

XYZ Nonprofit Organization

Donor Gratitude Policy

Statement of Policy:

The purpose of the Donor Gratitude Policy is to ensure that those who support XYZ Nonprofit Organization through donations receive recognition that is appropriate, equitable and consistent. It has been developed with the attitude that all gifts are important; that nurturing each donor is the business of XYZ Nonprofit Organization; and that a monetary gift is never more important than individual relationships.

Through this Donor Gratitude Policy, XYZ Nonprofit Organization hopes to:

- Cultivate relationships with existing donors and encourage them to reach higher levels of giving
- Attract new donors
- Ensure that, in fairness to donors to XYZ Nonprofit Organization, one clearly stated policy of gratitude is applied at all times

Application of the Policy

The Board of Directors of XYZ Nonprofit Organization has approved this policy.

The Policy describes a maximum expression of appreciation and level of recognition that will be offered to each donor and is administered by XYZ Nonprofit Organization in compliance with all existing policies. Any departure from this policy must be reviewed by XYZ Nonprofit Organization's Executive Director and forwarded to XYZ Nonprofit Organization's Board of Directors with a recommendation.

Approval of XYZ Nonprofit Organization's Board of Directors is required prior to implementing the style and form of donor recognition granted.

Confidentiality

The names of persons, companies, organizations or agencies donating to XYZ Nonprofit Organization will be considered confidential until such time as it is published according to this policy.

XYZ Nonprofit Organization agrees to respect and observe any donor's wish for anonymity and undertakes to receive specific instructions from each donor prior to any act of public recognition.

The specific amount of the donation and terms of payment will be considered confidential at all times, unless otherwise directed by the donor.

Access to donor information will be limited to XYZ Nonprofit Organization staff, the Board of Directors, and on-site consultants as appropriate.

Procedure

Donors will be advised of the gratitude policy to which their level of giving places them and the associated benefits and appearance of their name. It will be the responsibility of XYZ Nonprofit Organization's Executive Director to implement the Donor Gratitude Policy.

Basic Principles and Definitions

Donors are considered to be individuals, foundations, corporations, or associations that have given a gift to XYZ Nonprofit Organization. Donor gratitude will be based on all tax deductible annual donations to XYZ Nonprofit Organization including capital campaigns, direct mail responses, online gifts, endowments, special events, planned giving and unsolicited gifts.

A gift is a voluntary transfer of property from a donor to XYZ Nonprofit Organization. The transfer must not result in a direct or indirect benefit, privilege, right or advantage to the donor or a person designated by the donor, either directly or indirectly. For the purpose of this policy, the following types of gifts are deemed to warrant recognition consistent with approved policy.

- Gifts of cash
- Gift Pledges – The total amount of the pledge itself will be recognized at the time of the pledge, unless determined otherwise by XYZ Nonprofit Organization's Board of Directors. Pledges are recognized for their annual payment amount and the cumulative payment received. If a donor is unable to complete a pledge commitment within the agreed upon payment period, every effort will be made to accommodate a new payment schedule to permit the donor to remain in the original gift level. If this is not possible, it will be necessary to provide recognition appropriate to the amount that has actually been paid.
- Special event participation – This will include the accumulated value of the charitable portion of ticket/admission/registration fee.
- Securities – Securities will be recognized at the median value on the day of transfer to the Nonprofit Organization.
- Real Estate – Real estate will be recognized at the appraised value.

- **Tangible Personal Property** – Establishing the value is always the responsibility of the donor. An independent appraisal may be required. Both the donor and XYZ Nonprofit Organization should seek independent professional advice for gifts valued by the donor of \$5,000 or more. The donor must pay for an appraisal by a qualified appraiser. XYZ Nonprofit Organization must acknowledge in writing the appraisal, which is for the donor’s tax records. XYZ Nonprofit Organization must follow all IRS requirements in connection with disposing of gifts of tangible personal property and the filing of appropriate tax reporting forms. Property of little use or nominal value to the donor would not qualify, i.e. clothing, most household items, toys, etc.
- **Life insurance policies** – The donor of the life insurance gift is recognized for the amount of the policy payments as they accumulate until the policy is paid (where the policy has been placed in the name of the institution). Once the policy is paid in full, the donor is recognized for the entire value of the life insurance.
- **Planned gifts** – Planned gifts are recognized as a gift at the fair market value of the asset(s) on the day that legal transfer of ownership has been completed, providing that the terms of any applicable agreement identify the institution as an irrevocable recipient of the gift. Such arrangements may include gift annuity contracts, charitable remainder trust agreements and gifts of residual interest.
- **Bequests** are recognized when they are received, not at the time they are described in the will of a prospective donor. Donors who wish to see recognition for a bequest-type of contribution are encouraged to establish a non-revocable trust or some other form of non-revocable planned gift.

In the case of bequests, the name of the estate will be considered the donor and will be subject to the same donor recognition at the appropriate level as would any other donor.

- **Matching Gifts** – Some corporations match charitable contributions made by their employees. Corporations will be recognized individually for these contributions.

Capital and/or Endowment Campaign Gifts

Gifts to a capital and/or endowment campaign will be recognized as separate from annual gifts but follow the same guidelines for recognition. Gift levels will be set in accordance with the scope of the campaign.

Other Gratitude Recognition

XYZ Nonprofit Organization Board of Directors reserves the right to deal with any other recognition opportunity not covered by this policy on a case-by-case basis.

Annual Gift Levels and Gratitude Policy***

Giving Level	Gift Amount	Gratitude
Friends	\$1-\$99	<ul style="list-style-type: none"> • Signed thank you letter within 48 hours • Listing in Quarterly Newsletter • Listing in Annual Report
Guardians	\$100-\$499	<ul style="list-style-type: none"> • Phone call from a Board member within 24 hours • Signed thank you letter within 48 hours • Listing in Quarterly Newsletter • Listing in Annual Report
Bronze Circle	\$500-\$999	<ul style="list-style-type: none"> • Phone call from a Board member within 24 hours • Signed thank you letter within 48 hours • Listing in Quarterly Newsletter • Listing in Annual Report • Thanksgiving or Holiday card
Silver Circle	\$1,000-\$4,999	<ul style="list-style-type: none"> • Phone call from a Board member within 24 hours • Signed thank you letter within 48 hours • Listing in Quarterly Newsletter • Listing in Annual Report • Thanksgiving or Holiday card • Invitation to recognition event
Gold Circle	\$5,000+	<ul style="list-style-type: none"> • Phone call from a Board member within 24 hours • Signed thank you letter within 48 hours • Listing in Quarterly Newsletter • Listing in Annual Report • Thanksgiving or Holiday card • Invitation to recognition event • Invitation to a VIP event

The chart above is just a suggestion. The Giving Levels, Amounts, and means of Gratitude need to be determined by each organization.

Changes to Donor Gratitude Policy

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