candidates to inform them of their confirmation. The committee will schedule a new-member orientation prior to the end of the current fiscal year.

Standing Committee chairs and Executive Officers will be selected in collaboration with the incoming President. The incoming President will have final approval.

Section 12.4 Director Emeritus

Any director of the Foundation who has served with distinction on the Board more than five years and has been a major contributor may be eligible for nomination and election as Director Emeritus of the Board of Directors. A Director Emeritus shall have the privilege of attending all meetings and discussions but shall have no vote. The Director Emeritus will be elected through the same nominations process listed above.

Section 12.5 Honorary Memberships

Honorary memberships may be awarded to individuals who by their standing in the community will lend support to the Foundation's efforts. An Honorary Director shall have the privilege of attending Board of Director's meetings and discussions but shall have no vote. The Honorary Director will be elected through the same nominations process listed above.

Section 12.6 Friends of the Foundation

Former board members who are unable to serve as required by these bylaws but still want to support the AVC Foundation may become members of the Friends of the Foundation. A member of the Friends of the Foundation must be a donor, and shall have the privilege of attending all meetings and discussions but shall have no vote.

SECTION XIII
Donor Recognition Policies

Section 13.1 General Introduction

Recognition of donors is an integral part of the College’s advancement efforts. It is important to thank donors promptly for their gifts in a manner appropriate to the size of their gifts and consistent with their personal wishes. The guiding principle of all donor recognition endeavors is to abide with donors’ wishes for recognition or anonymity. It sets the stage for continuing correspondence with the donor and lays the foundation for continuing a mutually satisfying relationship between the donor and the College. Donors who are given the opportunity to join in College community activities and who are recognized for their participation are often the best sources for future gifts.

A district wide gift recognition policy will assure consistency in honoring donors and establish the acknowledgement responsibility for the various steps in the recognition process.

Section 13.2 Giving Levels

- A. The College receives many gifts annually for myriad purposes. All gifts must be acknowledged in a consistent manner and receive equivalent giving level status and benefits, keeping in mind that the more personal the recognition, the more likely additional gifts will be received.
- B. Giving level status is generally based on cumulative annual giving during a fiscal year, which may include corporate matching gifts generated by the individual donor. Foundation and corporate gifts are included for purposes of donor recognition.
- C. Based upon annual cumulative giving, these levels are:

Giving level	Gift amount
President’s Circle	\$1,000
AVC Affiliate	\$2,500 to \$4,999
AVC Friend	\$5,000 to \$9,999
AVC Fellow	\$10,000 to \$49,999
AVC Partner	\$50,000 to \$99,999
AVC Sponsor	\$100,000 to \$499,999
AVC Patron	\$500,000 to \$999,999
	\$
AVC Benefactor	\$1,000,000 and above

Section 13.3 Gift Processing

- A. All gifts will be recorded in the donor database. Donors of gifts up to \$1,499 will receive predetermined benefits, incentives and acknowledgment as outlined in the approved giving levels. Recognition of donors of gifts of \$1,500 or more will be more personal based on the interest or purpose of the gift, and may include

permanent recognition, publicity and other honors. Guidelines for personalized recognition also are included in Section VI.

- B. In addition, soft credit may also be added for Foundation/ corporation matching gifts received that came about as a result of or are controlled by the individual donor.

Section 13.4 District-wide Recognition

- A. District wide donor wall

- 1. Categories

- The name of major donors to the District (\$25,000 or more) will be recognized publicly for their contributions in a central location on campus. Inclusion at the donor recognition site is based on the following criteria:

- *Single gifts from individuals of \$25,000 or more

- *Single gifts from corporations and foundations of \$100,000 or more

- *Cumulative lifetime gifts of \$100,000 or more by an individual

- *Cumulative lifetime gifts of \$500,000 or more by a corporation or foundation

- Each category of giving will be listed in separate sections at the donor recognition site.

- 2. Location

- The Superintendent/President and Executive Director of the Antelope Valley College Foundation will determine the location and design of the donor recognition site. It should be a unique design that does not compete with recognition or activities of other groups.

- 3. Stewardship

- The Executive Director of the Antelope Valley College Foundation, who will also arrange events to honor inductees to the site, will maintain the donor recognition site.

- B. Annual Honor Roll of Donors

- Based upon cumulative annual giving within the fiscal year, an Annual Honor Roll of Donors should be published. Prior to printing, the Executive Director of the Antelope Valley College Foundation will screen the donor honor roll for accuracy and appropriate donor recognition or anonymity.

