



The below represents sample Gift Acceptance Policies for a permanent endowment fund. While HGF’s **Endowment Accelerator Matching Grant** requires the creation and approval of such policies, this is a sample only, and there are many variations on these policies that will meet the grant criteria. Your governing body should determine your own policies based on your camp’s needs and capacity. These Gift Acceptance Policies must be accompanied by an Endowment Policy and an Investment Policy Statement to meet the requirements of HGF’s **Endowment Accelerator Matching Grant**.

Please note that The Harold Grinspoon Foundation are not financial advisors. We are offering sample policy language and guidance about where you can seek financial advice but cannot provide that advice ourselves. We recommend you review your proposed policy with a financial advisor who has experience with endowments.

**Camp ABC Endowment Fund
Gift Acceptance Policies
Date
(Revision Dates)**

Accepting Gifts: Summary

Camp ABC (the camp) will accept gifts that are in the interests of the donor, further the purposes and mission of the camp, and are within the camp’s capacity to administer.

Designated staff members may accept on behalf of the camp gifts of cash and publicly traded securities that are unrestricted or fall within the camp’s defined programs for restricted purpose gifts. Other gifts, including closely held securities, real property, tangible personal property, trusts for which the camp is trustee, and life insurance ownership, require approval by the Gift Acceptance Committee* and review by outside counsel, if needed. The camp welcomes provisions in wills and beneficiary designations in trusts, life insurance policies not transferred, and retirement plans.

A. MISSION

The purpose of the Camp ABC Endowment is to support the camp’s objectives over the long term.

B. PURPOSE AND SCOPE OF POLICY

Achieving the camp’s mission depends on active solicitation, acceptance and management of charitable gifts to the camp. This policy aims to align the camp’s practices with the highest professional standards for gift acceptance and to protect the camp from unintended liabilities.

Please note these are samples only, and there are many variations on these policies that will meet HGF’s *Endowment Accelerator Matching Grant* criteria. We recommend you review your proposed policy with a financial advisor who has experience with endowments.



C. ETHICS

The camp follows the National Committee on Planned Giving's Model Standards of Practice. Our "goals include working together to structure a gift that achieves a fair and proper balance between the interests of the donor and the purposes of" the camp. The camp will not ask for or accept gifts that it believes are not in the interests of its donors.

D. TYPES OF GIFTS

1. Gift Restrictions

- a. **Unrestricted Gifts:** The camp welcomes unrestricted gifts.
- b. **Restricted Purpose Gifts:** The camp will accept gifts restricted to specific programs and purposes provided that those gifts are consistent with its mission, purposes, priorities, and capacity to administer. The camp will decline gifts that are, or seem likely to become, outside of our mission, purposes or priorities or are too difficult to administer. Staff may accept restricted purpose gifts that conform to existing defined programs and funds. The Gift Acceptance Committee will decide whether other restricted purpose gifts are too restricted to accept.

2. Current Gifts

- a. **Cash Gifts:** The camp welcomes cash gifts. If the gift is for a specific fund or purpose, that information should accompany the gift. Gifts of readily converted foreign currency are also appreciated.
- b. **Securities:**
 - i. Publicly traded securities: Marketable, publicly traded securities may be transferred to a brokerage account held by the camp or physically delivered with an executed stock power to the camp's main office. In general, all marketable securities will be sold upon receipt, unless directed otherwise by the Investment Committee. If publicly traded securities are restricted (for example, by securities laws), then the Gift Acceptance Committee will decide whether the camp will accept them.
 - ii. Closely held securities: Closely held securities include debt and equity in non-publicly traded companies, LLPs, LLCs, and other ownership forms. They require Gift Acceptance Committee approval before the camp can accept them. The Committee must determine that:
 - There are no restrictions on the security that would prevent the camp from ultimately converting those assets to cash,
 - The security is marketable (giving consideration to the requirements of securities laws) but there is no pre-arranged sale of the security, and
 - The security will not generate any undesirable tax consequences for the camp.



