Gift Acceptance and Crediting Policies for

{ORGANIZATION NAME}

April 2018

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## 1. Purpose of this Policy Statement

This document provides guidance and counsel to individuals concerned with the solicitation, receipt, acceptance, application, and disposition related to both campaign and annual fund gifts for {ORGANIZATION NAME}. These guidelines are not intended to provide detailed descriptions of various giving instruments or offer advice to prospective donors regarding the most effective means of achieving their philanthropic goals.

Specifically, this document provides guidelines for {ORGANIZATION NAME} to:

1. Accept campaign and annual fund gifts and pledges made using a range of the most common giving instruments;
2. Credit/account for gifts and pledges made to {ORGANIZATION NAME} efforts;
3. Recognize donors who contribute to the campaign; and
4. Inform decisions related to campaign gifts or pledges made to the campaign.

## 2. Guiding Principles

The following are important guiding principles used in developing these policies:

1. These policies are informed by established industry guidelines for “best practices” in campaign fundraising. These guidelines include Generally Accepted Accounting Principles (GAAP), and standards approved by the Financial Accounting Standards Board (FASB) and the Council for the Advancement and Support of Education (CASE), among other organizations.
2. The “campaign total” or “total funds raised” at a given point during or after the campaign is a tally of acceptable gifts that are documented and appropriately valued (e.g.: pledges and planned gifts).
3. It is assumed that {ORGANIZATION NAME} and its representatives will endeavor, at all times, to faithfully implement the stated and/or written philanthropic goals of donors.
4. Persons acting on behalf of {ORGANIZATION NAME} shall encourage donors to discuss proposed gifts with independent legal, financial and/or tax advisors and shall stress the importance of such counsel when gifts in question are structured and irrevocable.
5. The leadership of {ORGANIZATION NAME}, henceforth “{ORGANIZATION NAME} leadership” shall refer to board members as well as the staff including CEO and other staff members.

## 3. Categories of Giving

The overall fundraising program at {ORGANIZATION NAME} consists of the following categories:

1. Annual Gift Support includes {ORGANIZATION NAME}’s unrestricted contributions for current fiscal year operations. The most versatile gifts are annual unrestricted gifts that can be used for current fiscal year expenses of {ORGANIZATION NAME} as determined by Chief Executive Officer.
2. Capital Campaign support of {ORGANIZATION NAME}-approved capital expenditures as determined by the Chief Executive Officer. Examples of gifts in this category would be financial campaign gifts, property, buildings, renovations, and major equipment that add to the capital assets of {ORGANIZATION NAME}.
3. Support for special projects (designated or preferred use gifts) provides expendable funds for purposes over and above current operations, such as programming of unbudgeted forums and symposiums, research, etc. The donor designates the use of the gift for a specific purpose within the scope of approved {ORGANIZATION NAME} programs.
4. Endowment Gifts create permanent and self-perpetuating income sources for important {ORGANIZATION NAME} needs. They are critical to the future of {ORGANIZATION NAME}. Endowments are needed to fund salaries of outstanding staff, to support innovative programs, to upgrade and/ or replace equipment and to maintain the physical plant. Endowment gifts will either be permanently restricted, temporarily restricted or board designated/unrestricted.

## 4. General Counting of Gifts and Pledges

1. Time Period: Only those gifts actually committed or received during the approved campaign period of April 1, 2018 through December 31, 2023 will be included in the campaign total. {ORGANIZATION NAME} leadership will have the discretion to include gifts received or committed after the approved campaign time period toward the campaign total. {ORGANIZATION NAME} leadership can also modify the campaign time period.
2. Solicited Gifts: Gifts and pledges (including, with qualifications, bequests) that are designated by the donor for the campaign or for projects consistent with the campaign case for support will be counted toward the campaign total.
3. Cancelled or Unfulfilled Pledges: The value of any cancelled or unfulfilled pledge or bequest intention must be subtracted from the campaign totals when it is determined that the pledge will not be realized.
4. No Double Counting of Intentions and Bequests: Any portion of a bequest intention realized during the campaign period will be reported under a “planned gift cash” line and deducted from the bequest intention total.

