

GIFT ACCEPTANCE POLICY

The mission of the xxxxx is to xxxx.

The xxxxxx is a nonprofit 501(c)(3) corporation (tax number xxxx) organized under the laws of the State of Washington. The xxxx encourages the solicitation and acceptance of gifts to the organization for purposes that will help the XXXX to fulfill its mission. The following policies and guidelines govern the acceptance of gifts made to the XXXX or to or for the benefit of any of its programs or affiliated entities.

I) Purpose of Gift Policies and Guidelines

The Board of Directors of the XXXX and its staff solicit current and deferred gifts from individuals, corporations and foundations to help fulfill the mission of this vital agency. These policies and guidelines govern the acceptance of gifts by the XXXX and provide guidance to prospective donors and their advisors when making gifts to the XXXX.

II) Use of Legal Counsel

The XXXX will seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review by counsel is recommended for:

- A. Certain gifts, such as closely held stock, or closely held stock subject to buy-sell agreements or other restrictions.
- B. All transactions governed by contracts or other legal documents. This would include gifts of real estate, bargain sales, trusts naming the XXXX as trustee, or documents obligating the XXXX to take action.
- C. All transactions with potential conflicts of interest. This may include use of Board members as sales agents in transactions, leases of gift property to staff or Board, etc.
- D. Administration of estates of which the XXXX is named as a beneficiary.
- E. Other circumstances in which the staff, Planned Giving Committee or Board of Directors believe that use of counsel is appropriate.

Potential donors will be advised to have their own legal counsel either to prepare or approve any legal agreements pertaining to any gifts.

III) Donor Relations

The XXXX endorses the Donor Bill of Rights created by the Association of Fundraising Professionals, the Association for Healthcare Philanthropy, the Council for Support and Advancement of Education, and the Giving Institute: Leading Consultants to NonProfits (see Attachment A). The XXXX also follows the Model Standards of Practice for the Charitable Gift Planner promulgated by the National Committee on Planned Giving (see Attachment B).

Consistent with the Model Standards, the XXXX will advise all prospective donors to seek the assistance of their personal legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences. All information obtained from or about donors or prospective donors shall be held in strictest confidence in accordance with the XXXX's Donor Confidentiality Policy.

IV) The Planned Giving Committee

The Planned Giving Committee is responsible for periodic review of the XXXX Gift Acceptance Policy, as well as the review of the following types of unsolicited gifts:

- A. Certain gifts of tangible personal property (as outlined in section X)
- B. Gifts of publicly traded securities that are restricted by securities laws
- C. Closely held securities
- D. Select life insurance policies (as outlined in section X)
- E. Real property (in conjunction with the Properties Committee)
- F. Restricted bequests
- G. Charitable gift annuities
- H. Proposed new endowment funds

Upon review of these gifts, the Planned Giving Committee makes recommendations to the Executive Committee of the Board of Directors regarding gift acceptance, and the interpretation of these gift policies. All proposed gifts recommended by the Executive Committee, as well as proposed changes to the Gift Acceptance Policy, are subject to final approval by the Board of Directors.

The Planned Giving Committee will meet at least once annually but no more than three times each year. A majority of the members of the Planned Giving Committee shall constitute a quorum for the transaction of business, and the vote of a majority of the Committee members present at a meeting at which a quorum is present shall be the act of the Committee. Membership in this Committee shall consist of at least seven members, including the Board Vice President of Planned Giving/Endowment, who shall serve as chairperson; three to five at large members with legal, accounting and wealth management experience; and one or two members of the XXXX Board of Directors alumnae. Ex officio members of the Planned Giving Committee should include: the Chief Executive Officer, the Director of Finance and Administration/CFO, the Director of Development & Community Affairs, the Associate Director of Major Gifts & Planned Giving, and the Major Gifts Associate. The chairperson shall appoint the members of the Planned Giving Committee, other than the ex officio members, in consultation with the Chief Executive Officer and the Chair of the XXXX Board of Directors.

V) Conflict of Interest

The XXXX Board will assure itself that XXXX personnel are circumspect in all dealings with donors in order to avoid even the appearance of any act of self dealing. The Board will consider a transaction in which the employee has a "material financial interest" with a donor an act of self-dealing. In reviewing self dealing transactions, the Board shall consider financial interest "material" to an employee if it is sufficient to create an appearance of a conflict. In each case, this will be a question of fact.

