

# Gift Acceptance Policy

## **PURPOSE**

This policy serves as a guideline to An Achievable Dream Endowment (AADE), staff and board members involved with accepting gifts, outside advisors who assist in the gift planning process, and prospective donors who wish to make gifts to AADE. This policy is intended as a guide and allows for some flexibility on a case-by-case basis.

AADE staff members, board members, or their designated representatives will not provide specific tax, financial or legal advice to a prospective donor. The role of AADE is to inform, guide and assist the donor in fulfilling his or her philanthropic wishes but never to pressure or unduly influence a donor's decision. Donors will be urged to seek the assistance of their own legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences.

Preserving confidential AADE information, including but not limited to information concerning employees, students or parents, donors, board members, or information relating to confidential AADE-related work, is the responsibility of all employees. Employees must exercise optimum discretion in dealing with confidential information.

All Communications with donors and information concerning donors and prospective donors or their gifts shall be held in strict confidence by AADE, subject to: (i) legally authorized and enforceable request for information by government agencies and courts and (ii) unless otherwise specifically directed by the donor, disclosure to the Board. All other requests for or releases of information concerning a donor or a prospective donor will be honored or allowed only if permission is obtained from the donor prior to release of such information.

## **ACCEPTABLE ASSETS**

AADE will consider the following to be acceptable assets for funding current gifts, planned gifts, and pledges as qualified in the following paragraphs. Assets not described on this list may be considered and accepted on a case-by-case basis.

1. Cash
2. Marketable Securities
3. Real Estate
4. Tangible Personal Property
5. Life Insurance
6. IRAs, retirement plan assets & bequests
7. Donor Advised Fund distributions
8. Other gifts

## **1. CASH**

- A. Gifts by cash, check or credit card shall be accepted by AADE regardless of amount.
- B. Checks shall be made payable to An Achievable Dream even when the gift is designated for a program, project, or initiative conducted by An Achievable Dream. In no event shall a check be made payable to an individual who represents An Achievable Dream.

## **2. PUBLICLY TRADED SECURITIES**

- A. Readily marketable securities, such as stocks, bonds, and mutual funds traded on a stock exchange, may be accepted by AADE. AADE will guide the donor on which brokerage account to use for their gift.
- B. Securities will be sold immediately by AADE at its sole discretion.
- C. For AADE gift crediting and accounting purposes, the value of the securities is the average of the high and low on the date of the gift.

## **3. REAL ESTATE**

- A. Gifts of real estate must be reviewed by the Endowment Board before acceptance into the AAD Endowment LLC which is a corporation that was established to receive gifts of property in order to shield the endowment from liabilities associated with gifts of property.
- B. The donor is responsible for obtaining a qualified, independent appraisal of the property. The cost of the appraisal is the responsibility of the donor.
- C. Prior to presentation to the Endowment Board, a member of the An Achievable Dream staff must conduct a visual inspection of the property. If the property is in a geographically isolated or distant area, a local real estate broker can substitute for a member of the staff in conducting the visual inspection. In either case, the individual charged with inspecting the property shall verify with the local municipality the zoning classification of the property.

- D. Prior to presentation to the Endowment Board, the donor must provide the following documents:
  - i. Survey
  - ii. Preliminary title report
  - iii. For condominium and planned unit development properties, a copy of any Covenants, Conditions and Restrictions.
  
- E. Depending on the gift, the donor may be asked to pay for all or a portion of the following:
  - i. Maintenance costs and repairs
  - ii. Real estate taxes
  - iii. Insurance
  - iv. Real estate broker's commission and other costs of sale
  - v. Closing costs
  - vi. Title insurance policy premiums
  
- F. For the Endowment's gift crediting and accounting purposes, the value of the gift is the appraised fair market value of the real estate as determined in the donor's qualified appraisal.
  
- G. Donated property will not be sold to any staff, or board members, of any of An Achievable Dream's entities or other private parties at a value below the fair market value.

