

## GIFT ACCEPTANCE POLICY

### **PURPOSE**

This gift acceptance policy will provide guidelines to representatives of who may be involved in the acceptance of gifts, to outside advisors who may assist in the gift planning process, and to prospective donors who may wish to make gifts to Hardin Valley Academy Athletic Council (HVAAC). This policy is intended only as a guide and allows for some flexibility on a case-by-case basis upon approval of the Executive Board of HVAAC. The gift review *process* outlined here, however, is intended to be followed closely.

### **I. STATEMENT OF GENERAL STANDARDS**

The solicitation, planning and administration of a charitable gift is a complex process involving philanthropic, personal, financial and tax considerations, and involves professionals from various disciplines whose goals should include working together to structure a gift that achieves a fair and proper balance between the interests of the donor and the purposes of HVAAC.

- A. The principal basis for making a charitable gift should be the desire on the part of the donor to benefit HVAAC.
- B. A full and accurate explanation by professional advisors of tax incentives for charitable giving and their implications is often necessary and appropriate. No program, agreement, trust, contract or commitment shall be knowingly urged upon any prospective donor, which would benefit HVAAC at the expense of the donor's interest and welfare.
- C. The roles and relationships of all parties involved, including how and by whom each is compensated, must be fully disclosed to the donor. All personnel engaged by HVAAC to contact prospective donors shall be either volunteers or paid a salary or a fixed wage, but shall not receive commissions, which could give such personnel a direct beneficial interest in any agreement.
- D. HVAAC's Executive Board, both officers and directors, at all times shall advise donors only in areas in which they are professionally qualified, and shall defer to other professional advisors as necessary. All potential donors shall be advised to use their own legal and tax counsel in matters relating to their planned gifts, tax and estate planning.
- E. All representatives of HVAAC shall exercise caution to avoid pressure, persuasion, or undue influence when informing, counseling or assisting a donor regarding gift planning concerns. This caution must include exercise of prudent consideration of the donor's interest as well as his/her charitable objectives.

- F. Only personnel approved by the Board of Directors shall be authorized to negotiate on behalf of HVAAC with any donor in respect to any current or planned gift. HVAAC shall consult its own legal counsel in all matters pertaining to its planned gift program and shall not execute any agreement, contract, trust or other legal document with any donor without appropriate legal advice. Agreements of any kind, which involve any unusual or special legal obligation on the part of HVAAC or its representatives or members, shall require prior approval of the Executive Board or its authorized designee.
- G. HVAAC shall not take on the role of trustee of any planned gift vehicle. The Executive Board or its authorized designee may approve exceptions.
- H. HVAAC shall respectfully decline to accept any gift whenever there may be a reasonable question as to whether the donor has sufficient title to the assets or is mentally competent to legally transfer the funds to HVAAC.
- I. The Executive Board may refuse a gift if there are prohibitive restrictions on the gift, or if the gift is not mission appropriate.

## II. TYPE OF ASSETS

- A. **Cash.** Gifts in the form of cash and checks should be accepted regardless of the amount. All checks should be made payable to HVAAC and shall be considered to be unrestricted unless otherwise designated. The date of the gift is determined to be the date the donor formally releases control of the asset – in the case of cash or checks, it will be the date of delivery if in person, or the date of the postmark.
- B. **Publicly Traded Securities.** Publicly traded securities may be accepted. Unless otherwise directed by the Executive Board, all securities will be liquidated for cash as soon as practicable. In no event shall an employee or volunteer working on behalf of HVAAC commit to any donor that a particular security will be held by HVAAC unless authorized to do so by the Treasurer of HVAAC. The Treasurer will have available corporate resolutions, stock powers, broker information and other relevant documents for transferring stock and identifying the process of stock transfers. The President of HVAAC, or other Executive Board approved designee shall sign the corporate resolutions.  
The value of the gift of securities is the average of the high and low prices on the day it was transferred.

C. **Closely Held Securities and Limited Partnership Interests.** All proposed donations of this type will be considered by Executive Board on a case-by-case basis. The Committee shall consider:

1. estimated fair market value,
2. any restrictions on time limits on HVAAC right to sell,
3. potential liability from ownership,
4. potential tax or unrelated business income,
5. potential problems from affiliation with the business of the issuer of the security.

The general expectation is that non-publicly traded securities and limited partnerships interests may only be accepted after appraisal (based on the value of the underlying corporation or assets and dated not earlier than 60 days before the proposed date of gift) and approved by the Executive Board, which will direct the time and process for sale of the assets. No commitment for repurchase of closely held securities shall be made prior to completion of the gift of the securities.

