

SAMPLE GIFT ACCEPTANCE POLICY

- I. PURPOSE. This policy is established to govern the acceptance and disposition of all gifts made to the **ABC ORGANIZATION** and any of its subsidiaries or affiliated organizations (collectively, "**ABC**") in accordance with ABC's mission, articles of incorporation, bylaws and charitable purposes.
- II. GIFT ACCEPTANCE. **ABC** reserves the right to decline any gift that it considers inappropriate, burdensome, financially adverse or contrary to the mission, articles, bylaws or charitable purposes of **ABC**. Additionally, gifts that are inconsistent with, or do not comply with, local, state and federal laws and regulations, including without limitation tax laws, or with applicable legal or equitable principles, or that involve an unacceptable risk of liability, will not be accepted. Unless otherwise indicated in this Policy, the President and CEO of **ABC**, or his/her designate, has authority to review all gifts to make a determination of appropriateness of acceptance under this policy. S/he will determine whether a gift will be accepted in accordance with this policy and the following:
 - a. Unrestricted Gifts. **ABC**'s preference is to receive gifts for unrestricted, general purposes. Therefore, ABC will encourage such gifts because of the flexibility they provide in meeting the most pressing needs of the organization.
 - b. Designated or Restricted Gifts.
 - i. Should a donor express interest in designating or restricting a gift, **ABC** will respect the intent of the donor as long as the designated or restricted purpose has been approved by the Board of Directors and is included in the Association's annual or campaign budget. Any gift that does not meet this criterion must be approved by the Executive Committee of the Board of Directors prior to accepting the gift. Donors will be encouraged to designate a gift and not restrict it.
 - ii. In the event that **ABC** accepts a gift with restrictions, the restrictions must be in writing, and additional restrictions may not be added after the gift is conveyed.
 - iii. If the intended purpose of a gift becomes illegal, impracticable, obsolete or impossible to carry out, **ABC** will work with the donor to find some acceptable way for the use of the gift to continue in accordance with the donor's intent and **ABC**'s charitable purposes.
 - iv. Approval must be obtained from the Executive Committee of **ABC** before accepting any gift that would require a major capital expenditure on the part of **ABC** or if the proposed gift is not a priority or part of the strategic plan.
 - v. A designated or restricted named fund may be established only with an initial gift of at least \$100,000. Once a fund has been established, subsequent gifts of any amount may be added.
 - vi. In the case of scholarships, a scholarship application process will be determined and a selection committee will be appointed by the President and CEO of **ABC**. In the case of fellowships or hiring, the President and CEO of **ABC**, or his/her designate, will select recipients of fellowships or hiring. A donor may not designate the recipient of a scholarship, fellowship or hiring, but may select the area of focus if it complies with the other terms of this policy.
 - vii. Gifts may not be accepted which are restricted for the benefit of a specific individual(s).
 - viii. A cy-près clause is language providing that if, at some future time, the purpose for which the gift was given no longer exists, or is no longer necessary, legal, possible or in the best interest of **ABC**, then the donor agrees that, at the direction of the President & CEO of **ABC**, or his/her designate, the gift or distributions therefrom may be used for a substantially similar purpose, or for such other purposes as will further the business objectives, mission and charitable purposes of ABC, giving due consideration to the donor's original intent. **ABC** will require the inclusion of a cy-près clause in all designated or restricted gifts to permit **ABC** to alter the use of the gift in accordance

with its charitable purposes if sometime in the future the original purpose of the gift becomes difficult, impracticable or impossible to carry out.

III. TYPES OF GIFTS.

- a. Outright gifts. ABC Organization will accept donations of cash or publicly traded securities. Other gifts, real property, personal property, in-kind gifts, non-liquid securities and contributions, whose sources are not transparent or whose use is restricted in some manner, must be approved prior to acceptance by the Executive Committee.

Gifts of securities, real and personal property will be sold and converted to a cash gift as soon as possible. The value of the gift will be the amount received in cash. Establishment of value is always the responsibility of the donor. Any costs or fees associated with said transfer will be recorded separately as an expense.

- b. Deferred gifts. ABC encourages deferred gifts. Until December 31, 2030, deferred gifts of any amount will be directed to the Vision 2030 campaign, use of which will be directed by the Executive Committee of the ABC Board of Directors. From January 1, 2031 on, any deferred gift of \$25,000 or more will be directed to the general endowment fund. Gifts below \$25,000 will be directed to the annual fund.

