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Schedule M
Gift Acceptance Policies

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I. PURPOSE

In order to protect the interests of the organization, the persons and other entities that support the organization its programs, these policies are designed to assure that all gifts to, or for the use of, the organization are structured to provide maximum benefits to both parties. The organization shall act as the fiduciary agent for any restricted gifts designated for the organization.

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

The goal is to encourage funding of the organization without encumbering the organization with gifts which may prove to generate more cost than benefit, or which are restricted in a manner which is not in keeping of the organization. The organization's highest objective is funding an endowment whereby the long term financial viability of the school is secured.

To optimize funding from individuals and other entities, the 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 only made 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 is made only by that body. The Administrator and Director of Development of The organization, as well as the President of The organization shall serve as the Gift Acceptance Committee.

II. OUTRIGHT GIFTS

Outright gifts are accepted at fair market value.

A. Cash

1. Gift 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 the organization.
2. All checks must be made payable to the organization and shall in no event be made payable to an employee, agent, or volunteer for the credit of the organization.

B. Publicly Traded Securities

1. Securities, which are traded on the New York, American Stock Exchanges, shall be accepted by the organization. It may be anticipated that such securities will be immediately sold by the organization. In no event shall an employee or volunteer working on behalf of the organization commit to a donor that a particular security will be held by the organization unless authorized to do so by an officer of the organization.

C. 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.

D. Real Property

1. No gift of real estate shall be accepted without prior approval of the Gift Acceptance Committee of The organization.
2. No gift of real estate shall be accepted without first being appraised by a party chosen by the organization who shall have no business or other relationship to the donor.
3. In general, residential real estate, with a value estimated by the donor or others at fair market value, will be accepted unless the Gift Acceptance Committee shall determine for some reason that the property is not suitable for acceptance as a gift.
4. In general, residential real estate or land will not be accepted as a gift unless it appears to have a value in excess of \$10,000 and there is reason to believe it is highly marketable. The Gift Acceptance Committee may make exceptions to this policy if conditions warrant.

5. No commercial real estate shall be accepted by anyone on behalf of the organization without subsequent approval of the Gift Acceptance Committee.
6. 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 involved and approval by the Gift Acceptance Committee.
7. 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 The organization, and disqualification of certain split interest gifts unless handled in a proper manner.

E. Tangible Personal Property

1. Jewelry, artwork, collections, and other personal property shall not be accepted unless the Gift Acceptance Committee shall have reason to believe the property has a value in excess of \$1,000. Such property can only be accepted by the Gift Acceptance Committee or such other person or persons authorized to do so by the Gift Acceptance Committee.
2. No personal property shall be accepted by the organization unless there is reason to believe the property can be quickly disposed of. No personal property shall be accepted that obligates the organization to ownership to it 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. Notwithstanding the foregoing, if there is reason to believe personal property has a value of \$1,000 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 approval qualified under terms of the internal revenue code governing gifts of property of this type.
3. 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 the organization for a requisite prior of time or for purpose related to its tax-exempt status. Donors should be notified at the time of receipt of a gift that the organization will, as a matter of corporate policy, cooperate fully in all matters related to IRS investigations of non-cash charitable gifts.

III. DEFERRED GIFTS

A. Bequests

1. Gifts through wills (bequests) shall be actively encouraged by the organization.
2. In the event of inquiry by a prospective legator, representations as to the future acceptability of property to be left to The organization in a will or

other deferred gift shall only be made in accordance with the terms and provisions of paragraphs III (A-G) 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 the organization shall expeditiously communicate the decision of the Gift Acceptance Committee to the legal representatives 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 that 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 whenever 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 should be made to encourage the donor involved to conform his or her plans to the organization's policy.

B. Charitable Remainder Trusts

1. In general, the 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 Board of Directors of the organization.
2. The Gift Acceptance Committee of the 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 the organization upon approval of the Gift Acceptance Committee.
4. The Gift Acceptance Committee and other employees and volunteers acting on behalf of the 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 the organization shall not encourage 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 the organization as to the manner in which charitable remainder trust assets will be managed or invested by a corporate fiduciary that may be recommended by the 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 the 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 securities regulations.

