

## 50 North

### Gift Acceptance Policy

#### I. Purpose

The purpose of the Policy is to provide guidelines for the acceptance of gifts by 50 North to assure that each gift is structured to maximize benefits to the donor, 50 North and the beneficiaries of 50 North's programs and services, without encumbering 50 North with a gift that generates costs disproportionate to its benefit, or that may be restricted in a manner not in keeping with the laws governing charitable gifts or 50 North's mission.

#### II. Scope

This Gift Acceptance Policy applies to all gifts received and accepted by 50 North. Any exception to this policy requires approval of the Board of Trustees.

#### III. Ethical Standards in Dealing with Donors

Every person acting for/on 50 North's behalf shall adhere to the standards set forth in *A Donor Bill of Right* (see attached) and the *Model Standards of Practice for Charitable Gift Planner Code of Ethics* (see attached). All information about a donation or contemplated donation will be handled by 50 North with respect and with confidentiality to the extent provided by law.

#### IV. Authority to Accept Gifts

50 North's Executive Director, Assistant Director or Finance Director may accept, for and on 50 North's behalf, unrestricted gifts of cash, checks or securities traded on a national exchange. All other gifts require review and approval by 50 North's Advancement Committee.

#### V. Types of Gifts

##### A. Cash Gifts and Pledges

1. Unrestricted Gifts – Gifts given without restriction on the use of the gift.
  - a) Unrestricted gifts are recorded as unrestricted and used to fund current operations or to maintain reserves.
  - b) It is recommended that all contributions above \$5,000 (even unrestricted gifts) be accompanied by a statement that makes clear the donor's intent in contributing his or her gift.
  - c) Unrestricted bequests are designated for use at the discretion of the 50 North Board of Trustees.

2. Restricted Gifts of Cash – Gifts designated by a donor for a specific purpose.
  - a) Gifts restricted for operations are recorded and deposited into the current operating account or into the operating reserve.
  - b) Gifts restricted for programs are recorded and deposited into the program reserve to be used for current or future programs as specified by the donors.
  - c) Gifts restricted for Endowment are put into the Endowment Fund with interest only to be used as specified by donors.
3. Pledges – Promises to contribute amounts specified by donors.
  - a) Pledges may be restricted or unrestricted as described above and may be one-year or multi-year commitments.
  - b) Pledges are expected to be fulfilled with contributions of cash or securities.
  - c) For in-kind contributions to be used to fulfill pledges, the contributions must cover expenses that appear in the annual budget.
  - d) Annual fund pledges are expected to be paid in the fiscal year in which they are pledged and thus not reflected in the audited financial statement.
4. Matching gifts – Unless the company specifies otherwise, matching gifts from corporations follow the restrictions of the donor whose gift is being matched; if a donor makes an unrestricted gift, the matching gift is unrestricted and, if the donor makes a restricted gift, the match is likewise restricted. 50 North counts matching gifts toward an individual's gift total in the year the matching gift is received.
5. Publicly Traded Securities – Upon receipt of a gift of donated securities, the Executive Director, Assistant Director or Finance Director, as soon as practical, will place the securities with a recognized broker for sale at the earliest practical date. It is not 50 North's policy to hold securities for an extended length of time. Such gifts are credited to donors according to current IRS regulations.
6. Credit Cards – 50 North accepts VISA and MasterCard subject to a 3% processing fee and the value of the gift would be valued at the net of 3%. For gifts made by credit card, the date the charge is accepted for processing by 50 North is the applicable date of the gift.

## B. Non-Cash Gifts

1. In-Kind Contributions – Gifts of goods or services
  - a) When 50 North receives a gift of goods and services, often referred to as "Gift in Kind (e.g., building materials, equipment), or a gift of individual or corporate services (e.g., advertising, printing, installation, etc.) and the value of that gift is determined to be less

than \$5,000, the gift is processed as a non-cash gift and is considered restricted in nature. 50 North does not issue a receipt showing the market value of such gifts, but acknowledges receipt of the object or service.

