

## **GIFT ACCEPTANCE POLICY XYX Organization**

### **Introduction**

In order to protect the interests of (name of organization) and the persons and other entities who support its programs, these policies are designed to assure that all gifts to or for the use of, the (name of organization) are structured to provide maximum benefits to both parties.

This document will focus on both current and deferred gifts, with special emphasis on various types of deferred gifts and gifts of non-cash properties.

The goal is to encourage funding of the (name of organization) without encumbering the organization with gifts which may prove to generate more cost than benefit or which are restricted in a manner which does not keep up with the goals of the (name of organization).

To optimize funding from individuals and other entities, (name of organization) must be capable of responding quickly, and in the affirmative where possible, to all gifts offered by prospective donors. It is understood that except where stated otherwise, these policies are intended as guidelines, and that flexibility must be maintained since some gift situations can be complex, and decisions made only after careful consideration of a number of interrelated factors. Therefore, these policies will in some instances require that the merits of a particular gift be considered by a gift acceptance committee and a final decision be made by only that body.

### **Outright Gifts**

#### **Cash**

Gifts in the form of cash and checks shall be accepted regardless of amount unless, as in the case of all gifts, there is a question as to whether the donor has sufficient title to the assets or is mentally competent to legally transfer the funds as a gift to (name of organization).

- All checks must be made payable to (name of organization) and shall in no event be made payable to an employee, agent, or volunteer for the credit of (name of organization).

#### **Publicly Traded Securities**

- Securities which are traded on the New York or American Stock Exchange in the U.S., or Canadian Stock Exchange in Canada, shall be accepted by (name of organization). It may be anticipated that such securities will be immediately sold by (name of organization). In no event shall an employee or volunteer working on behalf of (name of organization) promise to a donor that a particular security will be held by (name of organization) unless authorized to do so by an officer of (name of organization).

### **Closely Held Securities**

1. Non-publicly traded securities may only be accepted after approval of the gift acceptance committee.
2. Such securities may be subsequently disposed of only with the approval of the gift acceptance committee.

### **Real Property**

1. No gift of real estate shall be accepted without prior approval of the gift acceptance committee.
2. No gift of real estate shall be accepted without first being appraised by a party chosen by (name of organization) who shall have no business or other relationship to the donor.
3. In general, residential real estate located within (TO BE DETERMINED BASED ON GEOGRAPHICAL AND OTHER FACTORS) with a value estimated by the donor at \$ (TO BE DETERMINED) or greater will be accepted unless the gift acceptance committee determines for some reason that the property is not suitable for acceptance as a gift.
4. In general, residential real estate located more than (TO BE DETERMINED BASED ON GEOGRAPHICAL AND OTHER FACTORS) will not be accepted as a gift unless it appears to have a value in excess of \$ (TO BE DETERMINED) and there is reason to believe it is highly marketable. The gift acceptance committee may make exceptions to this policy if conditions warrant. No commercial real estate shall be accepted by anyone on behalf of (name of organization) without subsequent approval of the gift acceptance committee.
5. Real estate shall not be accepted to fund a charitable gift annuity without seeking an opinion as to the permissibility of this action under the laws of the states, provinces, or countries involved and approval by the gift acceptance committee.
6. Special attention shall be given to the receipt of real estate encumbered by a mortgage, as the ownership of such property may give rise to unrelated business income for (name of organization) and disqualification of certain split interest gifts unless handled in a proper manner.

### **Tangible Personal Property**

1. Jewelry, artwork, collections and other personal property shall not be accepted unless the employee, agent or volunteer working on behalf of (name of organization) has reason to believe the property has a value in excess of \$(TO BE DETERMINED). Such property can only be accepted by the gift acceptance committee or another person or persons authorized to do so by the gift acceptance committee.
2. No personal property shall be accepted by (name of organization) unless there is reason to believe the property can be quickly disposed of. No personal property shall be accepted that obligates (name of organization) to ownership of its use in perpetuity. No perishable property or property which will require special facilities or security to properly safeguard will be accepted without prior approval of the gift acceptance committee.
3. Notwithstanding the foregoing, if there is reason to believe personal property has a value of \$ (TO BE DETERMINED) or more, it may only be accepted after receipt and review by the gift acceptance committee or those empowered to act on its behalf, of an appraisal qualified under terms of the internal revenue code governing gifts of property of this type. Only the gift acceptance committee or persons authorized by the gift acceptance committee to do so may represent to a donor that property will or will not be held by (name of organization) for a requisite period of time or for purposes related to its tax-exempt status. Donors should be notified at the time of receipt of a gift that (name of organization) will, as a matter of corporate policy, cooperate fully in all matters related to IRS or CRA investigations of non-cash charitable gifts.