## 5. Gift and Pledge Confirmation

To be counted in the campaign total, all gifts must be received by {ORGANIZATION NAME} outright or pledged in writing by the donor or the donor’s qualified representative.

Acceptable forms of written confirmation include, but are not limited to: a signed Letter of Intent or Gift Commitment Form; a letter or email authored by the donor; a written agreement; a bequest intention notification form, trust document or other legally binding documentation associated with acceptable planned giving instruments; or other legal notifications.

For pledges, a schedule of pledge payments will be requested to assist {ORGANIZATION NAME} in financial planning. For all solicited gifts, {ORGANIZATION NAME} will provide a pledge form to be signed by the donor or the donor’s qualified representative.

In exceptional cases, verbal pledges may be counted only with the approval of the {ORGANIZATION NAME} leadership, and if a confirmation letter has been delivered to the donor by a member of the {ORGANIZATION NAME} leadership.

## 6. Length of Pledges

Pledged gifts may be fulfilled over a period of no more than five years. {ORGANIZATION NAME} leadership can, at its discretion, extend the pledge payment period to accommodate a donor’s wishes/needs on a case-by-case basis.

## 7. Acceptance and Crediting of Outright Gifts

1. Cash:
   1. Acceptance of Cash: Gifts in the form of cash (including checks) shall be accepted regardless of amount, unless, as in the case of all gifts, there is a question as to whether the donors have sufficient title to gift funds, or are mentally competent to legally transfer funds to {ORGANIZATION NAME} as gifts. All checks should be made payable to {ORGANIZATION NAME}; in no events should a check be made payable to an employee, agent, or volunteers for the credit of {ORGANIZATION NAME}.
   2. Crediting of Cash: Cash will be counted as the date received.
2. Publicly Traded Securities
   1. Acceptance of Publicly Traded Securities: Readily marketable securities shall be accepted. Gifted securities will be sold promptly. In no event shall an employee or volunteer working on behalf of {ORGANIZATION NAME} commit to a donor that a particular security be retained by {ORGANIZATION NAME} unless authorized to do so by {ORGANIZATION NAME} leadership.
   2. Crediting of Publicly Traded Securities: Publicly traded stock will be credited at the mean market value on the date of surrender by the donor (not the value of the securities on the dates they are sold by {ORGANIZATION NAME}).
3. Real Estate
   1. {ORGANIZATION NAME} will accept gifts of Real Estate during the campaign with permission of {ORGANIZATION NAME} Board of Directors.
4. Tangible Personal Property
   1. Acceptance of Tangible Personal Property: Gifts of high-value tangible personal property may be accepted by {ORGANIZATION NAME} if leadership deems that the sales of such property may (i) be effected without burden, (ii) realize significant proceeds for {ORGANIZATION NAME},
   2. The donor shall obtain an appraisal from a qualified appraiser who has no business or relationship with the donor. {ORGANIZATION NAME} will only accept a gift of tangible personal property (i) with an appraised value of $5,000 or more, or that (ii) falls under the scope of the collections policy.
   3. Crediting of Tangible Personal Property: Gifts of tangible personal property will be credited and recognized at their appraised value at the time they are gifted (not the sale price.)
5. Other Property
   1. {ORGANIZATION NAME} will not accept gifts of other property during the campaign.
6. Gifts-in-Kind
   1. Acceptance of Gifts-in-Kind: Gifts-in-kind will be considered for acceptance and recognition if such gifts are eligible for charitable tax deductions under Internal Revenue Service Standards.
   2. Crediting Gifts-in-Kind: In general, the monetary value of gifts-in-kind will only be credited toward the campaign total if {ORGANIZATION NAME} leadership determines that such gifts can be converted to cash within a 90-day period or used by {ORGANIZATION NAME} in such a way that they liberate additional funds that are applied to the project as outlined in the case for support.
   3. Deep discounts or bargain sales can be credited to the campaign if an individual or company provides a bill of sale clearly indicating the normal retail price that {ORGANIZATION NAME} would have paid the individual or company for the product (The “normal price” would reflect any discounts typically provided to a not-for-profit institution like the {ORGANIZATION NAME}), less the charitable contribution (discount), and a net cost.
   4. Long term capital gifts-in-kind: Gifts that will be used by {ORGANIZATION NAME} as part of normal operation including property, plant, and equipment will be credited using the same standards as deep discounts and bargain sales.
   5. The value of gifts of “time” in the form of professional services will not be credited to the campaign. A donor who wishes to donate professional services should be encouraged to bill {ORGANIZATION NAME} for services rendered, and then make a gift in the amount of which they are paid.

