

# GIFT ACCEPTANCE PROCEDURES OF GENDEREQUAL, INC.

## **ARTICLE 1 – Purpose**

The purpose of these procedures is to implement the Gift Acceptance Policy adopted by the Board of Directors of GenderEqual, Inc. (hereinafter referred to as the “Corporation”) These procedures describe the types of assets that the Corporation will accept and the guidelines to be observed by its staff in accepting and documenting the gift of those assets. These procedures apply to all gifts received by the Corporation.

## **ARTICLE 2 – Supervision and Coordination**

**Section 2.1 – Supervision.** Acceptance and documentation of gifts must be under the supervision of the Development Director, or in the absence of a Development Director the Executive Director or Development Committee or Executive Committee (hereinafter individually or collectively referred to as the “Development Authority”) in order to maximize the value of those gifts to the Corporation, while minimizing costs and risks to the Corporation associated with those gifts.

## **ARTICLE 3 – Adherence to Policies**

**Section 3.1 – Adherence.** Each member of the Corporation’s development staff shall be given a copy of the Gift Acceptance Policy adopted by the Board of Directors of the Corporation. These procedures shall be applied by the development staff in compliance with that Policy. Questions regarding interpretation of the Policy should be directed to the Development Authority.

## **ARTICLE 4 – Donor Expenses**

**Section 4.1 – General.** As a general rule, and except as provided elsewhere in these procedures for specific assets, including real estate, expenses associated with a donor’s gift should be borne by the donor. Typical expenses include but are not limited to appraisal fees to substantiate the value of the donor’s gift for tax purposes and the donor’s legal fees.

**Section 4.2 – Payment by Corporation.** The Corporation may, with the prior approval of the Development Authority, agree to pay some or all of the donor’s expenses associated with the gift following a determination by the Development Authority that doing so is necessary to facilitate the gift.

## **ARTICLE 5 – Written Agreements**

**Section 5.1 – General.** All gift arrangements other than a simple outright gift of cash shall be memorialized in a written document describing the restrictions, if any, imposed on the gift by the donor and other obligations that may be undertaken by the Corporation with respect to the gift.

**Section 5.2 – Legal Counsel.** All gift agreements prepared by the Corporation shall be reviewed and approved by the Corporation’s legal counsel. Once the document is approved, it may then be forwarded to the donor (and her or his advisor) for review. No review or approval by the Corporation’s counsel shall

be necessary if an agreement is contained on a form that has been previously approved by the Corporation's legal counsel.

**Section 5.3 – Signatures.** The following persons are authorized to sign gift agreements on behalf of the Corporation: Board President, Development Committee Chair, Executive Director, Development Director, Finance Director.

## **ARTICLE 6 – Pledges**

**Section 6.1 – Binding Commitment.** The development staff will encourage donors wishing to make their gifts in installments over time to document their commitment to the Corporation in a written Pledge Agreement that will create a binding legal obligation on the donor, as well as a claim against the donor's estate if the commitment remains unpaid at her or his death. For donors wishing to retain more flexibility by making their commitment nonbinding, documentation shall be referred to as a "letter of intent" in order to avoid confusion with binding commitments documented as Pledge Agreements. Nonbinding letters of intent shall not be counted as direct gifts. The following guidelines apply to Pledge Agreements in which the donor undertakes a binding legal obligation.

**Section 6.2 – Duration.** Unless a longer period is approved by the Development Authority, the Pledge Agreement will specify the installments in which the gift is to be paid over a period not to exceed five years. Development staff are responsible for recording, acknowledging, billing, and monitoring the status of all pledges and payments.

**Section 6.3 – Minimum Amount.** The value of pledges payable over more than one year shall be at least an average of \$1,000 per year.

**Section 6.4 – Donor's Estate.** Each Pledge Agreement shall provide that any portion of the donor's commitment remaining unpaid at the donor's death shall be a liability of the donor's estate, enforceable by the Corporation.

## **ARTICLE 7 – Gift Restrictions**

**Section 7.1 – Unrestricted Gifts.** Donors shall always be encouraged to make unrestricted gifts to the Corporation.

**Section 7.2 – Budgeted Programs or Facilities.** The Corporation may accept a gift that is restricted as to its use if the Corporation's approved budget for the year in which the gift is to be accepted includes proposed funding for a specific program, purpose, or facility for which the restricted gift is made. The Development Authority must confirm that the gift restriction falls into this category.