## Other Property

Other property of any description including mortgages, notes, copyrights, royalties, easements, whether real or personal, shall only be accepted by action of the gift acceptance committee or persons duly acting on its behalf.

## Deferred Gifts

### Bequests

1. Gifts through wills (bequests) shall be actively encouraged by (name of organization).
2. In the event of inquiry by a prospective legator, representations as to the future acceptability of property proposed to be left to (name of organization) in a will or other deferred gift shall only be made in accordance with the terms and provisions of paragraphs I (A-F) of this document.
3. Gifts from the estates of deceased donors consisting of property which is not acceptable shall be rejected only by action of the gift acceptance committee. The legal counsel of (name of organization) shall expeditiously communicate the decision of the gift acceptance committee to the legal representative of the estate. If there is any indication that the representatives of the estate or any family member of the deceased is dissatisfied with the decision of the gift acceptance committee, this fact shall be communicated to the gift acceptance committee or to the appropriate member of the development staff as quickly as possible.
4. Attempts shall be made to discover bequest expectancies wherever possible in order to reveal situations which might lead to unpleasant donor relations in the future. Where possible, intended bequests of property other than cash or marketable securities should be brought to the attention of the gift acceptance committee and every attempt be made to encourage the donor involved to conform his or her plans to (name of organization) policy.

### Charitable Remainder Trusts

1. In general, (name of organization) will not serve as sole trustee of a charitable remainder trust for the benefit of the institution. This policy may only be waived by a written resolution of the gift acceptance committee which is subsequently approved by the finance committee of the board of directors of (name of organization)
2. The gift acceptance committee of (name of organization) will identify a number of corporate fiduciaries in which it has confidence. Only with the approval of the gift acceptance committee may any corporate fiduciary be recommended to a donor.
3. The fees for management of a charitable remainder trust will only be paid by (name of organization) upon approval of the gift acceptance committee.
4. The gift acceptance committee and other employees and volunteers acting on behalf of (name of organization) should become familiar with the types of property generally accepted by corporate fiduciary as suitable contributions to charitable remainder trusts and employees or others acting on behalf of (name of organization) shall not encourage donors to make gifts of any property to charitable remainder trusts which are not in keeping with such guidelines.
5. No representations shall be made by any employee or other persons acting on behalf of (name of organization) as to the manner in which charitable remainder trust assets will be managed or invested by a corporate fiduciary who may be recommended by (name of organization) without the prior approval of such representation by the fiduciary.

6. Charitable remainder trusts and all other deferred gifts shall be encouraged as a method of making gifts to (name of organization) while retaining income which may be needed by the donor for any number of personal purposes. Such trusts shall not be marketed as tax avoidance devices or as investment vehicles, as it is understood such activity may violate federal and/or state/provincial securities regulations.
7. No charitable remainder trust which (name of organization) serves as co-trustee shall be encouraged which names as income beneficiaries individuals under (TO BE DETERMINED) years of age or name more than two income beneficiaries. No charitable remainder trust shall be encouraged where it is determined that the present net value of the remainder interest in the trust is less than (TO BE DETERMINED) percent of value of the funds transferred to the trust, as it is felt that it is generally unwise to encourage donors of a young age to make such gifts, as this may have a detrimental impact on future current giving. The minimum amount required to establish a charitable remainder trust for which (name of organization) serves as co-trustee is \$ (TO BE DETERMINED).

### **Pooled Income Funds**

1. It is anticipated that (name of organization) will establish a pooled income fund. Further requirements and terms on pooled income funds are outlined in the Internal Revenue Code (U.S.) and in the Canada Revenue Agency (Canada) guidelines.
2. A corporate fiduciary will be selected to manage the fund. (name of organization) will pay the administrative fees of managing the pooled fund until such time as the appropriate officers of (organization name) shall determine otherwise.
3. No income beneficiary in the fund may be less than (TO BE DETERMINED) years of age without prior approval of the gift acceptance committee.
  - a. There shall be no more than two income beneficiaries allowed in connections with each contribution to the fund
  - b. The minimum initial contribution to the fund shall be \$ (TO BE DETERMINED).
  - c. The minimum additional contribution by a participant in the fund shall be \$ (TO BE DETERMINED).
  - d. The corporate fiduciary shall furnish guidelines governing the acceptance of property other than cash as contributions to the (name of organization) pooled income fund. Such guidelines shall be adopted by the gift acceptance committee and shall be incorporated by reference in these gift acceptance policies.
4. No representation of the fund shall be made which could be construed as marketing the fund as an investment or security of any type. All disclosures required by state and federal regulatory agencies shall be made in a thorough and timely manner.