- b) In-kind contributions that cover expenses in the annual operating budget may be used to fulfill pledges to 50 North. Such a contribution is acknowledged as payment toward the pledged amount.
- c) For any gift-in-kind with an apparent value in excess of \$5,000, the gift is considered restricted, and 50 North is required to sign the Form 8283 which must be filed by the donor with the Internal Revenue Service; it is important for 50 North to retain a copy of the signed and executed Form 8283. If 50 North disposes of the item in question within two years of its receipt, 50 North must file Form 8282 with the Internal Revenue Service.
- d) For tax purposes gifts in kind must be valued by the donor and all transfer costs including but not limited to appraisals shall be the responsibility of the donor.

## 2. Real Estate or Real Property

- a) No gift of real estate or real property is accepted if such acceptance causes 50 North to incur a financial burden, potential liability, or other obligation, unless otherwise determined by Advancement Committee and approved by 50 North Board of Trustees.
- b) In most situations, a Phase I environmental impact study done at the owner's expense is required to accompany a gift of real estate. The donor shall be responsible for other costs involved in the transfer of real estate to 50 North.
- c) Acceptance is contingent on an independent appraisal paid for by the donor. 50 North does not value any such donated item for tax purposes.
- d) If it is determined the gifted property cannot be liquidated in a reasonable length of time, 50 North may choose to decline the gift.

## 3. Life Insurance

- a) 50 North accepts only fully paid-up insurance policies for which 50 North is named as beneficiary and the irrevocable owner of the policy.
- b) Gifts of life insurance are credited at the interpolated terminal reserve value as pledges receivable as designated by the Advancement Committee unless otherwise specified by the donor.

## 4. Qualified Retirement Plans and IRA's

- a) Donors can name 50 North as a beneficiary of any retirement plan.
- b) IRA owners over 70 ½ may designate 50 North as a recipient of a qualified charitable distribution.

5. Designated Funds – Donors can name 50 North as a designated beneficiary in a fund at The Findlay Hancock County Community Foundation, or any other foundation of their choice willing to accept 50 North as a charitable donor.
6. Transfer and Payable on Death Accounts – Owners may designate 50 North as recipient of both transfer on death and payable on death accounts for both financial assets and real estate (subject to section B 2 of this policy).
7. Planned Gifts
  - a) Wills – Testators may name 50 North as an outright beneficiary of all or part of their estate, financial assets and other property through a Last Will and Testament.
  - b) Trusts – Trustor may name 50 North as outright beneficiary of assets held in Trust subject to the gift acceptance policy.
  - c) Charitable Remainder Trusts – 50 North may be named as a beneficiary of a Charitable Remainder Trust.
  - d) Charitable Gift Annuity – While 50 North does not actively manage charitable gift annuities, donors may name 50 North a beneficiary.

C. Named Funds –

A donor may establish a Named Fund, after first being vetted through the Advancement Committee and approved by the Board of Trustees.

A minimum amount for a named fund is \$10,000.

In establishing a Named Fund, an agreement must be signed by both the donor and Executive Director and Board President which sets forth:

- a. The name of the donor/donors
- b. The name of the Fund
- c. The initial amount given or pledged to establish the Fund
- d. The purpose of the Fund
- e. An understanding that the Fund’s principal is pooled with other endowments for purposes of investment and income distribution or allocation, and
- f. That the Fund is governed by general policies established by the Board with regard to the investment and disbursements of the endowment, as amended from time to time.

Agreements establishing Named Funds are reviewed by the Advancement Committee and approved by the Board of Trustees prior to acceptance of the Named Fund. Signed Named Fund Agreements are on file with the Assistant Director.

Any gift of tangible personal property shall be referred to the Advancement Committee prior to acceptance.

D. Unacceptable Gifts

The Advancement Committee makes the final decision about acceptance of gifts that may be deemed to fall outside of established policy guidelines.

50 North is not required to accept any charitable gifts or contributions, particularly those which:

- a. Are designated with restrictions that fall significantly outside the 50 North's mission and program priorities;
- b. May cost 50 North money, provide a liability or potential penalty of any kind;
- c. Have conditions that are not in part of 50 North mission, or those that fall outside ethical boundaries;
- d. Are not able to be liquidated into cash in a reasonable amount of time.

