

XYZ NONPROFIT ORGANIZATION

POLICY AND GUIDELINES FOR ACCEPTANCE OF CHARITABLE GIFTS

XYZ Nonprofit Organization is a 501(c)(3) nonprofit organization incorporated under the laws of the State of _____. The following policies and guidelines govern solicitation and acceptance of gifts made to XYZ Nonprofit Organization for the benefit of any of its programs.

XYZ Nonprofit Organization will adhere to all federal, State of _____, and local statutes relating to charitable organizations and nonprofit corporations. XYZ Nonprofit Organization will follow generally accepted accounting standards and practices relating to the accounting and crediting of all contributions. XYZ Nonprofit Organization will make available upon request its most current IRS Form 990.

The mission of XYZ Nonprofit Organization is to provide [statement of XYZ Nonprofit Organization's mission].

XYZ Nonprofit Organization encourages the solicitation and acceptance of gifts for purposes that will help XYZ Nonprofit Organization implement its programs and services and thereby further and fulfill its mission.

A gift is defined as a voluntary transfer of assets from a person or organization to XYZ Nonprofit Organization where no goods or services are expected, implied or forthcoming for the donor. Gifts usually take the form of cash, checks, securities, real or personal property, or deferred gifts.

Use of Legal Counsel

XYZ Nonprofit Organization shall seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review by counsel is recommended for:

- Real Estate
- Closely held stock transfers that are subject to restrictions or buy-sell agreements
- Documents naming XYZ Nonprofit Organization as Trustee
- Gifts involving contracts or other documents requiring XYZ Nonprofit Organization to assume an obligation
- Other instances in which use of counsel is deemed appropriate by the Executive Director or Board of Directors

Donor Communications and Relationships

XYZ Nonprofit Organization will urge all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences.

XYZ Nonprofit Organization must accurately describe its mission, accomplishments, funding sources and expenditures in all donor communications and solicitations. The Board or its designated committee will monitor any information presented to the public in any fundraising material. This includes case statements, brochures, annual giving and direct mail appeals, and capital or endowment campaigns.

Neither an employee nor a volunteer may make any promise to a donor, nor expect any favoritism from a donor, nor agree to any donor-directed changes in the mission and/or programs of XYZ Nonprofit Organization because of a solicitation or contribution.

Exceptional care must be taken in the handling of memorials and bequests. This does not preclude offering the opportunity for memorial gifts on an on-going basis, but survivors should not be solicited for such memorial gifts during the time of grieving.

Restrictions on Gifts

XYZ Nonprofit Organization will accept unrestricted gifts and gifts restricted for specific programs and purposes, provided that such gifts are consistent with the organization's stated mission, purposes, and priorities. Gifts will not be accepted if they are too restrictive in purpose, too difficult to administer, or gifts that are for purposes outside the mission of XYZ Nonprofit Organization. All final decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Board of Directors of XYZ Nonprofit Organization.

Permanently restricted gifts will be invested and held permanently for the income derived.

Gift Acceptance

The Board of Directors is charged with the responsibility of reviewing gifts presented to it by the Executive Director. The Board shall have sufficient time before voting on any such gift, to review the evidence and weigh the merits of the gift. A quorum to vote shall be no less than 75% of the Board, whether in person, in writing or by proxy. A simple majority of the Board, once quorum is met, may accept or refuse a gift.

XYZ Nonprofit Organization may choose to decline a gift if one or more of the following conditions are known:

1. There are conditions to a gift and its designation that are not consistent with the purpose, values, and objectives of the Organization.
2. The gift could financially jeopardize the donor or XYZ Nonprofit Organization.
3. The gift or terms are illegal.
4. The Organization does not have the resources to honor the terms of the gift.
5. An appropriate Fair Market Value cannot be determined or will result in unwarranted or unmanageable expense to XYZ Nonprofit Organization.
6. There are physical or environmental hazards.
7. The gift could jeopardize the tax-exempt status of the Organization.
8. The gift could improperly benefit any individual.

Types of Gifts accepted:

1. Cash (US or foreign currency)
2. Tangible Personal Property / Collectibles
3. Securities
4. Real Estate
5. Life Insurance
6. Life Insurance Beneficiary Designations
7. Charitable Remainder Trusts
8. Charitable Lead Trusts
9. Bequests

XYZ Nonprofit Organization has elected not to accept cryptocurrency.

The following criteria govern the acceptance of each gift type:

1. Cash: Cash is acceptable in any form, such as checks or money orders.
2. Tangible Personal Property/Collectibles: All gifts of tangible personal property shall be examined considering the following criteria:
 - Does the property fulfill the mission of XYZ Nonprofit Organization?
 - Is the property marketable?
 - Are there any undue restrictions on the use, display, or sale of the property?

For any gift with an assumed value over \$5,000, the donor is responsible for obtaining a qualified appraisal for tax purposes. XYZ Nonprofit Organization shall not pay for insurance or other costs until it has accepted ownership of the gift and donor shall pay for all carrying costs until gift is accepted. **Confirm current IRS rulings regarding donations of tangible property or collectibles.**

XYZ Nonprofit Organization reserves the right to sell any and all tangible property or collectibles donated to it.