### **Charitable Gift Annuities \***

1. No Gift Annuity shall be accepted which names an income beneficiary under (TO BE DETERMINED) years of age without prior approval of the gift acceptance committee.
2. In keeping with the state laws, there shall not be more than the allowed income beneficiaries for each Gift Annuity.
3. The minimum initial contribution for a Gift Annuity shall be \$ (TO BE DETERMINED)
4. The minimum contribution for an additional Gift Annuity by an individual who has previously entered into a Gift Annuity agreement shall be \$ (TO BE DETERMINED).

(\*Note: In Canada, for most organizations, this type of gift must be reinsured through a commercial insurance company.)

## **Life Estate Gifts**

1. Donors shall generally not be encouraged to make gifts of real property to (name of organization) under which they maintain a life interest in the property.
2. This policy is based on the fact that such transfers are often not in the best interest of the donor involved, and there is potential for negative publicity for (name of organization) should a donor have a need to sell the property to generate funds only to find that a relatively small portion of the proceeds would be available to the donor as owner of the life estate.
3. Such gifts may be accepted by approval of the gift acceptance committee in situations where the asset involved appears to be a minor portion of the donor's wealth, and the committee is satisfied that there has been full disclosure to the donor of the possible future ramifications of the transaction.

## **Gift of Life Insurance**

1. (Name of Organization) will encourage donors to name (name of organization) to receive all or a portion of the benefits of life insurance policies that they have purchased on their lives.
2. (Name of Organization) will not, however, as a matter of course agree to accept gifts from donors for the purpose of purchasing life insurance on the donor's life. Exceptions to this policy will be made only after researching relevant state or provincial laws to assure that (name of organization) has an insurable interest under applicable state/province law.
3. No insurance products may be endorsed for use in funding gifts to (name of organization) without board approval.
4. In no event shall lists of (name of organization) donors be furnished to anyone for the purpose of marketing life insurance for the benefit of donors and/or (name of organization). This policy is based on the fact that this practice represents a potential conflict of interest, may cause donor relations problems, and may subject (name of organization) to state/province insurance regulation should the activity be construed as involvement in the marketing of life insurance.

## **Payment of Fees Related to Gifts to (name of organization)**

### **Finder's Fees or Commissions**

1. In general, (name of organization) will pay no fee to any person as consideration for directing a gift to (name of organization). It is understood that such fees may or may not be legal and that in the case of irrevocable deferred gifts which involve management of assets, the payment of such fee may subject (name of organization) and its management and board of directors to federal and state security regulation.
2. In no event whatsoever will a commission or finder's fee of any type be paid to any party in connections with the completion of a gift to (name of organization) without prior written approval of the gift acceptance committee and subsequent written notification to the donor involved of the amount and recipients of any such fee.

## **Professional Fees**

1. (Name of organization) will pay reasonable fees for professional services rendered in connection with the completion of a gift to (name of organization). Such fees will be paid only with prior written approval of the gift acceptance committee.
2. Such fees will be paid only following discussion with and approval by the donor.

3. Fees shall be reasonable and directly related to the completion of a gift. They shall be limited to appraisal fees by persons who are competent and qualified to appraise the property involved and who have no conflict of interest, legal fees for the preparation of documents, accounting fees incident to the transaction, and fees of “fee for service” financial planners. In the case of financial planners, such persons must aver in writing that they are compensated only through fees for services rendered and that they are not compensated for the sale of products to clients. This distinction is vital in avoiding the payment of commissions that could be construed as triggering securities regulation.
4. In the case of legal, accounting and other professional fees, an attempt shall be made by the gift acceptance committee to ascertain the reasonableness of these fees prior to payment. An hourly breakdown of time should be requested. In cases that appear excessive, the summary of fees shall be submitted to (name of organization)’s corporate counsel for review and approval prior to payment.
5. In cases where the persons receiving fees were initially employed by the donor and (name of organization) is asked to pay the fees involved, the donor shall be notified that the payment of such fees may result in taxable income to the donor in the amount of the fees paid.
6. In situations where advisors retained by (name of organization) prepare documents or render advice in any form to (name of organization) and/or a donor to (name of organization), it shall be disclosed to the donor that the professional involved is in the employment of (name of organization) and is not acting on the behalf of the donor and that any documents or other advice rendered in the course of the relationship between (name of organization) and the donor should be reviewed by counsel for the donor prior to completion of the gift.