- D. Donor recognition for endowments is discussed in Section 6.2.

Section 13.5 In-kind Donations

Recognition of in-kind gifts will be determined by the Executive Director or designee or, in the instance of division or program gifts, by the appropriate District representative. They will determine the appropriate level of recognition for the donation. In-kind gifts

are handled at the discretion of the individual college program for the purpose of donor recognition.

SECTION XIV

Purchasing

Section 14.1 Institutional Policies –Procurement of Goods and Services

For consistency, the Foundation shall use existing District procurement policies and personnel wherever possible.

Section 14.2 Purchasing Authority

1. Through delegation, the Executive Director has authority to commit funds for the procurement of goods and services.
2. All individuals shall maintain confidentiality on price and terms involved in specifying, requisitioning, approving, and purchasing goods and services.

Section 14.3 Definition of Terms

1. Acquisition: for purposes of this policy, the term “acquisition” means purchase, rental, lease, lease/purchase, or lease with option to purchase, for the contracting of service.
2. Furniture and Equipment: All items of movable furniture and equipment which are capitalized within the guidelines for budgeting, accounting, and reporting for the Antelope Valley Community College District.
3. Real property: All items, fixed in nature, which are capitalized within the guidelines for budgeting, accounting, and reporting for the Antelope Valley Community College District.

Section 14.4 Dollar Limits and Purchasing Requirements

1. Dollar limits and purchasing requirements are governed by the policies of the Antelope Valley Community College District.

Section 14.5 Real Property

1. Acquisition of land, buildings, site improvements, and internal systems (mechanical, electrical, and electronic) shall be processed through the District’s purchasing department.

SECTION XV

Whistleblower Policy

15.1 General

The Foundation Code of Ethics (Appendix 1) requires directors, officers, and other Foundation volunteers to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. Foundation representatives must practice honesty and integrity in fulfilling our responsibilities and must comply with all applicable laws and regulations.

15.2 Reporting Responsibility

It is the responsibility of all directors, officers and other volunteers to comply with the Code of Ethics and to report suspected violations in accordance with this Whistleblower Policy. Matters that should be reported include anything that (1) is in violation of any state or federal law or regulation, including, but not limited to, corruption, malfeasance, bribery, theft of college property, fraudulent claims, fraud, coercion, malicious prosecution or misuse of college property; (2) is financially wasteful, or involves gross misconduct, incompetency, or inefficiency; or (3) would unreasonably threaten the health or safety of others.

15.3 No Retaliation

No individual who in good faith refuses to participate in or reports a violation or suspected violation of the Code shall suffer harassment, retaliation, or adverse consequences. This Whistleblower Policy is intended to encourage the raising of serious concerns regarding violations or suspected violations of the Code within the Foundation prior to seeking resolution outside the Foundation.

15.4 Reporting Violations

Those with concerns are encouraged to share their questions, suggestions or complaints with someone who can properly address them. In most cases, the Foundation's Executive Director is in the best position to address an area of concern. However, if one is not comfortable speaking with the Executive Director or is not satisfied with the response given, the concern should be directed to the Foundation President, Chair of the Audit Committee, or other Foundation officer. Procedures on how to report suspicion of fraud to the District are attached.

15.5 Compliance

The Foundation Executive Director is responsible for investigating and resolving all reported complaints and allegations concerning violations of the Foundation's Code of Ethics. The Executive Director may convene an ad hoc committee of knowledgeable individuals to investigate as needed. The Board of Directors or the District shall be advised at the discretion of the Executive Director. If the action is against the Executive Director, then the District's Vice President of Human Resources is responsible for leading the investigation.

15.6 Accounting and Auditing Matters

The audit committee shall address all reported concerns or complaints regarding Foundation accounting practices, internal controls or auditing. Anyone receiving such a complaint shall immediately notify the audit committee and work with the committee until the matter is resolved.

15.7 Acting in Good Faith

Anyone filing a complaint concerning a suspected violation of the Code of Ethics must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation of the Code of Ethics. Any allegations which prove to have been made maliciously or knowingly to be false will be viewed as a serious offense and may warrant removal of the complainant from the board.

15.8 Confidentiality

Suspected violations may be submitted on a confidential basis by the complainant or may be submitted anonymously. Reports of suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation or seek legal action.

15.9 Handling Reported Violations

The Executive Director or the Vice President of Human Resources will acknowledge receipt of the complaint to the complainant within five business days. All reports will be promptly investigated and appropriate corrective action will be taken if warranted by an investigation. The complainant will receive notice of the resolution of the complaint.