## 8. Special Crediting Scenarios

Acceptance and crediting policies regarding some of the most common deferred giving instruments are outlined below. As a general rule, deferred gifts that mature during the campaign time period will be credited at full value.

1. Bequests (Generally)
   1. Gifts in the form of bequests will be counted toward the campaign total subject to the guidelines set forth in section 3 and other policies included in this section.
   2. Suggested language for leaving a bequest to {ORGANIZATION NAME} and designating it for the campaign: “I, [Donor Name], bequeath to the {ORGANIZATION NAME}, located at 9051 Swanson Blvd, Clive, IA 50325 [the sum of \_\_\_\_/\_\_\_\_ percent of the rest, residue and remainder of my estate]. This bequest should be designated in the support of [Name of Campaign].”
   3. In cases which donors making testamentary gifts do not reference the “official” title of the campaign, campaign designation shall be determined by {ORGANIZATION NAME} leadership.
2. Irrevocable Bequests
   1. Crediting of Irrevocable Bequests: For gifts in the form of irrevocable bequests received by December 31, 2023, the following crediting value for the campaign should prevail:

|  |  |  |  |
| --- | --- | --- | --- |
|  | Age 64 and below | Age 65-75 | Age 75+ |
| Irrevocable bequest | 50% of value | 75% of value | Full Value |

* 1. In the case of joint, second to die irrevocable bequests, all age requirements stipulated above shall pertain to the younger of the two donors.
  2. An irrevocable bequest may count towards up to half of a current naming opportunity (subject to the age requirements stipulated above) if the remainder is an outright gift or pledge.

1. Revocable Bequests
   1. Crediting of Revocable Bequests: Revocable bequests will not count towards a current naming opportunity, unless otherwise permitted by {ORGANIZATION NAME} leadership, who will, to the best of their ability, look for and be guided by evidence of the following factor: 1. A clear indication of a given donor’s financial ability to fulfill his or her bequest intention.
   2. Revocable bequests will count towards other campaign recognition, e.g.: donor recognition plaques, etc.
   3. Revocable bequests will not be discounted for age.
2. Retirement Plans
   1. Acceptance of Retirement Plans: As an alternative to leaving a gift by will, {ORGANIZATION NAME} may be named as the ultimate beneficiary of a donor’s individual retirement account or 401(k) or comparable plan.
   2. Crediting of Retirement Plans: Because of their revocable nature, gifts made in the form of retirement plans should be credited in the same manner as revocable bequests.
3. Charitable Gift Annuities
   1. {ORGANIZATION NAME} will not accept gifts of Charitable Gift Annuities during the campaign.
4. Charitable Remainder Trusts
   1. Acceptance of Charitable Remainder Trusts: With the qualifications set forth herein, charitable remainder trusts will be accepted and credited to the campaign. All charitable remainder trusts entered into shall comply with state and federal regulations governing these types of charitable gifts. Each charitable remainder trust must constitute an irrevocable gift.
   2. The two most common forms of charitable remainder trusts are (1) charitable remainder annuity trusts and (2) charitable remainder unitrusts (unitrusts can have several variations, including “straight,” “net income,” “net income with make-up provision, and “flip” trusts). Each of these instruments, with qualifications, can be used to make gifts that will be credited to the campaign.
   3. {ORGANIZATION NAME} will not act as trustee or co-trustee of charitable remainder trusts for gifts committed to the campaign.
5. Life Insurance
   1. Acceptance of Life Insurance: With qualifications set forth herein, gifts of life insurance will be accepted by {ORGANIZATION NAME} and credited to the campaign. Such a gift may happen in one of two ways: (1) by transferring all indicia of ownership over the policy to {ORGANIZATION NAME}, or (2) by simply naming {ORGANIZATION NAME} as the beneficiary.
   2. If a donor transfers all indicia of ownership over a policy to {ORGANIZATION NAME} and premium payments are outstanding, said donor will be expected to provide for the payment of the annual premium. Donors will be asked to contribute the amount of the premium payments to {ORGANIZATION NAME} and {ORGANIZATION NAME} will, in turn, pay the premium to the insurer. This is consistent with current Internal Revenue Service regulations authorizing such payments as tax-deductible contributions.
   3. If a policy is abandoned by a donor with premium payment outstanding, {ORGANIZATION NAME} reserves the right to cash in the policy.
   4. Crediting of Life Insurance: If a donor transfers ownership of a policy to {ORGANIZATION NAME}, they will be credited in the same manner as an irrevocable bequest (outlined in Policy 8.b)
   5. If a donor names {ORGANIZATION NAME} the beneficiary of a policy, they will be credited in the same manner as a revocable bequest (as outlined in Policy 8.c).
6. Charitable Lead Trusts:
   1. Acceptance of Charitable Lead Trusts: {ORGANIZATION NAME} will credit and recognize campaign gifts of income-producing assets that are placed in a trust for the benefit of {ORGANIZATION NAME} for a fixed period of time.
   2. Crediting of Charitable Lead Trusts: The sum of all annual payments made by donors establishing lead trusts during the campaign time period (see Policy 4.a) or during the five-year pledge period following the campaign time period will be credited to the campaign.