#### **4. TANGIBLE PERSONAL PROPERTY**

- A. All gifts of tangible personal property which have a use related to the work of AADE will be directed to staff for acceptance, receipting, and use.
  
- B. All gifts of tangible personal property except those which are donated for use in any of AAD's event auctions or do not have a use directly related to the work of An Achievable Dream, but have a potentially high resale value, such as gifts of jewelry, artwork, collectables, equipment, and software, shall be accepted into the AAD Endowment LLC after review and approval by the Endowment Board.
  
- C. Gifts of tangible personal property accepted into AAD Endowment LLC shall be sold as soon as possible.
  
- D. At the discretion of the Endowment Board, staff may have a qualified outside appraiser value the gift before accepting it.
  
- E. AADE adheres to all IRS requirements related to disposing of gifts of tangible personal property and filing appropriate forms.

## **5. LIFE INSURANCE**

- A. AADE will accept life insurance policies or any percentage of a life insurance policy as gifts when AADE is named as the owner and/or beneficiary of the policy. AADE may also be named as the beneficiary of a current policy held by the donor.
- B. The value of all life insurance policies accepted shall be determined by the issuing insurance company as of the date of transfer to AADE.
- C. If the policy is partially paid up, the value of the gift for An Achievable Dream gift crediting and accounting purposes is the policy's cash surrender value but may not be recognized as a charitable gift until the donor is deceased. Up until that point the gift is still revocable.
- D. An Achievable Dream will only keep life insurance policies in force so long as the donor continues to make premium payments. In the event a donor chooses to discontinue premium payments, the policy will be exchanged for its remaining cash value.

## **6. IRAS, RETIREMENT PLANS AND BEQUESTS**

An Achievable Dream will participate in and actively promote the following gift options which include but are not limited to:

- A. Bequests given through a donor's will or trust.
  - i. Assets transferred through bequests that have immediate value to An Achievable Dream or can be liquidated shall be encouraged by the development staff. Gifts that appear to require more cost than benefit shall be discouraged or rejected.
  - ii. An Achievable Dream will request donors disclose, depending upon the individual situation, in writing or by copy of the relevant portion of their will or trust, the clause that benefits An Achievable Dream as evidence of their gift. This information is used for internal tracking purposes and is not binding on the donor. This type of gift is revocable until the donor is deceased and the will goes through probate. Privacy and confidentiality will be maintained by all Achievable Dream staff and volunteers.
  - iii. Bequests may be for a specific amount, a percentage of an estate, a residual amount after other beneficiaries have been paid, or contingent upon conditions being met.

- B. IRA and retirement plan beneficiary designations and An Achievable Dream as beneficiary of plan proceeds after death.
- C. IRA rollover or qualified charitable distributions (QCD) or also known as “charitable IRA rollovers”.

## **7. DONOR ADVISED FUNDS**

Through a Donor Advised Fund held by a local or community foundation, the donor may recommend grants to An Achievable Dream that are then approved by the local or community foundation’s board. The grant is paid in your name by the community foundation.

## **8. OTHER GIFTS & SPECIAL CASES**

- A. Other planned giving arrangements such as charitable gift annuities, retained life estates, charitable remainder trusts or charitable lead trusts will be considered on a case by case basis.
- B. Vehicles will be accepted by An Achievable Dream on the condition that the donor obtains a qualified, independent appraisal of the vehicle. The cost of the appraisal is the responsibility of the donor.

## **PLEDGES**

Pledges may be payable in single or multiple installments with no dollar minimum. Pledges may be paid with cash, contributions paid through a private foundation, corporate foundation, family foundation or any other acceptable asset as described in this policy except Donor Advised Funds. The usual and customary number of years for pledge payments is 3 to 5 years. However, there is no maximum number of years for pledges to be carried out unless special pledge terms are outlined for specific campaigns or appeals. All donors intending to make a gift pledge must complete a pledge form or confirm the pledge in writing.