This policy was modified from a sample provided by the National Council of Nonprofit Associations, www.ncna.org, Copyright 2004

Appendix 1 Code of Ethics and Core Values

CORE VALUES

As members of the Antelope Valley College Foundation, we affirm the following core values:

Integrity. Our organizations' activities, services, and programs are consistent with our stated mission, compatible with our organizational capacity, respectful of the interests of our varied constituencies, and managed with the highest level of professionalism.

Respect and Dignity. We respect the dignity and autonomy of each person, and the integrity, privacy, pride, beliefs, and cultures of our varied constituencies: the people we serve, faculty, staff, students, volunteers, the community, and others. Policies that govern our working relationships with these constituencies (e.g., client confidentiality, fair process) reflect this commitment.

Good Citizenship. We comply with all applicable federal, state, and local laws and regulations. We keep the broader interests of the community in mind even as we advance our specific interests, and look for opportunities to become partners with those working in the private and public sectors. We value respectful, reasoned dialogue with one another when we disagree.

Care and Loyalty. We enable our individual board members to exercise their duties of care and loyalty. Individual board members are reasonably informed and participate in board decisions in good faith. They do not use their position for individual personal advantage.

Truth-telling and Openness. We provide truthful information about our mission, program activities, use of donations, and finances. We are accessible and responsive to members of the public who express an interest in the affairs of the foundation.

Accountability. The true measure of our success is whether individual lives – and our communities – change for the better as a result of our work. Being mission-focused, producing measurable outcomes, conducting program evaluations, and developing and maintaining sound financial management are important elements of our accountability.

Stewardship. We are able to accomplish our mission through the generosity of others. We respect donor's confidentiality, intentions and restrictions on the use of their gifts, and promote responsible stewardship of the resources they entrust to us for the accomplishment of our work.

Excellence. We support and encourage visionary governance, exemplary management, excellent service and program delivery, and exceptional staff. We value and uphold the highest ethical and professional standards in all working relations.

CODE OF ETHICAL CONDUCT

I. Personal and Professional Integrity

Members of the Board of Directors (the "Board"), and volunteers of the Antelope Valley College Foundation (the "Foundation") act with honesty, integrity, and openness in all their dealings as

representatives of the organization. The organization promotes a working environment that values respect, fairness, and integrity.

II. Mission

The Foundation has a clearly stated mission and purpose, approved by the Board, in pursuit of the public good. All of its programs support that mission and all who work for or on behalf of the organization understand and are loyal to that mission and purpose.

III. Governance

The Foundation Board is an active governing body which is responsible for setting the mission and strategic direction of the organization and oversight of the finances, operations, and policies of the Foundation. The Board

- Ensures that its members have the requisite skills and experience to carry out their duties and that all members understand and fulfill their governance duties acting for the benefit of the Foundation and its public purpose.
- Has as a conflict-of-interest policy that ensures that any conflicts of interest or the appearance thereof are avoided or appropriately managed through disclosure, recusal, or other appropriate means.
- Ensures that the chief executive and appropriate staff provide the Board with timely and comprehensive information so that the Board can effectively carry out its duties.
- Ensures that the Foundation conducts all transactions and dealings with transparency, integrity and honesty.
- Ensures that the Foundation promotes working relationships with Board members, staff, volunteers, and program beneficiaries that are based on mutual respect, fairness, and openness.
- Ensures that the organization is fair and inclusive in its appointment policies and practices for all Board and volunteer positions.
- Ensures that policies of the Foundation are in writing, clearly articulated, and officially adopted.
- Is responsible for engaging independent auditors to perform an annual audit of the Foundation's financial statements, and has an audit committee that is responsible for overseeing the reliability of financial reporting (usually the responsibility of the finance committee), including the effectiveness of internal control over financial reporting, reviewing, and discussing the annual audited financial statements to determine whether they are complete and consistent with operational and other information known to the committee members, understanding significant risks and exposures and management's response to minimize the risks, and understanding the audit scope and approving audit and non-audit services.
- Ensures that the resources of the Foundation are responsibly and prudently managed.
- Ensures that the Foundation has the capacity to carry out its programs effectively.
- Ensures that the Foundation is insulated from any and all political activity associated with the College and the Board of Trustees.
- Ensures that the Board refrains from involvement in controversial campus matters, leaving policy decisions to the Board of Trustees and the College President.