9. Determining the Date of Gift Received

The date of any contribution may be simply defined as that date on which the donor irrevocably relinquishes control of the property to {ORGANIZATION NAME}. Determining the date of a gift may be impossible in the absence of relevant physical evidence. Generally, the method for determining the date will be the postmark on the envelope.

1. Physical Delivery: If property is actually delivered to {ORGANIZATION NAME} by the donor, in person, the date of delivery always is defined as the date of the gift. However, this may not be a date that is readily identifiable. Consider a check or items of personal property delivered to a staff member who delays in getting the check to receivables. Memory may not be accurate as to the date the donor delivered the item. Therefore, it is imperative all gifts are immediately given to the Director of Resource Development or CEO.
2. U.S. Postal Service: For gifts of cash or securities the postmark date on the envelope used to mail that completed gift via the U.S. Postal Service defines the date of contribution. The word "completed" is significant in the preceding sentence. Stock certificates sent without an endorsement are not completed gifts.
3. Other Delivery Services: If cash, securities, or other intangible property are delivered by some means other than the U.S. Postal Service, including domestic services such as U.P.S., or Federal Express, or foreign postal services, the gift date is that date on which the cash or property is postmarked.
4. Credit Card: Gifts are deemed complete on the day the donor's gift is processed by {ORGANIZATION NAME}.
5. Personal Property: Gifts of tangible personal property, no matter how delivered, are deemed complete when they arrive at {ORGANIZATION NAME}.
6. Real Estate: A gift of real estate is effected at the time a properly executed deed to the property is delivered by the donor to {ORGANIZATION NAME}, or the date the deed is recorded in to the Office of the Recorder of Deeds (or similar office) in the place where the property is located, whichever is first.
7. Securities: Methods of Delivery and Effective Date of Transfer
   1. Hand Delivery: If securities are hand-delivered to {ORGANIZATION NAME}, the securities should be accompanied by stock or bond powers, executed in accordance with all applicable requirements of transfer agents for the issues donated.
   2. Mailing: If securities are mailed to {ORGANIZATION NAME}, donors should obtain a stock power from their banker or broker, signing their names exactly as they appear on the certificate and signatures guaranteed. The stock power(s) and a letter of instruction that states the intended purpose of the gift should be mailed to the {ORGANIZATION NAME} under separate cover from the stock certificate(s). No other information need be completed on the certificate or stock power. The stock certificate(s) should be sent by registered (not "certified") mail, return receipt requested, to {ORGANIZATION NAME}. If the certificate (unsigned), and a properly executed stock power form are sent separately, the date on which the last of these documents is sent defines the completion of the gift.
   3. Electronic Transfer: If securities are electronically transferred from a donor's brokerage account to an account held in the name of {ORGANIZATION NAME}, then the value of the gift will be its fair market value on the date on which the securities are transferred to the {ORGANIZATION NAME}'s account. Donors may contact {ORGANIZATION NAME} to obtain instructions which they will then give to their broker along with a letter of instruction regarding the specific securities to be transferred. A copy of the letter of instruction should be sent to {ORGANIZATION NAME} in order that the donor may be receipted properly.
   4. Delivery to Outside Agent: If an endorsed stock certificate is delivered to an agent of the donor (usually a broker), the gift is made on the date of the transfer on the issuing corporation's books.