E. Interpretation of Gift Acceptance Policies

The Assistant Director is assisted in the interpretation and implementation of these guidelines by the Executive Director, The President of the Board of Trustees, Treasurer, Finance Committee and Advancement Committee. Other Board members may be consulted at the President of the Board's discretion. Advice may be sought from 50 North's auditor and legal counsel. The Advancement Committee's role is to approve gift agreements and the acceptance of gifts that deviate from these policies.

F. Review and Amendments of Gift Acceptance Policies

- a. Responsibility for review and suggested amendments is with 50 North's Assistant Director.
- b. All recommendations will be presented to the Executive Director, who will present recommendations to the Finance and Advancement Committees of the Board of Trustees.

G. Code of Conduct

Representatives of 50 North exercise caution to avoid pressure, persuasion or undue influence and encourage donors to seek their own counsel when considering a planned gift option.

All personnel employed by 50 North to contact prospective donors or to promote the planned gifts program are paid a salary or fixed wage, and not receive commissions which could give such personnel a direct beneficial interest in any agreement.

H. Confidentiality

50 North recognizes that it is in a position of trust with the donor, and that the donor has placed trust in the organization concerning confidentiality.

Therefore, all donor information, correspondence and governing instruments are kept in a secure place, which is accessible to individuals with approval of one of the following: the Executive Director, Assistant Director and Finance Director. It is known throughout 50 North that this is confidential information.

I. Use of Constituent Lists

It is 50 North's policy not to sell its constituents lists to individuals or organizations interested in using said information for fundraising. For furthering the fundraising of 50 North, information may be shared with charitable financial consultants or legal counsel.

J. Protection of Donor's Interest

No program, agreement, trust, contract or commitment is knowingly urged upon any prospective donor that would benefit 50 North at any expense of the donor's interest and welfare.

K. Use of Legal Counsel

A prospective donor is advised to seek legal or tax counsel of his/her attorney in any and all aspects of a proposed gift, whether by bequest, trust agreement, contract or outright gift. They are advised to consult with their attorney or accountant on matters related to the tax implications and estate planning aspects of a planned agreement.

50 North consults with separate legal counsel in all matters pertaining to its planned giving program and may consult counsel when executing agreements, contracts and pertaining to its planned giving program. In no case shall 50 North's attorney be the attorney for the donor. Donors are advised to seek their own legal or tax counsel. Unless authorized by the Advancement Committee, 50 North shall not pay any legal fees in connection with a planned gift.

L. Gift Acknowledgement Policies

Effective 1994, the Omnibus Budget Reconciliation Act of 1993 (OBRA) added Internal Revenue Code section 170(f)(8) which denies donors a charitable deduction for any contribution of \$250 or more unless donor obtains a written acknowledgement of the contribution from the charity. 50 North is in full compliance of the law; it is the policy of the organization to provide an acknowledgement for all gifts regardless of the size.

The law also requires 50 North to provide written disclosure about the solicitation or receipt of quid pro quo contributions that exceed \$75.00. The disclosure for federal income tax purpose is limited to the excess of the amount on any money and other property contributed by the donor, over the value of the goods and services provided by 50 North; and provide the donor with a good faith estimate of the value of such goods and services. This disclosure must be made when the contribution is solicited or when the contribution is received.

There are three situations in which a disclosure is not required; where the goods or services are "insubstantial," i.e., token or otherwise de minimus;"

where no donative intent is present, i.e., sales of incidentals where only an intangible benefit is provided to the donor.

M. Policy for Thanking Donors

In addition to processing all gifts and generating gift receipts, the Assistant Director is also responsible for thanking donors for their gifts in a timely manner. The acknowledgement includes the official gift receipt. 50 North has established internal procedures for thanking donors for their contributions including information on who signs the letter, what type of acknowledgement letter is sent, etc.

**Original Adoption Date: June 28, 2018**

**Adopted by the Board Date: June 28, 2018**