IV. Responsible Stewardship

The Foundation manages its funds responsibly and prudently. These management

practices should include the following considerations:

- Spends an adequate amount on administrative expenses to ensure effective accounting systems, internal controls, competent staff, and other expenditures critical to professional management.
- Compensates staff, and any others who may receive compensation, reasonably and appropriately
- Knows that solicitation of funds has reasonable fundraising costs, recognizing the variety of factors that affect fundraising costs
- Does not accumulate excessive operating funds
- Draws prudently from endowment funds consistent with donor intent and to support the mission of the Foundation
- Ensures that all spending practices and policies are fair, reasonable, and appropriate to fulfill the mission of the Foundation
- Ensures that all financial reports are factually accurate and complete in all material respects

V. Openness and Disclosure

The Foundation provides comprehensive and timely information to the public, the media, and all stakeholders and is responsive in a timely manner to reasonable requests for information. All information about the Foundation will fully and honestly reflect the policies and practices of the organization. Basic informational data about the Foundation, such as the Form 990, shall be made available to the public. All solicitation materials accurately represent the Foundation's policies and practices and will reflect the dignity of program beneficiaries. All financial, organizational, and program reports will be complete and accurate in all material respects.

VI. Conflicts of Interest

It is the responsibility of all directors to ensure that the standard of behavior at the Foundation is that all staff, volunteers, and board members scrupulously avoid conflicts of interest between the interests of the Foundation on one hand, and personal, professional, and business interests on the other. This includes avoiding potential and actual conflicts of interest, as well as the perception of conflicts of interest.

The purposes of this policy are to protect the integrity of the Foundation's decision-making process, to enable its constituencies to have confidence in its integrity, and to protect the integrity and reputations of volunteers, staff and Board members.

Board members will make a full, written disclosure of interests, relationships, and holdings upon or before their election, job transitions or appointment that could potentially result in a conflict of interest. Such disclosure would include the following language: "I will disclose any interests in a transaction or decision where I (including my business or other nonprofit affiliations), my family and/or my significant other, employer, close associates will receive a benefit or gain. After disclosure, I understand that I will be asked to leave the room for the discussion and will not be permitted to vote on the question. This written disclosure will be kept on file and I will update it as appropriate. I understand that the purposes of this policy are to protect the integrity of the Antelope Valley College Foundation's decision-making process, to enable our constituencies to have confidence in our integrity, and to protect the integrity and reputations of volunteers, staff and board members." Please see the attached Conflict of Interest Statement.

VII. Legal Compliance

The Foundation is knowledgeable of, and complies with, all applicable laws and regulations.

VIII. Program Evaluation

The Foundation regularly reviews program effectiveness and has mechanisms to incorporate lessons learned into future programs. The organization is committed to improving program and organizational effectiveness and develops mechanisms to promote learning from its activities and the field. The Foundation is responsive to changes in its field of activity and is responsive to the needs of its constituencies.

IX. Diversity

The Foundation promotes diversity with its Board and volunteers to foster cultural awareness, promote mutual understanding and respect.

IX. Fundraising

The Foundation solicitation of funds from the public or from donor institutions uses material that is truthful about the organization. The Foundation respects the privacy concerns of individual donors and expends funds consistent with donor intent. The Foundation discloses important and relevant information to potential donors.

In raising funds from the public, the Foundation will respect the rights of donors, as follows:

Donors will be informed of the mission of the Foundation, the way the resources will be used, and their capacity to use donations effectively for their intended purpose. Further, donors will

- Be informed of the identity of those serving on the Foundation's Board of Directors and that the Board will exercise prudent judgment in its stewardship responsibilities
- Have access to the Foundation's most recent financial reports
- Be assured their gifts will be used for purposes for which they are given
- Receive appropriate acknowledgment and recognition
- Be assured that information about their donations is handled with respect and with confidentiality to the extent permitted by law
- Be approached in a professional manner
- Be informed whether those seeking donations are volunteers, employees of the Foundation, or hired consultants or other professionals.
- Be encouraged to ask questions when making a donation and to receive prompt, truthful, and forthright answers.

X. Reporting Responsibility

It is the responsibility of all directors, officers, and employees to comply with the code of ethical conduct and to report violations or suspected violations to the Foundation's President, CFO or Executive Director in accordance with the whistleblower policy. The compliance officer will notify the sender and acknowledge receipt of a reported violation or suspected violation within five business days, unless the submission of the violation is anonymous. All reports will be promptly investigated pursuant to the Whistleblower Policy and appropriate corrective action will be taken if warranted by the investigation.