The Board will examine all acts of self-dealing including, but not limited to prohibition against personal benefit. Those individuals who normally engage in the solicitation of gifts on behalf of the XXXX shall not personally benefit by way of commission, contract fees, salary, or other benefits from any donor in the performance of their duties on behalf of the XXXX. The definition of individuals includes each of the categories of employees of the XXXX. Individuals are further defined to include associations, partnerships, corporations, or other enterprises in which a member of the staff holds a principal ownership interest.

VI) Donor Acknowledgement and Recognition

- A. **General gift acknowledgement:** All gifts to the XXXX will receive acknowledgement from the XXXX Development Office within one week of receipt of the gift, if possible. An acknowledgement letter including a formal tax receipt for cash donations will be sent to each donor upon acceptance of a gift. Receipts and acknowledgements are necessary to ensure that gifts are deposited correctly and also serve as additional verification of a tax-deductible gift for the donor. Gifts of \$1,000 or more will also be acknowledged with a phone call from a XXXX Board member, staff member, or fundraising volunteer within 24 hours, or as soon as possible, following receipt of the gift.
- B. **Donor recognition:** The Annual Report is the XXXX's main recognition tool. All donors contributing \$1,000 or more will be recognized in the XXXX Annual Report published annually. Donors contributing planned gifts and direct gifts of \$10,000 or more to the XXXX Endowment Funds will be recognized in the Annual Report as members of the XXXX Council for the Future. Council members will also receive updates and briefings from XXXX executives and will be included in special recognition events and activities. Gifts and pledges for special campaigns will be recognized in the annual report plus special campaign reports.
- C. **Anonymity:** Requests for donor anonymity will be honored, and donors who wish to remain anonymous may do so with every confidence.
- D. **Confidentiality:** Files, records, and mailing lists regarding all donors and donor prospects are maintained and controlled by the XXXX. Written reports of interviews and solicitations will be maintained in the donor or prospect records. This information is confidential and is strictly for the use of the XXXX Board and staff. Use of this information shall be restricted to organization purposes only. The donor has the right to review his or her donor fund file(s). Names of donors will not be provided by the XXXX to other organizations, nor will any lists be sold or given to other organizations.
- E. **Naming Opportunities:** *Reserved*

VII) Restrictions on Gifts

The XXXX will accept unrestricted gifts and gifts for specific programs and purposes, provided that such gifts are not inconsistent with its stated mission, purposes and priorities. The XXXX reserves the right not to accept any gifts that are too restrictive in purpose. Gifts that are too restrictive include gifts that violate the terms of the XXXX's governing documents, gifts that may be too difficult or costly to administer, or gifts that are for purposes

inconsistent with or outside of the scope of the mission of the XXXX. The Chief Executive Officer shall have the independent authority to decline proposed cash gifts that are too restrictive in purpose. If the Chief Executive Officer deems appropriate, in the alternative, such proposed gifts may be submitted to the Planned Giving Committee for review in accordance with the terms of this Policy.

VIII) Gift Designations

The XXXX records each gift according to the designation indicated by the donor. If specific restrictions are indicated and the donor's restrictions cannot be followed, the gift will not be accepted. To designate a gift to a specific XXXX program, a donor must submit written notification to the XXXX. Non-designated outright gifts of cash are attributed to the XXXX Annual Fund.

IX) Unacceptable Gifts

The XXXX reserves the right to refuse any gift that is not consistent with its mission. In addition to and without limiting the generality of, the following gifts will not be accepted by the XXXX:

- A. Gifts that violate any federal, state, or local statute or ordinance
- B. Gifts that contain unreasonable conditions (e.g., a lien or other encumbrance) or gifts of partial interest in property
- C. Gifts that are made with the condition that the proceeds will be spent by the XXXX for the personal benefit of a named individual
- D. Gifts that could expose the XXXX to liability

X) Types of Gifts

The XXXX accepts gifts in the form of outright gifts, pledges, planned gifts and endowment gifts. The details of gift acceptance by gift type follow.

A. Outright gifts accepted:

The Planned Giving Committee will review all unsolicited outright gifts, with the exception of unrestricted gifts or pledges of cash, most publicly traded securities, professional services and items of tangible personal property not outlined below, and will make recommendations regarding the same to the Board of Directors.

1. **Cash:** Unrestricted gifts of cash are acceptable without prior review of the Planned Giving Committee and the Board of Directors. Checks shall be made payable to the XXXX and shall be delivered to the attention of the XXXX Development Office at the XXXX Administrative Offices at xxxxxx. The Planned Giving Committee and the Board of Directors will review restricted gifts of cash as requested by the Chief Executive Officer.
2. **Professional services:** Gifts of necessary professional services will be acceptable without prior review of the Planned Giving Committee and the

Board of Directors. These gifts will be accepted, and with an assigned dollar, at market rate, determined by the donor.