- If initial review raises any potential problems, or if the transfer or sale of the security is complex, the Gift Acceptance Committee will consult outside professional counsel. The camp will make every effort to sell closely held securities as quickly as possible.

c. Real Property:

- i. Outright gifts of property: Before accepting real property, the camp will conduct an initial environmental review and a site visit and obtain a reasonably current appraisal of fair market value. If an initial environmental inspection reveals a potential problem, the camp shall retain a qualified inspection firm to conduct an environmental audit. An independent qualified appraisal is required by the IRS within 60 days of the gift. The cost of any reviews, appraisals, or audits will generally be at the expense of the donor.

When appropriate, a title binder shall be obtained by the camp prior to the acceptance of the real property gift. The cost of this title binder shall generally be an expense of the donor.

Before accepting a gift of real property, the gift must be approved by the Gift Acceptance Committee and by the camp's counsel. Criteria for acceptance include:

- Is the property useful for the purposes of the camp?
- Is the property marketable? Is the camp likely to be able to sell the property within 12 months?
- Are there any restrictions, reservations, easements, or other limitations associated with the property?
- Are there carrying costs, which may include insurance, property taxes, mortgages, or notes, associated with the property?
- Is the property producing income? Will that income pose potential tax problems for the camp?
- Does the environmental audit reflect that the property is not damaged?

The camp may use, grant, or sell gifts of property. If the camp does not use the property, it will try to dispose of it as quickly as possible.

- ii. Complex gifts of property: In addition to the policies controlling outright gifts of property, the following policies apply:

1. *Remainder interests in property*

The camp may accept remainder interests in property subject to the policies above. Expenses for maintenance, real estate taxes, and any property indebtedness during the property's life estate are to be paid by the donor or property resident.

2. *Funding Charitable Remainder Trusts with real property*



A CRT may not be funded with encumbered property. If a donor funds a CRT with the donor's home, he or she may not use the property in any way after the date of the contribution.

3. *Bargain Sales*

The camp will consider a bargain sale arrangement if the sale furthers its mission and purposes. The Gift Acceptance Committee must approve all bargain sales. Criteria for approval include:

- The camp must obtain an independent appraisal substantiating the value of the property.
- If the camp assumes debt with the property, the debt ratio must be less than 50% of the appraised market value.
- The camp must determine that it will use the property, or that there is a market for sale of the property allowing sale within 12 months of receipt.

d. **Tangible Property:** The Gift Acceptance Committee must approve gifts of tangible personal property using the following criteria:

- Will the camp use the property to fulfill its mission?
- Is the property marketable?
- Are there any undue restrictions on the use, display, or sale of the property?
- Are there any carrying costs for the property?
- The camp is responsible for filing IRS Form 8282 for gifts of tangible property valued at \$5,000 or more and disposed of within three years following the date of the gift.

3. **Deferred Gifts**

a. **Bequests:** The camp welcomes bequests. We will accept matured bequests using the same standards as we do for current gifts. For example, a bequest of real property will undergo the same review as a current gift of real property. We would like to thank and recognize donors for their bequests, so we encourage donors to notify us of their intended bequests.

b. **Charitable Remainder Trusts:** The camp welcomes beneficiary designations in Charitable Remainder Trusts (CRTs).

- i. Serving as Trustee: The camp encourages donors to seek independent trustees for charitable trusts to avoid potential conflicts of interest possible when a beneficiary of a trust serves as trustee. If a donor who is represented by outside counsel does want the camp to serve as trustee of a charitable trust, the Gift Acceptance Committee must approve that service. For donors who select independent trustees of Charitable Trusts



that benefit the camp, those trustees may choose to invest trust assets with the camp's investment pool.

- c. **Charitable Lead Trusts:** The camp welcomes beneficiary designations in Charitable Lead Trusts.
- d. **Life Insurance:** The camp encourages donors to make the camp a beneficiary or contingent beneficiary of a life insurance policy. For a donor to get tax benefits from an insurance gift, the camp must be both a beneficiary and irrevocable owner of the insurance policy. The donor may then also get tax benefits from contributions of future premium payments.