Attachment: Conflict of Interest Statement

This policy was adapted from *The Nonprofit Policy Sampler, Second Edition* by Barbara Lawrence and Outi Flynn, a publication of BoardSource, formerly the National Center for Nonprofit Boards.

Conflict of Interest Statement
for Officers, Directors and Staff Members

No member of the Antelope Valley College Foundation Board of Directors shall derive any personal profit or gain, directly or indirectly, by reason of his or her participation in the Antelope Valley College Foundation. Each individual shall disclose to the Foundation any personal interest which he or she, or any member of his or her family, may have in any matter pending before the organization and shall refrain from participation in any decision on such matter. Some examples include conflicts may include stock ownership, business ownership or interest and personal financial interest in a foundation vendor.

Personal Gain statement

Members of the Foundation’s Board of Directors shall refrain from obtaining any list of Foundation’s clients for personal or private solicitation purposes at any time during the term of their affiliation. In addition to my service for the Foundation, at this time I am a Board member, owner, partner, and employee or own a financial interest in the following organizations:

- 1) _____
- 2) _____
- 3) _____
- 4) _____
- 5) _____

This is to certify that I, except with regard to carrying out my duties as a director of the Foundation or as described below, am not now nor at any time during the past year been:

- A participant, directly or indirectly, in any arrangement, agreement, investment, or other activity with any vendor, supplier, or other party doing business with the Foundation that has resulted or could result in financial benefit to me unless all activities and investments are available to the general public.
- A recipient, directly or indirectly, of any salary payments or loans or gifts of any kind or any free service or discounts or other fees from or on behalf of any person or organization engaged in any transaction with the Foundation, except as an employee of or at the direction of the donor.

Any exceptions to 1 or 2 above are stated below with a full description of the transactions and of the interest, whether direct or indirect, that I have (or have had during the past year) in the persons or organizations having transactions with the Foundation.

In addition, I hereby agree to refrain from using or sharing the Antelope Valley College Foundation Board roster for business or other philanthropic purposes.

Signature _____ Date _____

Printed name _____

Source: This form was adapted from the sample Conflict of Interest policy developed by the Nonprofit Financial Center in Chicago, IL.

Appendix 2
Fund Establishment Form
Sample
Fund Establishment Form

THIS FORM WILL ESTABLISH AN ONGOING FUND ACCOUNT WITH THE AVC FOUNDATION.

1) REQUESTED FUND ACCOUNT NAME: _____ DATE: _____

2) PURPOSE FOR THE ESTABLISHED FUND: _____

3) RESTRICTIONS: _____

4) FUND MANAGERS: (Fund managers are person(s) authorized to request funds. Fund managers must have fund management authority as designated by the district.)

1) _____
Printed Name/Title Signature

2) _____
Printed Name/Title Signature

3) _____
Printed Name/Title Signature

5) APPROVED BY:

1) _____
Vice President overseeing the fund or President Date

2) _____
Director of Business Services Date

<u>ACCEPTED:</u>	_____	_____
	Foundation Executive Director/COO or Designee	Date

Assigned Fund #: _____

Scholarship Form

Sample Page 1 of 2

Name of Scholarship: _____

Name of donor group or individual: _____

Contact Person: _____

Address: _____

Telephone: _____

Fax: _____

E-mail: _____

Scholarship Description

All scholarship awards are paid the following fall semester, upon verification of enrollment at AVC or a transfer institution. Funds that are not claimed within one academic year ending June 30 will be forfeited by the student and will remain in the donor's account to be awarded the following year.

Please write a brief description about your scholarship to be published to our list on the AVC Scholarships' Web site:

Funding

1. Please check the type of scholarship you wish to establish:

- Endowed – Minimum of \$10,000 required to establish. Endowment contract must be signed. Interest must be accrued prior to awarding scholarship.
- Named Scholarship - Ongoing annual award (minimum \$1,000 required to establish the fund)
- One-time award

2. This scholarship is available to: (check all that apply):

<input checked="" type="checkbox"/>	STUDENT STATUS	NUMBER OF AWARDS	AMOUNT OF EACH AWARD
<input type="checkbox"/>	High School Students attending AVC in fall		
<input type="checkbox"/>	AVC student attending AVC in fall		
<input type="checkbox"/>	AVC student transferring to 4-year university	1	1000.00