## 10. Special Considerations and Policies Regarding Gifts Designated for Endowment

1. “Nearest Practical Purpose” Endowment Agreement Clause: When entering into endowment agreements, there should be a shared understanding between donors and {ORGANIZATION NAME} that it is in the best interest of {ORGANIZATION NAME} and its mission to promote practices that permit the most flexibility in long-term planning, utilization, and investment. This flexibility is particularly important, for example, in cases in which programs supported by endowments are, by necessity, discounted or otherwise become obsolete or impracticable. Therefore, {ORGANIZATION NAME} will, in general, seek endowment gifts that least restrict the purpose, administration, and investment of principal.
2. With these concerns in mind, donors who give in support in endowment funds may be asked to review and consent to a written agreement clause stating that {ORGANIZATION NAME} may reallocate money from an endowment fund to the nearest practical purpose consistent with {ORGANIZATION NAME}’s mission. In all cases, no such reallocations will be attempted without the express consent of donors or their representatives.

## 11. Recognition of Campaign Gifts

1. Gift Acknowledgments:
   1. Gifts and pledges will be acknowledged with letters from {ORGANIZATION NAME} leadership and campaign volunteers. Written acknowledgment will be mailed within five business days of gift or pledge receipt.
   2. Giving Societies: Individuals, business firms, foundations, and other organizations will be given credit and acknowledged for their total philanthropic support within a given fiscal year at all levels. Donors will be recognized for their annual giving for both unrestricted and restricted gifts.
   3. The Big Forever Society recognizes individuals who have indicated that they have included {ORGANIZATION NAME} in their estate plans, life income plans or bequest intentions.
   4. Matching Gifts: Recognition and gift credit will be given to those business firms, organizations, and foundations that make matching gifts.
      1. Matching gifts will be counted toward membership in a giving club for the individual whose contribution is being matched and within the fiscal year that the donor's gift is initiated.
      2. Each individual donor is responsible for obtaining the matching gift and should initiate the necessary paperwork or online submission to see that the proper forms are signed and delivered to {ORGANIZATION NAME} and their firm or company.

## 12. Recognition & Naming Opportunities

{ORGANIZATION NAME} leadership must approve a schedule of gift levels for campaign naming opportunities.

1. Acknowledgment: In consideration for the gift, {ORGANIZATION NAME} leadership will acknowledge the gift by naming the opportunity in accordance with the naming policies of {ORGANIZATION NAME} as follows.
   1. {ORGANIZATION NAME} leadership will give approval upon receipt of 50% of the total pledged. Naming will be erected following the completion of the signed donor commitment form.
   2. In all cases, naming rights are considered to be in effect for the duration of the effective and typical useful life of the physical building, space, or object, and not in perpetuity.
2. Naming: {ORGANIZATION NAME} leadership must approve a schedule of gift levels for campaign naming opportunities.
   1. Unless special dispensation is provided by {ORGANIZATION NAME} leadership, a naming opportunity will be confirmed once a gift agreement is signed and receipt of 20% of the value of the gift is received.
   2. Irrevocable estate gifts may be accepted at the discretion of {ORGANIZATION NAME} leadership.
   3. Naming rights will be offered at the net present value of any future-focused gift or pledge.
   4. In all cases, naming rights are considered to be in effect for the duration of the effective and typical useful life of the physical building, space or abject, and not in perpetuity.
3. Termination of Naming: {ORGANIZATION NAME} leadership reserves the right to terminate a naming agreement due to:
   1. Default in payment of the gift as provided for in the agreement.
      * 1. If necessary, {ORGANIZATION NAME} reserves the right to remove a name associated with any physical building, space, object, or project at any time if the naming gift pledge remains unfulfilled, it is in the best interests of the institution or of the donor to do so, and/or to protect the reputation of the institution and/or the donor.