The camp may accept fully funded gifts of life insurance with Gift Acceptance Committee approval.

The camp generally will not accept gifts of term life insurance without a written pledge from the donor to pay all premiums. If a donor stops paying premiums on a term life insurance policy, the camp will generally let the policy lapse.

The camp may accept other life insurance gifts that are not fully funded. Before acceptance, the camp and the donor must agree on a plan for payment of premiums. The donor may pay all premiums, the camp may pay all premiums, or the donor and the camp may agree on a specified division of premium payments. Gift Acceptance Committee approval is needed for any life insurance that is not fully funded.

If the donor pays no part of the premiums on a policy, then the camp may decide at any time to liquidate the policy, convert it to a fully paid policy, surrender it for cash value, continue to pay the premiums, or let it lapse.

If the donor does pay any part of the premiums, the payment plan may be modified at any time with donor and Gift Acceptance Committee written consent. The camp reserves the right to liquidate life insurance policies, convert them to fully paid policies, surrender them for cash value, or let them lapse. If the donor is paying part of the premiums, the camp will make reasonable efforts to reach agreement with the donor on the new plan for the policy before making any changes.

- e. **Retirement Plan Beneficiary Designations:** The camp encourages donors to name the camp as a beneficiary or contingent beneficiary of their retirement plans. The camp welcomes retirement plan rollovers as defined by Congress and the Internal Revenue Service, with the underlying property of the rollover subject to the same review required by the other provisions of this policy.



4. Other Gifts

Other types of gifts require approval by the Gift Acceptance Committee.

E. WHO MAY ACCEPT GIFTS

Professional Staff will present gift offers described above to the Gift Acceptance Committee for review and consideration. Professional staff will also present to the Gift Acceptance Committee any other gift offer that raises issues appropriate for Committee consideration. The Gift Acceptance Committee may pre-approve categories of gifts.

Professional staff may accept routine gifts, including gifts of cash, publicly traded securities, and fully funded life insurance policies. Staff acceptance of CGAs funded with cash or publicly traded securities or of life insurance gifts requires approval by the Executive Director or his or her designee and the President or Managing Director of the camp. With approval by two-thirds of all Gift Acceptance Committee members and approval by the camp Board of Trustees, where required, the camp may make exceptions to this policy as long as those exceptions do not violate any government laws or regulations.

F. GIFT ACCEPTANCE COMMITTEE

The Gift Acceptance Committee is charged with review and approval of complex gifts and oversight of the gift acceptance policies, procedures and operations at the camp. When necessary, the Gift Acceptance Committee will seek advice from professionals with appropriate experience.

G. USE OF LEGAL COUNSEL

1. By the camp

The camp will generally seek the advice of legal counsel for:

- Closely held stock transfers, especially if subject to restrictions or buy-sell agreements
- Trusts naming the camp as Trustee
- Real property gifts
- Gifts of Life Insurance in which a charity pays premiums and there is any beneficiary other than the camp
- Gifts involving contracts, such as bargain sales or other gifts requiring the camp to assume an obligation
- Transactions with potential conflicts of interest or income interests that might invoke IRS scrutiny
- Any other potential gifts when the Gift Acceptance Committee deems counsel appropriate



2. By Donors

The camp strongly recommends that donors consult with their personal advisors for all gifts other than gifts of cash and publicly traded securities. While the camp staff or volunteers may discuss tax and financial results of gifts, the camp does not provide legal, tax, financial, or estate planning advice to donors. The camp will not serve as a trustee for a charitable trust if the donor has not consulted with outside counsel. The Gift Acceptance Committee may decline complex gifts or gifts that the Committee believes are against the donor’s interest if the donor has not sought independent professional advice.

Date approved by Board of Directors: _____

Signature of Board Secretary: _____

Signature of Board Treasurer: _____

**The creation of a Gift Acceptance Committee is one option to handle the decisions set out by these policies but is not a legal requirement. Such decisions may also be handled by the Finance Committee, Executive Committee, staff persons, or other designated body.*