## **DONOR RESTRICTED GIFTS**

1. All gifts accepted by AADE as donor restricted gifts will be used for the purpose specified by the donor. AADE is not required to accept a gift.
2. Current gifts of less than \$5,000 may be restricted for a special use provided that a fund already exists for that purpose at the time the gift is made, or that the gift is immediately usable even though a fund does not exist.

3. Current gifts of more than \$5,000 may be accepted for new or future restricted purposes upon the approval of the President/CEO.
4. Since programs or entities supported by AADE may or may not exist in their current form in the future, donors will be strongly encouraged to avoid restricting the use of deferred gifts for anything other than operations when the deferral period is unknown. AADE will reserve the right to disclaim any gifts bearing donor restricted terms which would be onerous or expensive to fulfill.
5. Gifts restricted for a specific purpose by the donor will be reserved for that purpose in keeping with the wishes of the donor, provided that the specific purpose is consistent with the priorities, objectives, and financial resources of An Achievable Dream. In the event the restricted purpose initially established is no longer valid, An Achievable Dream shall have the right to use the funds for a similar or related purpose, if possible. If this is not possible, An Achievable Dream may use the funds for any other purpose as it deems appropriate. Repurposing such goals will be determined by An Achievable Dream President/CEO in conjunction with Board of Directors in consultation with the Donor (if available) and be in alignment with the mission of An Achievable Dream at the time of the repurposing.
6. Donors may be recognized from time to time by honoring their names in connection to various parts of the An Achievable Dream campus (es), buildings, rooms, graduation classes, programs, or equipment. Any desire for name recognition will be granted according to the terms of a specific campaigns or appeal, or on a case-by-case basis at the discretion of the An Achievable Dream as appropriate.

### **STANDARDS FOR ACCEPTING OR DECLINING GIFTS**

An Achievable Dreams President/CEO in conjunction with the Finance & Development committees or the Board of Director of the Endowment may modify aspects of this policy on a case-by-case basis. An Achievable Dream Endowment may decline any gift for one or more of the following reasons:

1. There are conditions to a gift that are not consistent with the purposes, values, and/or objectives of AAD and its mission.
2. The gift could financially jeopardize the donor or AAD.
3. The gift or its terms are illegal.
4. AAD does not have the resources to honor the terms of the gift.
5. Acceptance of the gift will result in unwarranted or unmanageable expense to AAD.
6. There are physical or environmental hazards related to the gift.
7. The gift could improperly benefit any individual.

8. AAD is unable to or uninterested in meeting donor restrictions.
9. The costs to AAD for maintaining the gift or meeting the restrictions placed on the gift by the donor are excessive.
10. The gift is inappropriate with respect to the tax-exempt purposes of AAD
11. The gift may result in inappropriate or undesirable publicity.
12. The Board of Directors determine any other reason that the gift is not in the best interests of AAD.

### **ADMINISTRATIVE ISSUES**

1. AADE and its staff shall not act as an executor, personal representative, or trustee for any donor's estate. No AADE staff member may accept a personal or financial gift from a donor in connection with obtaining or realization of a planned gift.
2. AADE may choose to act as co-trustee on a charitable remainder trust in which it is named as charitable beneficiary.
3. The President/CEO and appropriate staff in conjunction with the Finance & Development Committee or Endowment Board of An Achievable Dream are responsible for developing finance & development policy, endowment spending policies and for recommending and overseeing the investment assets of the AADE once gifts are received.
4. AADE staff members, board members, or their designated representatives may provide donors and their advisors with information which outlines their options on various planned gift arrangements. All such information provided will be for educational purposes only. All persons representing AADE will avoid giving any advice which could be considered legal, tax, or financial advice. Donors must always confer with their attorney, CPA, or other financial advisor.
5. The President/CEO and appropriate staff in conjunction with the Finance & Development Committee or Endowment Board may appoint a standing sub-committee comprised of both staff and board members to serve as a Gift Review Committee and function in place of the Finance & Development Committee or Endowment Board to fulfill its responsibilities as described in this Gift Acceptance Policy.