

Holiday Lake 4-H Educational Center, Inc.

GIFT ACCEPTANCE POLICY 12/4/2012

These policies shall apply to all gifts (Annual Fund, Capital Campaigns, Endowment, Planned Gifts) when deciding whether or not to accept gifts for and on behalf of Holiday Lake 4-H Educational Center, Inc. (hereinafter sometimes referred to simply as “the 4-H Center”). The source of gifts, in and of themselves, will not be the basis for soliciting or accepting a gift. Rather, the primary consideration will be the impact of the gift upon the 4-H Center. When considering, soliciting and/or accepting gifts that might be potentially controversial, the following factors will be considered:

I. Philosophy

- A. Core Values: Will accepting the gift compromise any core values of the 4-H Center
- B. Compatibility of Cause: Is there convergence of cause and intent between the donor and recipient? Will accepting the gift further the mission, goals, and/or objectives of both?
- C. Public Relations: Will the perception of the prospective donor’s importance to the 4-H Center be damaged and possibly create a significant public relations problem for the 4-H Center if the gift is not accepted?
- D. Motivation: Is there clear charitable intent and a commitment to benefit the 4-H Center? It is understood that it is usually appropriate for there to be tax incentives, community acceptance, and publicity values for donors.
- E. Consistency: Will acceptance of the gift be consistent with past gift acceptance decisions?
- F. Credibility: What effect will the reputation of the prospective donor have upon the reputation of the 4-H Center?
- G. Form of Gift: Will the nature of the contribution create problems in advertising or sponsorship?
- H. Bottom Line: Will the gift encourage others to give? What will be the net effect on the bottom line?

II. Ethics and Legal Considerations

- A. The 4-H Center shall maintain accurate records of every donor, which shall be kept strictly confidential unless the donor expresses the desire that it be made public. Donors, or prospective donors, information including their names, names of beneficiaries, gift amounts, size of estates, nature of investment and any other personal information shall be used only for the benefit of the 4-H Center. It shall be made available to certain staff and others only on a need-to-see basis when carrying out their fiduciary responsibilities. Specific donor information may be used for public purposes of the 4-H Center only with the expressed permission of the donor to release or use the information. Donor anonymity will be protected whenever desired and requested by the donor.
- B. The 4-H Center shall carry out its activities, and accept gifts, only in compliance with all applicable federal, state, and local laws and ordinances.

- C. The association of fundraising professionals' *Code of Ethical Practices* and the *Donor Bill of Rights* shall be used as guidelines in all situations of donor relationships and gift acceptance.
- D. Nothing in this policy shall infringe on prudent judgment to facilitate the best interest of the donor and the 4-H Center; however, charitable intent must be evident on the part of the donor and the 4-H Center will respect the interests of the donor.
- E. The staff and directors of the 4-H Center shall not provide professional legal or financial advisory services, but shall recommend that donors consult their own advisors. It is customary for the donor to pay for any professional services they obtain.

III. Receiving Gifts

- A. Any officer or the President/CEO or Center Director may accept gifts on behalf of the Board of Directors, providing policies and procedures adopted by the Board, and *Generally Accepted Accounting Principles*, are followed.
- B. Gifts may be given as restricted or unrestricted. Restricted gifts shall only be accepted if consistent with 4-H Center policies and in its best interest, in which case they shall be used only in accordance with the donor's wishes. Unrestricted gifts will be placed in the Annual Fund and may be used for any line item in the budget approved by the Board, or as otherwise directed by the Board.

IV. Guidelines for Specific Types of Gifts

- A. **Real Estate.** Assessments by professionals should be conducted *prior to* accepting any gift of real estate. Appropriate inquiry into previous ownership and uses of the property should be made to decrease possibility that the property could be more of a liability than an asset.
 1. Any unusual restrictions on the gift should be reviewed by the President/CEO, Center Director, and the Executive Committee.
 2. Arrangements for a qualified appraisal must be made and must be paid by the donor to avoid bargain sale rules. [*The appraisal fee is deductible by the donor if he itemizes deductions as an expense paid in connection with the determination of his income tax liability. IRS Section 212(3), Rev. Rules 67-461, 1967-2C.B. 125.*] If the appraisal is made after the transfer, the appraised value must be as of the date of the transfer.
 3. An on-site inspection should be conducted to determine if any hazardous wastes sites may exist on the property. A signed certification of Environmental Conditions and indemnification must be received from the donor.
 4. The donor's attorney should prepare a new deed in favor of Holiday Lake 4-H Educational Center, Inc. identifying it is a not-for-profit tax exempt corporation organized under the laws of the Commonwealth of Virginia, with headquarters at 1267 4-H Camp Road, Appomattox, VA 24522.