**Section 7.3 – Other Restrictions.** The Corporation may accept a gift that is restricted as to use if the Corporation's budget for the year in which the gift is accepted does not include funding for the restricted use of the gift, with the prior written approval of the Development Authority.

**Section 7.4 – Variance Power.** Unless otherwise approved in advance by the Development Authority, the Corporation will reserve the right, in the document that restricts the use of the gift, to broaden or alter the purpose of the gift should it be determined in the future that the original purpose of the gift no longer meets the needs or serves the mission of the Corporation.

## **ARTICLE 8 – Named Funds**

**Section 8.1 – General.** A donor may establish a named endowment fund, subject to the Corporation's endowment, investment, and spending policies, for general purposes of the Corporation or for restricted purposes approved in accordance with these procedures.

**Section 8.2 – Minimum Contribution.** A named fund requires a minimum commitment of \$100,000. It may be established with a minimum initial contribution from the donor of \$20,000 if the donor enters into a Pledge Agreement to bring the endowed fund to a minimum of \$100,000.

**Section 8.3 – Administration of Named Funds.** The assets contained within each named endowment fund shall be commingled for investment and administration with the endowment fund of the Corporation. All policies applied to those endowment funds, including the formula for spending from endowment funds, shall apply to all named funds.

**Section 8.4 – Variance Power.** Unless otherwise approved in advance by the Development Authority, the Corporation will reserve the right, in the gift agreement creating the named endowment fund, to broaden or alter the restrictions as to the use of the endowment fund, should it be determined in the future that the original restricted purpose of the named endowment no longer meets the needs or serves the mission of the Corporation.

**Section 8.5 – Termination of Named Fund.** A named endowment fund may be terminated if the Board of Directors, upon recommendation of the Development Authority, determine that the market value of the assets remaining within the fund is uneconomically low in relation to the cost of administering the fund. In such case, all remaining assets within the named fund shall be transferred to the general endowment fund of the Corporation to be administered pursuant to its terms.

## **ARTICLE 9 – Donor Advisory**

**Section 9.1 Disclaimer.** The Corporation does not provide personal legal, financial, tax compliance, or other professional advice to donors. While gift officers may provide the Corporation with gift illustrations, including calculations, and draft documents prepared or approved by the Corporation's legal counsel, donors will be advised in writing, in gift proposals made to donors, to seek the assistance of their own legal counsel or other professional advisors in matters relating to the legal, tax, and estate planning consequences of the proposed gift to the Corporation.

## **ARTICLE 10 – Ethical Standards**

**Section 10.1 – Commitment.** The Corporation is committed to the highest ethical standards. All development staff having donor contact shall subscribe to the Model Standards of Practice for the Charitable Gift Planner adopted by the American Council on Gift Annuities and the National Committee on Planned Giving. To emphasize the importance to the Corporation of this commitment, it shall be made in writing, with a copy maintained in the personnel file of each such development staff member.

## **ARTICLE 11 – Marketable Securities**

**Section 11.1 – General.** The Corporation will assist in the transfer of custody of marketable securities from the donor (or her or his custodian) to the Corporation. If the securities are to be mailed, the stock certificates should be mailed separately from the signed stock power with signature guaranty. If the share certificates are hand delivered, the stock power may be attached. If the securities are in street name, the donor's broker may transfer them to a brokerage account designated by the Corporation.

**Section 11.2 – Restrictions.** If the donor is a member of the Board of Directors, or a corporate officer, the gift officer will notify the Development Authority for the purpose of determining whether sale of the securities might be restricted under Rule 144 or other provisions of securities law.

**Section 11.3 – Reporting Policy.** Marketable securities gifts will be accounted for at their value on the date the gift is made, determined by taking the mean between the high and low quotes on the gift date.

**Section 11.4 – Disposition.** The Corporation will instruct its brokers that all marketable securities will be sold upon receipt. The Development Authority is authorized to override this general rule and direct that the securities should not be sold, following consultation with the Corporation’s Director of Finance or Finance Committee or Executive Director (hereinafter individually or collectively referred to as the “Finance Authority”).

## **ARTICLE 12 – Closely Held Stock**

**Section 12.1 – General.** Stock that is not regularly traded on an established national exchange such as NYSE or NASDAQ may not be accepted without the prior written approval of the Development Authority.

**Section 12.2 – Opportunities For Sale.** Criteria to be applied in evaluating the closely held stock include the long term prospects for the company and if there is an opportunity for the Corporation to sell the stock for cash in the foreseeable future, for example pursuant to a planned sale of the company.

