



## Philanthropic Due Diligence Policy

Northwest College Foundation actively solicits gifts from individuals, businesses, foundations, and other entities to help the College fulfill its dedication to educational excellence.

Fundraising risks may take many forms, but they generally fall into several categories:

**Reputational risks** are the ones that make headlines, stir protests, and create internal and external debates. They are often tricky because they take an organization by surprise, often coming to light after a donor relationship has begun, and there is no right answer about how to deal with a controversial donor.

**Legal risks** are easier to handle, but they can be challenging to spot. Organizations should provide strong training for employees to help them identify potential illegal gifts.

**Financial risks** involve making sure donors have the financial means to deliver on their commitments, so organizations minimize the acceptance of pledges which are never fulfilled.

**Dependency risks** arise when an organization becomes overly dependent on a supporter and/or their network and maintains destructive relationships because of the dependency. Whistleblower and conflict of interest policies and a strong culture of accountability are critical.

**Exploitation risks** are those faced when working with vulnerable populations and people. Measures need to be taken to ensure everyone is welcome without being exploited. Likewise, organizations must be wary of donors who will exploit their connection for self-serving purposes.

The Northwest College Foundation's Gift Acceptance Policy defines a gift as a voluntary transfer of assets from a person or an organization to the Foundation where no goods or services are expected, implied or forthcoming for the donor. Gifts usually take the form of cash, securities, real property or personal property.

The NWC Foundation will adhere to its gift acceptance policies and naming guidelines in facilitating donations to benefit Northwest College. It will also evaluate potential gifts based on the previously noted risk categories to determine if proposed contributions pose risks or problems such as lack of genuine donative intent or financial capability, shopping among institutions for the most favorable terms, and the possibility of a challenge to the gift or the Foundation's acceptance and administration of it by members of the donor's family or others.

The following items are important considerations in performing philanthropic due diligence:

- Does the donor/intended gift support the values and mission of NWC Foundation and Northwest College?
- Is the funding source traceable to ethical and legal activity?
- Will accepting this donation give other donors reason to reconsider their support of our organization?
- Has the donor, especially if elderly, discussed the gift plan with family members?

In cases where concerns may arise, the NWC Foundation's Executive Director will determine whether further investigation is appropriate and will confer with appropriate College and Foundation officials prior to final acceptance of the gift

Once accepted, NWC Foundation does not typically return gifts per donor requests. However, the organization may voluntarily return a gift if the NWC Foundation and/or Northwest College determine that the contribution compromises the academic freedom and/or mission of the college, the mission of the foundation, and/or could disparage, impair or adversely affect the reputation, image, integrity or otherwise be contrary to the best interests of Northwest College and/or NWC Foundation.