## **Restrictions**

### **Endowment Restrictions**

1. No restrictions on how gifts may be used by (name of organization) will be honored without prior approval of the gift acceptance committee in the case of current gifts or subsequent approval by the gift acceptance committee in the case of gifts received by will or other gift which is effective at death which has not been previously approved by the gift acceptance committee.
2. A permanent endowment may be established with a minimum gift of \$ (TO BE DETERMINED).

## **GIFT SOLICITATION POLICY XYZ Organization**

### **Fundraising Guidelines and Procedures**

#### **GENERAL INFORMATION**

(Name of organization) encourages individuals and organizations to give of their time, talents, and resources. Our strategy focuses on building awareness, understanding, and strong relationships among people with the interest and ability to:

- Provide on-going financial and volunteer support
- Fund special projects, capital needs, and new agency programs
- Secure long-term sustaining resources through major gifts and estate planning

The Advancement Team strives to represent all areas of (name of organization) in its public information, community relations, and fundraising activities, focusing attention on the organization's overall mission rather than inviting competitiveness for benevolent dollars among service areas of the agency.

(Name of organization) has significant financial and human resources to support our mission, and undergoes an annual budget-building process to ascertain funding needs for the coming year. Therefore, (name of organization)'s fundraising is aimed at meeting previously agreed upon priorities, and at adding value to (name of organization)s current services. We try not to engage in "hand to mouth" fundraising in order to meet payroll, pay bills, or to cover unexpected emergencies.

Advancement department staff members are not the only staff members who advance the cause of our organization to donors or to community members. All (name of organization) employees are expected to represent the organization in a positive, professional manner when engaging (name of organization)'s donors, church and community supporters, and the general public.

**Be respectful!      Be courteous!      Be helpful!**

Contributions to (name of organization) are voluntary. Donors deserve our best effort in our work with children and families. They also deserve our attention and thanks.

#### **RULES OF THUMB**

- Plans drive fundraising rather than fundraising driving plans! Advancement strategies are put in place each year to meet approved agency needs. Therefore, it is important for all service areas to conduct good annual program and budget planning. Agency fundraising efforts are generally not intended to secure "wish list" items on behalf of individual regions or programs.
- Prior to seeking additional funds for programs and services, talk with other staff in your region to see how they are doing things that appear successful to you. You can often create special opportunities and activities for our clients without creating new expenses.

- Protecting the rights and privacy of our clients is of utmost importance when considering using clients in fundraising, marketing, or public relations efforts. Authorized consent by legal guardians must always be secured prior to using names and/or photos of clients in any publication, story, or public event.

### **GIFT ACCEPTANCE GUIDELINES**

- Contact the Advancement office concerning potential contributions to the organization that may have substantial impact on a particular program or on the agency as a whole.
- Contact (name of organization)'s Vice President for Advancement, Director of Advancement, or an (name of organization) Development Officer prior to accepting any contribution valued at more than \$250 and/or if there are questions concerning the appropriateness of a gift.
- \*The IRS requires that gifts valued at \$250 or more be officially receipted by the receiving organization. Therefore, all monetary or in-kind gifts with a value greater than \$250 must be handled in conjunction with the Advancement office. (Name of organization) Advancement office officially receipts every gift made by an individual, corporation, foundation, church, or community group, regardless of the amount. In order for gifts to be properly acknowledged, it is important that the staff person(s) involved with the donor forward information concerning the gift to the Advancement office in a timely manner. Generally, the name, address, phone number, amounts and purpose of the gift must be provided. Gift acceptance forms are available on the public folders of (name of organization)'s Microsoft Outlook program or by calling the Advancement office's Administrative Assistant. Should additional information be needed, Advancement staff will contact the donor or the staff person who accepted the gift. \* (Note: Not applicable in Canada.)
- Generally, gifts of cash, property and other assets, or in-kind gifts of materials or service to the (name of organization) are tax-deductible to the extent allowed by law. It is ultimately the responsibility of a donor to measure the value and tax ramifications of any gift. (Name of organization) does not offer professional legal or financial advice to donors and strongly encourages all donors to consult with their own personal advisors regarding potential tax issues and the financial impact of making a contribution. (Name of organizations)'s responsibility is to receipt the donor with confirmation of their gift's value.
- In addition to any official acknowledgement from (name of organization), other staff and/or children and families in care are encouraged to send thank you notes and/or to thank donors personally should such opportunities arise.