## 13. Declining and Returning Gifts

{ORGANIZATION NAME} leadership may decline or return gifts under certain conditions including, but not limited to, the following:

1. Gifts that are restricted and would require support from other resources that are unavailable, inadequate, or may be needed for other institutional purposes.
2. Gifts that are restricted and would support purposes or programs peripheral to existing principal purposes of {ORGANIZATION NAME}, or create or perpetuate programs or obligations which dissipate resources or deflect energies from other programs or purposes.
3. Gifts that could injure the reputation or standing of {ORGANIZATION NAME} or cause it to enter into activities in conflict with its mission.
4. Gifts that could put at risk {ORGANIZATION NAME}’s tax-exempt status or trigger negative tax situations, such as unrelated business income tax.
5. Gifts may be returned to donors under certain conditions including but not limited to, the following:
   1. Cases in which gifts are accepted but, upon further review by {ORGANIZATION NAME} leadership, are subject to concern.
   2. Case in which {ORGANIZATION NAME} is unable to (or donors perceive that {ORGANIZATION NAME} is unable to) fulfill donor’s philanthropic intentions.

## 14. Policy Exceptions, Changes, and Additions

Any exception, change, or addition to approved campaign policies must be approved and recommended by {ORGANIZATION NAME} leadership. Such exceptions, changes, and/or additions may include policies regarding the acceptance and crediting of gifts and gift instruments not outlined in this policy statement, changes in staffing structure, and/or the composition of defined {ORGANIZATION NAME} leadership.

# 15. Ethics

The Board wishes to assure itself that all philanthropic promotions and solicitations are ethical.

1. Conflict of Interest: {ORGANIZATION NAME} personnel are required to be circumspect in all dealings with donors in order to avoid even the appearance of any act of self-dealing.
2. Consistent with Public Policy: {ORGANIZATION NAME} accepts only those gifts and grants which are consistent with the public policy of the State of Iowa and of the United States of America.
3. Conformity to Federal and State Laws: Fundraising events and affairs must comply with local, state and federal laws.
4. Review of Legal Arrangements: Legal counsel retained by {ORGANIZATION NAME} shall, as required, review legal documents, contracts, and all donor agreements.
5. Donor Legal Representation: Independent legal representation will limit the possibility that the gift will be attacked under a claim of undue influence. Therefore, prospective donors will be urged to contact personal tax, financial and legal counselors of their own choosing. In situations where advisors or consultants retained by {ORGANIZATION NAME} prepare documents or render advice in any form to the {ORGANIZATION NAME} or a donor to {ORGANIZATION NAME}, {ORGANIZATION NAME} will inform the donor that these documents and advice should be reviewed by the donor's own counsel prior to completion of the gift.
6. Finder's Fees or Commissions: No commission or finder's fee of any type will be paid to any party in connection with the completion of a gift to the {ORGANIZATION NAME}.
7. Unacceptable Gifts: {ORGANIZATION NAME} reserves the right to refuse any gift that is not consistent with its mission. In addition to and without limiting the generality of the foregoing, gifts will not be accepted by {ORGANIZATION NAME} that could:
   1. create a fund to with restrictive clauses that could cause embarrassment to {ORGANIZATION NAME}, or that reserve to the donor or his/her representative the right to designate the recipient, unless approved by the Board of Directors;
   2. commit {ORGANIZATION NAME} to name a position, program, or endowment fund that is revocable in any way;
   3. require the future employment of any specified person;
   4. are financially unsound or could expose {ORGANIZATION NAME} to liability; or
   5. are unacceptable for reasons explained elsewhere in this document.