**Section 12.3 – Subchapter S.** If the company in question is a Subchapter S corporation, another criteria shall be the Unrelated Business Taxable Income consequences of holding and selling the stock.

**Section 12.4 – Minimum Amount.** Gifts of closely held stock should be at least \$50,000.

## **ARTICLE 13 – Interests in Partnerships and Limited Liability Companies**

**Section 13.1 – General.** Interest in partnerships and limited liability companies may only be accepted with the prior written approval of the Development Authority.

**Section 13.2 – Limited Liability.** The principal factor to be evaluated by the Development Authority shall be a determination that the Corporation will not incur liability as a result of holding this asset. The Development Authority will review, or request legal counsel to review, the governing documents of the partnership or limited liability company to determine if capital call provisions might require the Corporation to contribute funds to the partnership or LLC. Assuming there are no such capital call provisions, the Development Authority must determine that the entity is either a limited liability company or a limited partnership and, if the latter, that the interest that the Corporation will receive is a limited partner interest. The Corporation will generally not accept general partner interests.

**Section 13.3 – Unrelated Business Taxable Income (UBTI).** The Development Authority must evaluate, with assistance from the Finance Authority if required, the possibility that UBTI will be attributed to the Corporation as a result of ownership of the interest in the partnership or LLC.

**Section 13.4 – Minimum Amount.** Gifts of partnership or LLC interests shall be at least \$50,000.

## **ARTICLE 14 – Tangible Personal Property**

**Section 14.1 – General.** The Corporation may accept tangible personal property gifts valued at \$10,000 or more with the prior written approval of the Development Authority.

**Section 14.2 – Related Use.** The Development Authority must determine if the tangible personal property would be retained by the Corporation for use in its programs. If so, the Development Authority shall determine, with the assistance of the department or office within the Corporation that would be responsible for the continuing use of the tangible personal property, the estimated carrying costs, including insurance, storage, curatorial services, maintenance, etc., for the property. The Development Authority shall also evaluate whether any restrictions on use of the property that are required by the donor are consistent with the institutional needs of the Corporation.

**Section 14.3 – Unrelated Use.** If the property will not be retained for use by the Corporation, the Development Authority must determine a plan for selling the property for cash, including the anticipated time frame and marketing expense for the proposed sale.

## **ARTICLE 15 – Life Insurance Policies**

**Section 15.1 – General.** Donors shall be encouraged to name the Corporation as a primary or contingent beneficiary of their life insurance policies.

**Section 15.2 – Recording the Gift.** To be recorded as a gift, a Corporation must be named as both a beneficiary and owner of the life insurance policy. The Corporation will also record gifts of cash by the donor to be used by the Corporation to pay premiums on a life insurance policy that it owns.

## **ARTICLE 16 – Real Property**

**Section 16.1 – Approval.** Acceptance of all real estate gifts requires approval by the Development Authority.

**Section 16.2 – Information.** The Development Authority shall compile relevant information regarding the real estate, including:

- a. The copy of the Deed conveying the property to the donor.
- b. The copy of the current property tax bill.
- c. A preliminary title insurance report.
- d. A copy of each promissory note, mortgage, deed of trust, or other liens on the property.
- e. A copy of each lease of other contract affecting the property.
- f. If the property is income producing, a copy of the profit and loss statements for the two most recent years.
- g. A summary of current insurance coverage for the property.
- h. Copies of correspondence with governmental authorities, tenants or prospective purchasers concerning the property.
- i. A current market analysis of the property.

**Section 16.3 – Environmental Review.** If after reviewing this information the Development Authority determines that sale of the real estate is likely to provide proceeds to the Corporation of at least \$100,000, the Development Authority shall determine, based on physical inspection of the property, whether further evaluation of environmental hazards on the property is required to protect the Corporation from liability.

**Section 16.4 – Physical Inspection.** The Development Authority shall conduct a physical inspection of the property, or arrange for such inspection by a professional inspector, and a written summary of the inspection shall be included in the file documenting the consideration and acceptance of the gift.

**Section 16.5 – Title Insurance.** The Corporation shall obtain the policy of the insurance protecting its title to the real property received from a donor.