3. **Tangible Personal Property:** Gifts of tangible personal property, with the exception of art, antiques, stamps, coins, libraries and other collections are acceptable without prior review of the Planned Giving Committee and the Board of Directors. Proposed gifts of art, antiques, stamps, coins, libraries and other collections may be accepted subject to whether the property can be currently used or easily liquidated by the XXXX. In reviewing these gifts, the Planned Giving Committee and the Board of Directors shall consider the following criteria:
 - Does the property fulfill the mission of the XXXX?
 - Is the property marketable?
 - Are there any undue restrictions on the use, display, or sale of the property?
 - Are there any carrying costs for the property?

Where applicable, art, stamps, coins, libraries and other collections are encouraged to be accompanied by a fund equal to 25 percent of the assessed valuation to cover insurance, maintenance, handling, storage and other costs. Also, such gifts should be accompanied by a statement permitting the Board of Directors to dispose of the gifts when they have served both the intent of the donor and the XXXX.

4. **Publicly Traded Securities:** Securities regularly traded on a public stock exchange are acceptable without prior review of the Planned Giving Committee and the Board of Directors. Securities may be transferred to an account maintained at one or more brokerage firms or delivered physically with the transferor's signature or stock power attached. As a general rule, all marketable securities shall be sold within 48 hours of receipt unless otherwise directed by the Investment Committee. In some cases marketable securities may be restricted by applicable securities laws; in such instance the final determination on the acceptance of the restricted securities shall be made by the Planned Giving Committee and the Board of Directors.

Gifts of publicly traded, marketable securities will be credited (in conformity with IRS guidelines) as the mean value between the 'high' and 'low' market prices on the date of the gift. If the security was not traded on its exchange on that date, the date of the most recent prior sale will be used.

Regardless of the redeemed value upon sale of the securities, the gift amount recognized will be that intended by the donor when making the gift so long as the tax deductible value (as determined above) is within 2 percent of the pledged amount. Brokerage fees, as well as changes in value of securities after their receipt, are considered operating costs and do not affect the value credited.

5. **Closely Held Securities:** Closely held securities, which include not only debt and equity positions in non-publicly traded companies but also interests in LLPs and LLCs or other ownership forms, may be accepted subject to the prior review of the Planned Giving Committee, with the following factors to be considered:

- There are no restrictions on the security that would prevent the XXXX from ultimately converting those assets to cash, and
- The security will not generate any undesirable consequences for the XXXX

If potential problems arise on initial review of the security, further review and recommendation by an outside professional may be sought before making a final decision on acceptance of the gift. The final determination on the acceptance of closely held securities shall be made by the XXXX Planned Giving Committee, the Board of Directors, and legal counsel when necessary. Every effort will be made to sell non-marketable securities as quickly as possible.

6. **Real Estate:** Gifts of real estate include developed property, undeveloped property, or gifts subject to a prior life interest. Prior to acceptance of a gift of real estate, the XXXX shall require an initial environmental review of the property to ensure that the property has no environmental damage. In the event that the initial inspection reveals a potential problem, the XXXX shall retain a qualified inspection firm to conduct an environmental audit. The cost of the environmental audit shall generally be an expense of the donor. When appropriate, a title binder shall be obtained by the XXXX prior to the acceptance of the real property gift. The cost of this title binder shall generally be an expense of the donor.

The value of the gift will be determined based upon a real property appraisal. The cost of the appraisal will be an expense of the donor. The XXXX reserves the right to approve which appraiser is retained.

Prior to acceptance of the real property, the gift shall be reviewed by the XXXX's legal counsel and approved by the XXXX Planned Giving Committee, the XXXX Property Committee and the Board of Directors. Criteria for acceptance of the property shall include:

- Is the property useful for the purposes of the XXXX?
- Is the property marketable?
- Are there any restrictions, reservations, easements, or other limitations associated with the property?
- Are there carrying costs, which may include insurance, property taxes, mortgages, or notes, etc. associated with the property?
- Does the environmental audit reflect that the property is not damaged?

7. **Life Insurance:**

Gifts of life insurance will be valued at the donated policy's interpolated terminal reserve value, or cash surrender value, upon receipt. Situations where the XXXX is named as both beneficiary and irrevocable owner of an insurance policy will require prior review by the Planned Giving Committee and the Board. When the donor contributes future premium payments, the XXXX will include the entire amount of the additional premium payment as a gift in the year it is made.

