

## **BOARD POLICY: GIFT ACCEPTANCE**

### Purpose

Thompson Education Foundation (TEF) solicits and accepts gifts for purposes that will help the organization further and fulfill its mission. The Gift Acceptance Policy details the intent and procedures of gifts accepted by TEF staff, board members, volunteers, and outside advisors for the benefit of TEF's operations, programs and services. This policy addresses gifts to unrestricted, restricted and endowment funds held by the foundation.

### Rationale

This document is intended to provide guidance to TEF and school personnel regarding acceptance of prospective gifts. Donors are ultimately responsible for ensuring the proposed gift furthers their charitable, financial, and estate planning goals. TEF does not provide formal legal, accounting, tax, or other advice to prospective donors and urges all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts, including the resulting tax and estate planning consequences. TEF key principles include safeguarding the confidentiality of the donor relationship, providing full disclosure to the donor, and ensuring that gifts are recorded, allocated and used according to the donor intent and designation.

The valuation of a gift for tax purposes is the responsibility of the donor. A TEF receipt is provided to donors to establish the value of a gift for tax purposes. It is the policy of TEF not to pay for appraisals.

As gifts can be unique and variable due to circumstances, this gift acceptance policy is intended as a guide and allows for flexibility on a case-by-case basis.

### Guidelines and Procedures

#### 1. Gifts

TEF will accept unrestricted gifts, and gifts for specified programs and purposes, provided that such gifts are consistent with its stated mission, purposes, and priorities. Gifts for purposes that are not consistent with TEF's mission or its current or anticipated programs cannot be accepted. TEF will not accept gifts that are too restrictive in purpose such as those that violate the terms of the charter, gifts that are too difficult for staff to administer, or gifts that are not aligned with TEF's mission. Final decision on the

restrictive nature of a gift, and its acceptance or refusal, shall be made by the gift acceptance committee of TEF.

2. The President, the Executive Director, and any Board members, volunteers, or staff of TEF so designated, have authority to solicit and/or accept gifts on behalf of TEF.
3. Unrestricted gifts shall be encouraged unless (1) the donor indicates that he or she is willing to make a restricted gift only or (2) the option of a restricted gift will otherwise significantly increase the chances of obtaining a gift from the donor.
4. Gifts Generally Accepted Without Review
  - a. Cash gifts are acceptable in any form, including by check, money order, credit card, wire transfer, or on-line.
  - b. Marketable securities and stock may be transferred electronically to an account maintained at the foundation's investment bank or delivered physically with the transferor's endorsement attached. All marketable securities will be sold promptly upon receipt unless otherwise directed by TEF's Finance Committee.
5. Gifts Accepted Subject to Prior Review

Certain forms of gifts or donated properties may be subject to review prior to acceptance. The TEF board of directors shall review all gifts of significance/opportunity/risk. All such gifts shall be documented by a written understanding between the donor and TEF and must be approved by the TEF board of directors before the TEF office may accept the gifts. Examples of gifts subject to prior review include, but are not limited to:

  - a. Charitable Remainder Trusts

TEF will accept designation as a remainder beneficiary of charitable remainder trusts.
  - b. Charitable Lead Trusts

TEF will accept designation as an income beneficiary of charitable lead trusts.
  - c. Bequests and Beneficiary Designations under Revocable Trusts, Commercial Annuities and Retirement Plans

Donors are encouraged to make bequests to TEF under their wills, and to name TEF as the beneficiary under trusts, commercial annuities and retirement plans.
  - d. Tangible Personal Property

The Finance Committee shall review and determine whether to accept any gifts of tangible personal property, including works of art, in light of the following considerations: does the property further the organization's mission? Is the

property marketable? Are there any unacceptable restrictions imposed on the property? Are there any carrying costs for the property for which the organization may be responsible? Is the title/provenance of the property clear?

e. Life Insurance

TEF will accept gifts of life insurance where TEF is named as both beneficiary and irrevocable owner of the insurance policy. The donor must agree to pay, before due, any future premium payments owing on the policy. TEF reserves the right to surrender the policy if it so desires. When applicable, the donor should agree to contribute, on an annual basis, the amount necessary to maintain the policy in force.

f. Real Estate

Gifts of real estate are subject to TEF board of director's approval. This approval process may be preceded by, but not limited to, valuation appraisal, environmental review at a minimum level of Phase I, investigation into depreciation for tax purposes by the donor in prior years and a title examination and opinion of title by a qualified attorney or title company.