7. No charitable remainder trust for which the organization serves as co-trustee shall be encouraged which names as income beneficiaries individuals under 55 years of age or which names more than two income beneficiaries. No charitable remainder trust shall be encouraged where it is determined that the net present value of the remainder interest in the trust is less than a percentage of value of the funds (subject to IRS guidelines) 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 determined impact on future current giving. The minimum amount required to establish a charitable remainder trust for which the organization serves as co-trustee is \$50,000.

C. Pooled Income Funds

1. The organization will explore cooperative options for establishing a Pooled Income Fund, a gifting device established by Congress under the terms of Section 642 of the Internal Revenue Code and regulations promulgated thereunder.
2. A corporate fiduciary will be selected to manage the fund if and when a Pooled Income fund is established.
3. The organization will pay the administrative fees of managing the pooled fund until such time as the appropriate officer of the organization shall determine otherwise.
4. No income beneficiary in the fund may be less than 55 years of age without prior approval of the Gift Acceptance Committee.
5. There shall be no more than two income beneficiaries allowed in connection with each contribution to the fund.
6. The minimum initial contribution to the fund shall be \$50,000.
7. The minimum additional contribution by a participant in the fund shall be \$10,000.
8. The corporate fiduciary shall furnish guidelines governing the acceptance or property other than cash as contributions to any the organization's Pooled Income Fund. Such guidelines shall be adopted by the Gift Acceptance Committee and shall be incorporated by reference in these gift acceptance policies.
9. 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.

D. Revocable Living Trusts

1. The organization will encourage donors to use Revocable Living Trusts when appropriate but will not serve as a trustee.

E. Charitable Gift Annuities

1. For production purposes, count the gift portion only.
2. No gift annuity shall be accepted which names an income beneficiary under 55 years of age without prior approval of the Gift Acceptance Committee.
3. In keeping with the state laws, there shall not be more than the allowed income beneficiaries for each gift annuity.
4. The minimum initial contribution for a gift annuity shall be \$10,000.
5. The minimum contribution for an additional gift annuity by an individual who has previously entered a gift annuity agreement shall be \$5,000.

F. Life Estate Gifts (Including Revocable and Irrevocable Gifts)

1. Donors shall generally not be encouraged to make gifts or real property to the 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 of the 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 left 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 transactions.

G. Gifts of Life Insurance and Retirement Plans

1. The organization will encourage donors to name the organization to receive all or a portion of the benefits of life insurance policies, which they have purchased on their lives.
2. The 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 laws to assure that the organization has an insurable interest under applicable state law.

3. No insurance products may be endorsed for use in funding gifts to the organization.
4. In no event shall lists of the organization donors be furnished to anyone for the purpose of marketing life insurance for the benefit of donors and/or the 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 the organization to state insurance regulation should the activity be construed as involvement in the marketing of life insurance.

PAYMENT OF FEES RELATED TO GIFTS TO THE ORGANIZATION**A. Finder's Fees or Commissions**

1. The organization will pay no fee to any person as consideration for directing a gift to the 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 as such fee may subject the organization and its management and Board of Directors to federal and state security regulation.

B. Professional Fees

1. The organization will pay reasonable fees for professional services rendered in connection with the completion of a gift to the 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 transactions, and fees of "fee for service" financial planners. In the case of financial planners, such persons must attest 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, which 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, which appear excessive, the summary of fees shall be submitted to the organization corporate counsel for review and approval prior to payment.
5. In cases where the persons receiving fees were initially employed by the donor and the 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 the organization prepare documents or render advice in any form to the organization and/or a donor to the organization, it shall be disclosed to the donor that the professional involved is in the employ of the organization and is not acting on behalf of the donor and that any documents or other advice rendered in the course of the relationship between the organization and the donor should be reviewed by counsel for the donor prior to completion of the gift.

IV. RESTRICTIONS

A. Endowment Restrictions

1. No restrictions on how gifts may be used by the organization will be honored without prior approval of the Gift Acceptance Committee in the case of current gifts. Subsequent approval by the Gift Acceptance Committee is necessary for all gifts received by will or other gifts which upon death have not been previously approved by the Gift Acceptance Committee.
2. All undesignated deferred gifts received will be designated by the organization Gift Acceptance Committee.
3. A permanent endowment may be established with a minimum gift of \$50,000.