3. Securities: XYZ Nonprofit Organization can accept both publicly traded securities and closely held securities.

a. Publicly Traded Securities: Marketable securities may be transferred to an account maintained at one or more brokerage firms or delivered physically with the transferor's signature or stock power attached. As a general rule, all marketable securities shall be sold upon receipt unless doing so would create a negative circumstance. In some cases marketable securities may be restricted by applicable securities laws; in such instance the final determination on the acceptance of the restricted securities shall be made by the Board of Directors. Publicly traded securities are valued at the mean trading price the day of receipt.

b. Closely Held Securities: Closely held securities, which include not only debt and equity positions in non-publicly traded companies but also interests in LLPs, FLPs and LLCs or other ownership forms, can be accepted subject to the approval of XYZ Nonprofit Organization's Board of Directors. However, gifts must be reviewed prior to acceptance to determine that:

- there are no restrictions on the security that would prevent XYZ Nonprofit Organization from ultimately converting those assets to cash
- the security is marketable
- the security will not generate any undesirable tax consequences or liability for XYZ Nonprofit Organization

If questions arise on initial review of the security, further review and recommendation by an outside professional may be sought before making a final decision on acceptance of the gift. The final determination on the acceptance of closely held securities shall be made by the Board of Directors and legal counsel when necessary unless determined by vote of the Board of Directors of the XYZ Nonprofit Organization. All Closely Held Securities shall be sold.

4. Real Estate: Upon identifying a donor who desires to donate real property or a real property interest, the Executive Director shall implement the following process:

Advise the donor that a process is in place that may take several weeks or months to complete. Advise the donor that the following may be necessary before acceptance of real estate can be considered by the Board of Directors, and all costs associated with the following shall be determined jointly by the donor and the Board:

- A qualified appraisal
- An environmental survey
- A building inspection by a qualified inspector
- A title binder on the property
- Carrying costs of real property until the gift is accepted

All inspectors shall be chosen by XYZ Nonprofit Organization. Should the preliminary gathering of evidence indicate that further inspections, environmental surveys or tests be implemented, the donor shall be informed before such measures are undertaken.

The XYZ Nonprofit Organization shall not accept property determined to have extensive environmental hazards, extensive clean up or title problems not covered by title insurance.

The Board retains the right to refuse any gift, regardless of the information provided by the above. Unless the XYZ Nonprofit Organization Board of Directors votes otherwise, all gifts of real estate shall be sold promptly.

Gifts of real estate may include developed property or undeveloped property. To be accepted a property must be marketable.

5. Ownership of Life Insurance Policies: XYZ Nonprofit Organization must be named as a beneficiary and irrevocable owner of an insurance policy before a life insurance policy can be recorded as a gift. The gift is valued at cash surrender value, upon receipt. Premium payments may be made and XYZ Nonprofit Organization may:

- continue to pay the premiums
- convert the policy to paid up insurance
- surrender the policy for its current cash value

6. Life Insurance Beneficiary Designations: Donors and supporters of XYZ Nonprofit Organization's programs and services will be encouraged to name XYZ Nonprofit Organization as beneficiary or contingent beneficiary of their life insurance policies. Such designations shall not be recorded as gifts until such time as the gift is irrevocable. Where the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

7. Charitable Remainder Trusts: XYZ Nonprofit Organization may accept designation as remainder beneficiary of a charitable remainder trust with the approval of the Board of Directors. XYZ Nonprofit Organization will not accept appointment as a Trustee of a charitable remainder trust.

8. Charitable Lead Trusts: XYZ Nonprofit Organization may accept a designation as income beneficiary of a charitable lead trust. XYZ Nonprofit Organization will not accept appointment as a Trustee of a charitable lead trust.

9. Bequests: Donors and supporters of XYZ Nonprofit Organization will be encouraged to make bequests to XYZ Nonprofit Organization under their wills and trusts. Such bequests will not be recorded as gifts until such time as the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

Any proposed gifts that fall outside the above categories shall be presented to the XYZ Nonprofit Organization's Board of Directors for their consideration before they can be accepted.

Miscellaneous Provisions

1. Securing appraisals and legal fees for gifts: It will be the responsibility of the donor to secure an appraisal (where required) and independent legal counsel for all gifts made to XYZ Nonprofit Organization.

2. Valuation of gifts for development purposes: XYZ Nonprofit Organization will record a gift at its valuation for gift purposes on the date received, except that cash, checks, or securities may be recorded on the date stamp on the envelope.

3. Compliance with IRS and other taxing authority rules and regulations. XYZ Nonprofit Organization will comply with all income tax rules and regulations related to acceptance of a gift. This compliance includes, when applicable, 1) completing the Donee Acknowledgment portion of Form 8283, Noncash Charitable Contributions, for the donor, 2) preparing and filing Form 8282, Donee Information Return, and 3) preparing and filing Form 1098-C, Contributions of Motor Vehicles, Boats, and Airplanes. When receiving gifts of property potentially valued at more than \$5,000, other than cash or marketable securities, XYZ Nonprofit Organization will consult with its legal counsel and tax advisor to ensure that it complies with the latest rules and regulations.

4. Responsibility of Acknowledgment: Acknowledgment of all gifts made to XYZ Nonprofit Organization and compliance with the current IRS requirements in acknowledgment of such gifts shall be the responsibility of the Executive Director.

Changes to Gift Acceptance Policies

XYZ Nonprofit Organization's Board of Directors must approve changes or deviations from these policies.

This policy was presented to the Board of Directors of XYZ Nonprofit Organization on the _____ day of _____, 20XX, and was passed.

XYZ Nonprofit Organization Board President

XYZ Nonprofit Organization Secretary