6. The President of TEF may establish a Gift Review Committee responsible for recommending whether or not the foundation should accept proposed gifts. The Committee shall consist of no less than three members from the Board of Directors as well as the President and the Executive Director. The President shall have the authority to appoint other community members or Thompson School District staff, on an ad hoc basis, who have special expertise that may be needed in order to review and/or make a decision on a specific gift.
7. The Foundation shall follow the below-listed procedures in determining whether or not to accept offers of gifts of significance/opportunity/risk. The Foundation staff shall coordinate its review efforts with the TEF board of directors or designated committee and shall seek input from consultants in determining the acceptability of gift offers. When considering the acceptance of gift offers, TEF shall:
  - a. Identify the donor while maintaining appropriate levels of confidentiality.
  - b. Determine the legal description of the property/item, and the location of the property/item if appropriate.
  - c. Ascertain an estimated value of the potential gift from the donor and the basis (comparables, appraisals) on which that estimated value is determined.
  - d. Determine whether the proposed gift is a one-time gift or if it is part of a longer-term gift program.

- e. Determine the terms and conditions of any gift program pursuant to item d above.
- f. Inform the potential donor, in writing, of school policy and procedures governing the acceptance of offers of gifts of real estate.

Decisions of the board of director or designated committee must be made by consensus. If consensus cannot be reached, gifts will be assigned to the Chair of the Foundation Board for review and final decision.

### Pledges

TEF shall accept pledges, so long as there is some form of written, signed documentation that clearly delineates the intent of the donor.

The following minimum information must exist to substantiate a pledge:

1. The amount of the pledge must be clearly specified.
2. There should be a clearly defined payment schedule.
3. The donor may not prescribe contingencies or conditions
4. The donor must be considered to be financially capable of making the gift.
5. Changes to original pledges must be documented in writing.

The following minimum requirements to record a pledge:

1. Anticipated matching gifts will be recorded but not included in pledge amounts.
2. Pledges and expected matching gifts will qualify for donor recognition in appropriate giving level groups.
3. Under- and over-paid pledges (as a result of either rounding, gift valuation, or incremental giving) will be noted as paid in full when donors' intents are clearly to pay commitments in full.
4. Before defaulted pledges are written off, pledge deactivation requests must be reviewed and approved by TEF's board of directors.
5. Pledge balances will be written off when TEF is notified of a donor's death, unless there are provisions in the donor's will or the family has indicated an intent to complete the pledge.

### Naming Opportunities

Thompson School District's Board of Education, in concert with the Superintendent, are the deciding body on the levels of giving that would allow a donor a naming opportunity.

## Planned Gifts

A bequest to TEF can be included in the body of one's trust, will, or in an addition to it (a codicil). To name TEF as a beneficiary, please use this language: "Thompson R2-J Education Foundation in Loveland, CO (84-1152856)." The donor may designate its bequest for a specific purpose.

The Foundation shall work with potential donors and may accept gifts that take the form of cash or publicly traded stock as a part of the following testamentary gifts:

1. Residuary Bequest – The donor may state that all or a portion of his/her estate be given to the Foundation after specific amounts are distributed to other beneficiaries.
2. Specific Bequest – The donor may stipulate that a certain percentage of his/her estate, or a certain dollar amount, or particular securities or other assets be given to the Foundation

## Gift Recording Policies

Recording of all gifts shall be the responsibility of the TEF Office. The TEF Office shall:

1. Record all gifts, pledges, and bequest distributions TEF in compliance with IRS regulations and acceptable accounting practices.
2. Thank all donors to TEF. Thank you letters are prepared for signature by the Executive Director, primarily as a function of the amount of the gift.
3. Receipts will be issued for gifts of service and/or gifts in kind. Recognition for service and/or gifts in kind is determined at the discretion of the Executive Director. The valuation of service and/or gifts in kinds shall be determined by the donor in writing and not by the Foundation.
4. Record and report all gifts in a proper manner.

END OF POLICY