**Section 16.6 – Remainder in Residence.** The Corporation may accept the gift of a personal residence subject to the donor's retained life state. The estimated value of the residence, net of encumbrances, must exceed \$250,000. The retained interest can extend beyond no more than two (2) lives. The gift shall be documented with a deed and life estate agreement approved by the Corporation's legal counsel, with the life estate agreement clearly delineating responsibility for expenses of taxes, insurance, and maintenance of the property. While the Corporation should not accept responsibility for contributions for capital improvements such as plumbing or roof repairs, it should retain the right to perform maintenance or make required repairs if the Corporation determines it is necessary to protect its economic interest in the property.

## **ARTICLE 17 – Retirement Plan Assets**

**Section 17.1 – General.** The Corporation will accept funds it receives as the designated beneficiary of a retirement plan (for example, an IRA, a 401(k) plan, or a defined contribution plan). The Corporation should obtain a copy of the executed designation form that the donor has submitted to the retirement plan administrator to name the Corporation as the beneficiary.

## **ARTICLE 18 – Other Assets**

**Section 18.1 – General.** Acceptance of any other type of property as a gift to the Corporation shall require the prior written approval of the Development Authority.

**Section 18.2 – Vehicles.** The Corporation will generally not accept gifts of automobiles, boats, or other vehicles if it is determined that the gift would not be retained for use by the Corporation. If the Development Authority determines that the gift could be retained by the Corporation for use in its programs, the Development Authority shall determine, with the assistance of the department or office within the Corporation that would be responsible for the continuing use of the gift, the estimated carrying costs, including insurance, storage, operating, maintenance, etc., for the asset. The Corporation shall not accept gifts of vehicles if the donor places any restrictions whatsoever on use of the gift.

## **ARTICLE 19 – Charitable Gift Annuities**

**Section 19.1 – Rates.** For charitable gift annuities issued for contributions of cash or marketable securities, the Corporation will utilize the rates published from time to time by the American Council On Gift Annuities (ACGA). If an annuity will be issued in exchange for a gift of real estate, the real estate will be discounted before applying the ACGA rates by factor of between 15% and 25% of the appraised value of the property, with the discount factor to be approved by the Development Authority, taking into account the anticipated costs of selling the property and the likely carrying costs of the property prior to its sale.

**Section 19.2 – Minimum Gift.** For ACGA with payments starting immediately, the minimum gift shall be \$10,000. For a deferred gift annuity, the minimum shall be \$50,000.

**Section 19.3 – Minimum Age.** The minimum age when payments begin for a current or deferred gift annuity (or the earliest age for an annuity providing a flexible starting date) shall be 70.

#### **ARTICLE 20 – Charitable Remainder Trusts**

**Section 20.1 – General.** The Corporation will encourage its donors to establish charitable remainder trusts (CRT) providing an irrevocable remainder interest to the Corporation, and will assist prospective CRT donors by providing calculations illustrating tax benefits and projecting distributions and by providing a draft of the CRT agreement using a form approved by the Corporation’s legal counsel.

**Section 20.2 – Trusteeship.** The Corporation shall propose to serve as trustee of a CRT with assets of at least \$250,000 if the annuity or unitrust percentage does not exceed 5%, and the trust names the Corporation irrevocably as a beneficiary of at least 50% of the remainder.

#### **ARTICLE 21 – Bargain Sale Transactions**

**Section 21.1 – General.** Bargain sale transactions other than charitable gift annuities may be accepted by the Corporation only with the prior written approval of the Development and Finance Authority. Since bargain sale transactions require the outlay of funds by the Corporation, these transactions should be approved only in very limited circumstances.

**Section 21.2 – Use of Acquired Property.** One such circumstance involves property that the Corporation intends to keep for use in its programs that may be acquired on beneficial terms in a bargain sale transaction.

**Section 21.3 – Marketable Assets.** In limited circumstance, the Corporation may consider bargain sale transactions to acquire property that would not be retained for use in the Corporation’s programs, if it is determined in the approval process that the property can be sold for cash in a timely manner.

#### **ARTICLE 22 – Amendment**

**Section 22.1 – Periodic Review.** The Development Authority, with representation of the Finance Authority, shall review these procedures every five (5) years to recommend revisions for approval by the Development Authority.

**Section 22.2 – Specified Review.** These procedures shall be reviewed and ratified by the Development Authority each time that the Board of Directors has determined that the Corporation will embark on a capital or other fundraising campaign. The Development Authority shall also cause these procedures to be reviewed upon the enactment or promulgation of legislation or regulatory rules affecting fundraising and gift acceptance by the Corporation, to assure continued compliance by the Corporation with relevant legislation and rules.