D. **Real Estate, Tangible Personal Property, Unusual Assets.** All proposed donations of real estate of unusual assets shall be considered by the Executive Board of HVAAC on a case-by-case basis. Donors must provide a qualified appraisal as to the value of such assets dated no earlier than 60 days before the proposed date of donation. HVAAC may specify an appraiser who shall not have any business or other relationship to the donor.) The donor is responsible for obtaining and paying for the appraisal of the property. A visual inspection by a knowledgeable representative of HVAAC and an environmental assessment conducted by the donor will be required of all real estate. The Committee shall consider:

1. marketability of the property,
2. costs to administer, maintain, insure, secure and sell the property,
3. liability assumed (e.g., environmental hazards),
4. restrictions on use or sale,
5. effect of ownership on non-profit status,
6. licensing requirements or legal ramifications.

### III. **TYPES OF GIFT VEHICLES**

- A. **Outright**, with or without restriction.
- B. **Pledges** shall generally not exceed 5 years.

- C. **Gifts by Will or Trust**, unless restricted by the donor, the Board of Directors will make appropriate and wise decisions regarding the use of the bequests.
1. **Charitable Remainder Trusts** provide a residual interest in specific assets for HVAAC. HVAAC may accept trusteeship of a CRT only if it is irrevocably designated as a beneficiary, and with the approval of the Executive Board.
  2. **Charitable Lead Trust** distributions shall be made in accordance with donor intent.
  3. HVAAC shall not act as personal representative for a donor's estate.
- D. **Charitable Gift Annuities** may be established with cash, marketable securities, real estate, or a life interest in real estate, for one or two lives of persons age 50 or over. The minimum initial contribution is \$10,000. The computed gift to HVAAC must exceed 5% of the amount transferred for the annuity.

#### IV. **GIFT RECOGNITION POLICIES**

- A. **The date of the gift** is determined to be the date the donor formally releases control of the asset by the execution of stock powers or other transfer or title, or, in the case of cash or checks, the date of delivery if in person or the date of the postmark. Valuation and credit for a gift of securities will be based on the market value on the date of the gift.
- B. **HVAAC Secretary will acknowledge the gifts** and will inform donors of their responsibility to substantiate any value claimed. Internal determination of the value for fund raising records will be made by the Treasurer and will include information from the appraised value of the real estate, possible excluding from the value of the gift costs for maintenance, insurance, real estate taxes, broker's commission and other expenses of holding and sale.
- C. With regard to **in-kind, non-cash donations**, **HVAAC Secretary** will inform the donor that they should file IRS Form 8283 and that HVAAC is obligated to file IRS Form 8282 if the gift is sold within two years. The Treasurer will manage filing requirements of IRS Form 8282. Any gifts that will create an administrative burden or cause HVAAC to incur excessive expenses may be declined. Donor recognition will be considered for all gifts in-kind valued above \$100.00 The Executive Board will determine appropriate recognition.
- D. **Restricted gifts** must be accompanied by a written intention by the donor to make the gift and a statement defining the restriction of the gift.

- E. **Named Endowment Funds** may be established with a gift of \$10,000 or more.
- F. **Scholarships** of \$10,000 will carry the donor's name.
- G. The Executive Board shall approve **all other proposed donations involving name recognition** prior to acceptance. Volunteers and staff shall communicate to prospective donors that naming recognition is subject to approval by the Executive Board and the criteria of this policy.
- H. Subject to specific approval by the Executive Board, **new facilities** may be named with a lead gift or gifts equal to 20 % or more of the total cost of construction of the facility and of the endowment required to maintain the facility.
- I. The Executive Board shall approve **requests to name** a facility, program or annual award in honor of an individual who is not a lead or supporting donor.
- J. The President will communicate to donors that HVAAC may unilaterally **revoke any naming** commitments while retaining the gift if:
  - (a) a donor fails to fulfill a pledge, or
  - (b) the donor takes action that would reasonable be expected to reflect negatively on HVAAC.
- K. **Donor information** relating to gifts, estate planning, or the nature and value of assets shall be kept strictly confidential by HVAAC unless otherwise authorized by the donor to use selected information for purposes of referral, example or testimonial. Those with access to donor information include the following: Executive Board, the Athletic Director, the Principal, Accounting and Legal Counsel, and any head coach of a team directly benefiting from the donation.

*These guidelines have been approved by the Executive Board on the recommendation of the President and Treasurer on this \_\_\_\_\_ day of \_\_\_\_\_, 2009.*

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Secretary Teresa Laggis

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Pres-Elect Ron Honken