5. The 4-H Center will accept only the donor's entire interest (both mineral rights and surface rights) or an undivided interest in the donor's entire interest.
6. The attorney will be required to do a title search, or obtain title insurance for the 4-H Center, or provide a signed Certification of Title and Indemnification from the donor, if the title search is performed by the donor's attorney.
7. If the real estate is being given to fund a life income plan, the donor's cost basis and social security number must be obtained.
8. After the deed has been properly signed and witnessed, a qualified appraisal has been completed, and the title work has been approved, the 4-H Center will provide the donor with a receipt, IRS forms, tax information, trust agreement and any other needed information.
9. There must be no sales agreement before the gifted real estate is transferred. [*Doing so will create capital gains tax implications for the donor.*] The 4-H Center reserves the right to accept only real estate that is debt free.
10. Other Routine Procedures: (a) Unless otherwise agreed in writing, the 4-H Center will have authority and responsibility for management of the gifted property, (b) obtain liability and multi-hazard insurance for the property effective at the time of transfer, (c) IRS regulations will be considered to avoid jeopardizing the donor's gift when processing a bargain sale, (d) Any sale of real estate must be approved by the Board of Directors who will designate signatory privileges.

B. Publicly Held Stock

1. Gifts of stock can be received by (a) U.S. Postal Service, in which case the postmark date applies for tax purposes, (b) hand delivery, in which case the date it is delivered to the 4-H Center's office is the official date for tax purposes and (c) through a broker, in which case the official delivery date is the date the certificate is re-registered in the name of Holiday Lake 4-H Educational Center, Inc. If the donor's stock is registered in street name, the official date of delivery is when the donor can no longer legally revoke the transfer.
2. When mailing or hand delivering stock, the donor should sign and date on Stock Power for each stock certificate and on Disclaimer Form for each stock issue. *The signatures must be guaranteed by a commercial bank officer.*
 - (a) The donor should place the stock certificate (not endorsed) in one envelope and the Stock Power and Disclaimer Form in another envelope and mail them to Holiday Lake 4-H Educational Center, Inc., 1267 4-H Camp Road, Appomattox, VA 24522.
 - (b) The gift is completed on the date the donor posted the stock certificate and the Stock Power and Disclaimer Form, or hand delivered the stock.
 - (c) If the donor wants to contribute a stock certificate with a greater number of shares than the intended gift, the donor should deliver the certificate to a broker for credit to his/her account, and

simultaneously instruct the broker to transfer the number of shares to be contributed to a Holiday Lake 4-H Educational Center, Inc. account. The broker should call the 4-H Center's office for further instructions.

C. Deferred or Planned Gifts

1. Only those officers and staff approved by the Board of Directors, either by job description or direct designation, shall be authorized to negotiate on behalf of the 4-H Center with any donor or donor's representative regarding the planning of any deferred or planned gift.
2. Holiday Lake shall utilize all the means available under the law to encourage philanthropic support of the 4-H Center, including Wills and Bequests, Charitable Gift Annuities, Charitable Remainder Trusts, Charitable Lead Trusts, Life Insurance, Retained Life Estates, Interest Free Loans and any other gift form described in the Internal Revenue Service Code.
3. The 4-H Center's staff shall educate donors and prospective donors regarding the benefits to be derived from supporting the 4-H Center, Inc. through Planned and Deferred Gift Programs. Information will periodically be made available through brochures and bulletins provided to prospective donors.

D. Charitable Gift Annuities.

1. Charitable Gift Annuities are gifts of money or other property, to a qualified charitable organization, conditioned on the organization for the life or lives of one or two persons. The 4-H Center shall actively market Gift Annuities in accordance with IRS regulations and state laws governing such gifts.
2. The contract between the donor the 4-H Center is for either current or deferred payment, and for an established payment period desired by the donor (*e.g.* annually, quarterly, monthly).
3. Charitable Gift Annuities may be funded with (a) Cash, (b) Securities [There are capital gains tax implications. Approximately 50% of the annuity, depending on the donor's age, is reportable as ordinary income.], (c) Real Estate [There are tax implications. See Real Estate Section above.]
4. The rates to be paid by the 4-H Center shall be determined by (a) the American Council of Gift Annuities, a voluntary association of 25 members which promulgates gift annuity rates adhered to by virtually non-profit issuing organizations and (b) the rate of being paid by other area non-profit organizations.

V. Professional Counsel and Refund of Gifts

- A. The 4-H Center shall seek its own professional counsel when executing any planned gift. If a representative of the 4-H Center provides information to an attorney, accountant, financial advisor, or other professional advisor (other than one retained solely for the 4-H Center with the donor having his own counsel), it shall be understood and expressed to them that they are being retained to first represent the donor's interests. If the donor does not express a preference, at least two professionals shall be suggested to the donor with the selection made by the donor.
- B. Charitable contributions are made and accepted by the 4-H Center in good faith, and in accordance with the donor's wishes if within 4-H's policies, and are used for this organization's non-profit mission as recognized by the Internal Revenue Service. These contributions usually provide tax benefits to the donor. Accordingly, all gifts are considered final upon acceptance and in no case will refunds be made.

ADOPTED BY THE BOARD OF DIRECTORS

Date: _____

Attest: _____
Secretary of the Board