Full or part time status:	<input type="checkbox"/> Full-time student (12 units or more) <input type="checkbox"/> Part-time student (11 units or less) <input type="checkbox"/> Either-full time or part-time
Minimum GPA: 2.0, 2.5, 3.0, 3.5, 4.0	<input type="checkbox"/> 2.0 <input type="checkbox"/> 2.5 <input type="checkbox"/> 3.0 <input type="checkbox"/> 3.5 <input type="checkbox"/> 4.0
Major (choose from AVC list):	
Field of Study/Academic Concentration:	
Career Objective:	
Other criteria (remember, specificity may drastically limit the number of qualified applicants for this scholarship):	

Basis of Award

Having met your minimum eligibility criteria (listed above), please indicate the basis for awarding the scholarship (of all the applicants that are eligible, how do you pick your recipient). Examples include community service, academic excellence, leadership, determination, obstacles that have been overcome, etc.

Selection

All students applying for Foundation scholarships/grants will submit the standard AVC scholarship application, one letter of recommendation and/or reference forms, and a short personal essay describing their background and academic goals.

According to IRS guidelines (IRS Publication 526) you may choose to have the scholarship/grant recipient(s) selected by the following:

- AVC Scholarship Committee selects recipient
- I would like more information about how to join the AVC Scholarship Committee.

Agreement

Please check all that apply:

- I permit the college to publicize my name for this gift.*
- I prefer to remain anonymous.*
- I plan to make additional gifts to this fund in the future.*

I hereby authorize the Antelope Valley Community College District Foundation to establish a scholarship per the guidelines noted above. I understand that this commitment requires that the Antelope Valley College Foundation receive the scholarship funds on or before the last day of December in the year before the scholarship is to be awarded. I understand that donations to the Foundation are irrevocable and will not be returned to the donor for any reason. Unless otherwise specified in writing, any unused funds will remain in the donor's account for use in subsequent awards. I also understand that no selection of student recipients or disbursements of funds will be made until the Antelope Valley College Foundation has received payment for this award. I agree to establish the aforementioned scholarship to benefit Antelope Valley College Students.

Donor signature

Date

Foundation Executive Director

Date

Donor signature

Date

Exhibit 1

Naming Amounts

Athletic Complex	\$1,000,000.00
Football Stadium	\$1,000,000.00
Football Field	\$500,000.00
Stadium Sign	\$250,000.00
Marauder "Oasis" Alumni Area	\$100,000.00
Soccer Complex	\$100,000.00
Baseball Stadium	\$750,000.00
Baseball Field	\$250,000.00
Baseball Scoreboard	\$100,000.00
Throws Area	\$50,000.00
Tennis Courts	\$100,000.00
Softball Stadium	\$500,000.00
Softball Field	\$150,000.00
Field House	\$9,000,000.00
Gymnasium	\$250,000.00
Basketball Court	\$100,000.00
Pool #1	\$50,000.00
Pool #2	\$50,000.00
Weight Room	\$25,000.00
Dance Room	\$25,000.00
Total	<hr/> \$14,350,000.00

Theatre Building Naming Opportunities

Building	\$1,000,000.00
Courtyard	\$350,000.00
Seats (405)	\$405,000.00
Orchestra Shell	\$200,000.00
Fountain	\$350,000.00
Lobby	\$100,000.00
Green Room	\$75,000.00
Piano 1	\$175,000.00
Piano 2	\$20,000.00
Stage	\$75,000.00
Men's Dressing Room	\$25,000.00
Women's Dressing Room	\$25,000.00
Meeting Room	\$40,000.00
Scene Shop	\$50,000.00
Lighting Equipment	\$52,500.00
Audio Equipment	\$52,500.00
Stage Draperies	\$31,500.00
Costume Room	\$50,000.00
Make-up Room	\$50,000.00
Office 1	\$25,000.00
Office 2	\$25,000.00
Office 3	\$25,000.00
Office 4	\$25,000.00
Office 5	\$25,000.00
Office 6	\$25,000.00
Concession Cart	\$25,000.00
Total	<hr/> \$3,301,500.00

Agriculture Building Naming Opportunities

Agriculture Planting Areas	\$200,000.00
Lath - Nursery House	\$50,000.00
Ag Drafting/Comp Lab	\$35,000.00
Ag Lab	\$35,000.00
Ag Lab Prep	\$25,000.00
D/C/ Lab Prep	\$25,000.00
Greenhouse 1	\$25,000.00
Greenhouse 2	\$25,000.00
Greenhouse 3	\$25,000.00

Greenhouse 4	\$25,000.00
Office 1	\$25,000.00
Office 2	\$25,000.00
Office 3	\$25,000.00

Total	<hr/>	\$545,000.00
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