If the donor names the XXXX as owner of a life insurance policy but the donor does not elect to continue to make gifts to cover premium payments on the policy, the XXXX may:

- Continue to pay the premiums,
- Convert the policy to paid up insurance, or
- Surrender the policy for its current cash value.

8. **Pledges:** These are commitments to give a specific dollar amount according to a fixed schedule. All non-conditional pledges are recorded in the XXXX database and included in financial reporting. Pledges of gifts other than cash and marketable securities will be recorded after review by the Planned Giving Committee and the Board.

A pledge will be considered unfulfilled if it is unpaid after 12 months of the pledge date, or after 12 months of the last scheduled payment, whichever is applicable. The XXXX regularly sends reminders and statements to donors with outstanding pledge balances. Once a pledge becomes unfulfilled, a last collection attempt in writing is made with the donor, after which the donation is written off following standard accounting procedures.

B. **Planned gifts accepted:** Unsolicited planned gifts, with the exception of charitable gift annuities, may be accepted without prior review by the Planned Giving Committee and the Board. However, donors will be encouraged to contact the XXXX to discuss any proposed planned gifts that include restrictions affecting the use of the gift once received by the XXXX. The XXXX reserves the right to refuse any gift that is deemed by the Board of Directors to be too restrictive. Donors will be recognized as members of the XXXX Council for the Future at the time the XXXX is notified in writing of a planned gift. The XXXX Board reviews undesignated planned gifts in the year that they are received, and determines at that time whether these gifts should be directed toward the XXXX Endowment Funds.

1. **Charitable Gift Annuities:** The XXXX may offer charitable gift annuities subject to the prior review of the Planned Giving Committee and the Board. The minimum gift for funding is \$25,000. The XXXX Chief Executive Officer or Board President may make exceptions to this minimum. The minimum age for life income beneficiaries of a gift annuity shall be 55. Where a deferred gift annuity is offered, the minimum age for life income beneficiaries shall be 45. No more than two life income beneficiaries will be permitted for any gift annuity.

Annuity payments may be made on a quarterly, semi-annual or annual schedule. The XXXX Chief Executive Officer or Board President may approve exceptions to this payment schedule.

The XXXX will not accept real estate, tangible personal property, or any other illiquid asset in exchange for current charitable gift annuities. The XXXX may accept real estate, tangible personal property, or other illiquid assets in exchange for deferred gift annuities so long as there is at least a five year period before the commencement of the annuity payment date and the value of the property is reasonably certain.

Funds contributed in exchange for a gift annuity shall be set aside and invested during the term of the annuity payments. Once those payments have terminated, the funds representing the remaining principal contributed in exchange for the gift annuity shall be transferred to the XXXX's Endowment Funds upon the Board's annual approval, or to such specific fund as designated by a donor.

2. **Charitable Remainder Trusts:** The XXXX may accept designation as remainder beneficiary of a charitable remainder trust without prior review by the Planned Giving Committee and the Board. The XXXX will not accept appointment as Trustee of a charitable remainder trust. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded and recognized at the time the gift becomes irrevocable.
3. **Retirement Plan Beneficiary Designations:** Donors and supporters of the XXXX will be encouraged to name the XXXX as beneficiary of their retirement plans. Retirement plan beneficiary designations are acceptable without prior review by the Planned Giving Committee and the Board. However, such designations will not be recorded as gifts to the XXXX until the gift is received. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded and recognized at the time the gift becomes irrevocable.
4. **Bequests:** Donors and supporters of the XXXX will be encouraged to make bequests to the XXXX under their wills and trusts. Such gifts will not be recorded as gifts to the XXXX until such time as the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded and recognized at the time the gift becomes irrevocable.
5. **Life Insurance Beneficiary Designations:** Life insurance beneficiary designations are acceptable without prior review by the Planned Giving Committee and the Board. Donors and supporters of the XXXX will be encouraged to name the XXXX as beneficiary or contingent beneficiary of their life insurance policies. Where the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded and recognized at the time the gift becomes irrevocable.