- i. Donors and supporters of ABC will be encouraged to name ABC as a beneficiary of their retirement plans.
- ii. Gifts of life insurance policies, including whole life, variable and universal life policies, which are paid-up and for which ABC is designated as a beneficiary, may be accepted. ABC cannot accept a gift of a term life insurance policy without cash value unless the donor of the policy agrees to maintain the policy in force by remaining responsible for payment of future premiums.
- iii. It is the policy of ABC not to serve as trustee of charitable trusts of which it is a beneficiary. This policy is intended to assure that such trusts receive the full-time investment management that they deserve and to eliminate any possibility of a conflict of interest in investment choices or any other subject between the current beneficiaries of such trusts and ABC as beneficiary. Representatives of ABC are, however, available to cooperate with any potential donor to trust in tailoring the provisions of those trusts to the donor's particular situation.

- IV. ACKNOWLEDGEMENT. ABC will provide acknowledgments to donors meeting IRS substantiation requirements for property received by the charity as a gift. However, except for gifts of cash and gifts converted to cash, no value shall be ascribed to any receipt or other form of substantiation of a gift received by ABC Organization.

- V. CONFIDENTIALITY. Donors may be recognized by name and amount (or range of amount) of the donor's gift, unless the donor requests to remain anonymous. Any other personal donor information will be held in confidence, subject only to any disclosure requirements to which ABC may be subject.

- VI. PLEDGES. Any gift that is made with a pledge over time must be made in writing with the amount and payment dates specified. Pledge periods shall not exceed five years without prior approval from the Executive Committee.

- VII. FINANCIAL GUIDANCE TO DONORS. Although ABC staff or other contracted representatives of ABC may meet with prospective donors and their financial advisors to discuss types of gifts and possible benefits to the donor, the ultimate responsibility lies with the donor and their tax, financial and legal advisors to determine the tax or other benefits, if any, to the donor. As an integral part of the process, ABC will strongly encourage potential donors to obtain independent advice by consulting with their own tax, financial and legal advisors, both verbally and in written correspondence.

- VIII. VISION 2030. The Vision 2030 Campaign is a comprehensive campaign that aims to raise \$10,000,000 in outright gifts for annual operations, endowment special projects and capital needs. Outright gifts, pledges and bequests received between January 1, 2025 and December 31, 2030 will count toward the campaign's financial goal.

- a. In addition to the outright campaign goal, **ABC Organization** aims to create a pipeline of future support with a goal of securing 100 new or increased deferred gift commitments. These commitments will be counted separately from the outright goal. The **ABC** does not book or count revocable gifts nor provide gift receipts until a gift is received. The **ABC** may recognize an irrevocable gift, however, it will not provide gift receipts to donors until the gift is realized. Should the **ABC** receive a signed irrevocable pledge from a donor age 70 or older, the **ABC** may recognize and acknowledge the pledge. The **ABC** will provide an acknowledgement of the pledge for recognition purposes, per IRS regulations the **ABC** will not provide any gift receipt to such donors until the pledge is satisfied.
- b. During the Vision 2030 Campaign, the Executive Committee shall determine a menu of naming opportunities. When a donor has expressed interest in a particular opportunity, the President and CEO may approve and accept a grant of naming rights. All approved naming designations require a Gift Agreement that sets forth a specific duration (in perpetuity, 20 years, 10 years, etc). The **ABC** reserves the right to remove or transfer a name, in its discretion, if the following circumstances occur:
 - i. A significant renovation of the addition or space;
 - ii. Alleged or actual conduct by an honored person(s)/organization or donor that brings discredit to the institution;
 - iii. Failure by the honored person(s) or organization to fulfill agreed upon philanthropic obligations;
or
 - iv. The demolition or sale of a facility or the discontinuation of an activity.
- c. Annual Fund gifts and pledges will be recognized in **ABC Newsletter** for the amount that was given during the time period being reported. Additional recognition opportunities (eg: program sponsors) may be granted. In addition to **ABC Newsletter** listings, Vision 2030 gifts (sum of Annual Fund and special gifts received during the Vision 2030 campaign period) will be recognized in multiple formats and on multiple occasions after the campaign goes public.