- C. Endowment Gifts: Endowment gifts contribute to the long-term financial health of the XXXX and are deeply appreciated and encouraged. Gifts made to the XXXX Endowment Funds will be subject to review by the Planned Giving Committee and the Board if such gifts otherwise would be subject to review prior to acceptance in accordance with these policies. Gifts to the XXXX Endowment Funds are held in perpetuity, subject to the policies adopted from time to time by the XXXX Board.
1. An endowment gift may be made to the XXXX General Endowment, or can augment or create a special fund from which distributions from earnings can be used for ongoing operational expenses for the XXXX or for a specific use stipulated by the donor.
 2. The XXXX Investment Committee, which consists of both Board members and external investment professionals, oversees the XXXX Endowment Funds.
 3. Conditions for New Endowment Funds. If a donor wishes to create and name a new endowment fund, the following conditions apply:
 - a. The XXXX Planned Giving Committee, the Investment Committee and the XXXX Board must approve all restrictions on how gifts may be used.
 - b. All restrictions must be consistent with the mission of the XXXX.
 - c. All gifts received for restricted endowment purposes will be accepted only on the condition that should the purpose for which the funds are provided cease to exist, the XXXX may redesignate the purpose of the Fund, and the distributions therefrom, or release such restriction, provided that the Fund shall continue to bear the name of Donor and that the amended use shall adhere as closely as possible to Donor's original intent.
 - d. Any endowment funds may be augmented by gifts from other individuals with similar interests once it is established.
 - e. A XXXX Endowed Fund Agreement must be completed prior to the confirmation of a new endowment fund at the XXXX.
 - f. This Agreement may be amended by the mutual consent of the XXXX and Donor. Following the death or disability of Donor, if changed circumstances should at some future time cause the purposes of the Fund to be inappropriate or impractical, or any of the restrictions on the use of or the investment of the Fund imposed by this Agreement to become obsolete, inappropriate or impracticable as determined by the Board, in its sole discretion, then the XXXX may redesignate the purpose of the Fund, and the distributions therefrom, or release

such restriction, provided that the Fund shall continue to bear the name of Donor and that the amended use shall adhere as closely as possible to Donor's original intent.

- g. The minimum gift required to establish a new endowment fund is \$100,000. The minimum funding requirements for the Fund will be determined in the Endowed Fund Agreement. If the minimum funding requirement for the Fund is not met by the date specified in the Endowed Fund Agreement, then all gift(s) received for the Fund shall be reallocated to the XXXX General Endowment.

XI) Special Circumstances

- A. **Matching gifts:** The XXXX honors each organization's matching gift policies while optimizing matching opportunities as fully as possible. If the XXXX has reason to believe that a donor is not in compliance with a matching entity's policies, staff will contact the donor for clarification.
Cash gifts received from organizations or corporations to match gifts or volunteer time from individuals who are associated with that organization will be credited to the company, with soft credit to the individual donor's record. Unless explicitly prohibited by the matching organization, these funds will be allocated to the same purpose as the individual donor's gift.
- B. **Memorial, honorary and "on behalf of" gifts:** Memorial and honorary gifts are encouraged by the XXXX as generous and thoughtful ways to recognize people's lives and accomplishments.
- C. **Planned Gifts in a special campaign:** The XXXX will solicit and accept planned gifts in the course of a special campaign. For purposes of campaign reporting and donor recognition, the value of these gifts will be discounted in accordance with the National Committee on Planned Giving Guidelines for Reporting and Counting Charitable Gifts (2d ed). Only irrevocable planned gifts will be counted toward campaign goals. All donors making planned gifts to a campaign, whether irrevocable or not, will be recognized as members of the XXXX Council for the Future at the time the XXXX is notified of the gift.

XII) Miscellaneous Provisions

- A. **Securing appraisals and legal fees for gifts to the XXXX:** It will be the responsibility of the donor to secure an appraisal (where required) and independent legal counsel for all gifts made to the XXXX. The donor will pay all associated costs for the appraisal absent a prior arrangement with the XXXX. The donor also is responsible for payment of all of his or her own legal fees.
- B. **Responsibility for IRS Filings upon sale of certain donated property:** The Chief Financial Officer is responsible for filing IRS Form 8282 upon the sale or disposition

of any asset sold within three years of receipt by the XXXX when the charitable deduction value of the item is more than \$5,000.

- C. **Acknowledgment of Gifts:** Acknowledgement of all gifts made to the XXXX and compliance with the current IRS requirements in acknowledgement of such gifts shall be the responsibility of the Board of Directors of the XXXX.

XIII) Changes to Gift Acceptance Policies

These policies and guidelines have been reviewed and approved by the XXXX Planned Giving Committee and the XXXX Board of Directors. The XXXX Board of Directors must approve any amendments to these policies.

Approved on the ____ day of _____, 2010.

Chair, XXXX Board of Directors