

# DALLASTOWN AREA EDUCATIONAL FOUNDATION

**TITLE:** *GIFT ACCEPTANCE POLICY*  
**ADOPTION DATE:** **September 8, 2003**  
**NUMBER OF PAGES:** **5**

1. **BACKGROUND:** In order to protect the interest of the Dallastown Area Educational Foundation and the persons and other entities who support or benefit by its programs, this policy is designed to assure that all gifts to, or for the use of the Dallastown Area Educational Foundation are structured to provide maximum benefits to all parties.
2. **OBJECTIVES:** The goal is to encourage funding without encumbering the organization with gifts which may prove to generate more cost than benefit, or which are restricted in a manner, which is not in keeping with the mission of the Dallastown Area Educational Foundation.
3. **RESPONSIBILITY:**
  - **Board of Directors:** The operating board of the Dallastown Area Educational Foundation will be responsible for final review and approval of the recommendations of the Gift Acceptance Committee.
    1. **Gift Acceptance Committee:** The Gift Acceptance Committee shall consist of Dallastown Area Educational Foundation Board members who are duly appointed for that purpose. Decisions of the Gift Acceptance Committee will be made in the form of recommendations for action by the operating board of the Foundation.

#### 4. DETAILS:

- **General Rules:**
  - i. As stated in this gift acceptance policy, some gifts, devises and bequests will require *prior approval* of the Gift Acceptance Committee. If the Gift Acceptance Committee has not reviewed and given the necessary *prior approval*, the gift, devise or bequest may not be accepted and will not be held in escrow.
  - ii. When the policy requires *subsequent approval*, the gift, devise or bequest may be accepted pending the approval of the Gift Acceptance Committee. However, the gift, devise or bequest will be held in escrow pending the review and approval of the Gift Acceptance Committee, and may be ultimately rejected.
  - iii. In the event that a party with an interest should raise the question as to whether the donor has sufficient legal title to the assets or whether the donor is mentally competent to legally transfer the assets to the Foundation, the funds will be held in escrow pending a legal determination. The Foundation may raise the issue of title and competency of its own accord in order to protect the funds of the Foundation.
  - iv. The Dallastown Area Educational Foundation reserves the right to reject any gift, devise or bequest.

- v. The Dallastown Area Educational Foundation shall accept no personal property, unless there is reason to believe the property can be efficiently liquidated. No personal property shall be accepted that obligates the Foundation to ownership of it in perpetuity.
- vi. Only the Gift Acceptance Committee or persons authorized by the Gift Acceptance Committee to do so may represent to a donor that property will or will not be held by the Dallastown Area Educational Foundation for a specific period of time or for purposes related to its tax-exempt status. Donors should be notified at the time of receipt of a gift, that the Dallastown Area Educational Foundation will, as a matter of corporate policy, cooperate fully in all matters related to IRS investigations of non-cash charitable gifts.

- **Outright Gifts:**

- i. **Cash Gifts**

- 1. Gifts in the form of cash and checks will be accepted regardless of amount.
    - 2. All checks must be made payable to the Dallastown Area Educational Foundation and shall in no event be made payable to an employee, agent or volunteer for the credit of the Dallastown Area Educational Foundation.

- ii. **Publicly Traded Securities:**

- 1. The Dallastown Area Educational Foundation may accept securities, which are traded on the New York, American Stock Exchanges or NASDAQ. It may be anticipated that such securities will be immediately sold by the Foundation. No employee or volunteer working on behalf of the Foundation shall commit to a donor that a particular security will be used and held by the Foundation.

- iii. **Closely Held Securities:**

- 1. Non-publicly traded securities may only be accepted after prior approval by the Gift Acceptance Committee.
    - 2. Such securities may be subsequently disposed of only with the subsequent approval of the Gift Acceptance Committee.
    - 3. No commitments shall be made for the repurchase of such securities by the Dallastown Area Educational Foundation prior to completion of a gift of securities.

- iv. **Real Property:**

- 1. No gift of real estate shall be accepted without the prior approval of the Gift Acceptance Committee.
    - 2. No gift of real estate shall be accepted without first being appraised by the party chosen by the Foundation, who shall have no business or other relationship with the donor.
    - 3. In general, residential real estate located within the district, with a value estimated by the donor or others, as being at or above median value will

be accepted, unless the Gift Acceptance Committee shall determine that the property is not suitable for acceptance as a gift.

4. No commercial real estate shall be accepted by anyone on behalf of the Foundation without subsequent approval of the Gift Acceptance Committee.
5. Real estate shall not be accepted to fund a charitable gift annuity without the advise of legal counsel and a tax advisor as to the permissibility of this action under the laws of the United States, and the State or States involved, and approval by the Gift Acceptance Committee.
6. Special attention shall be given to the receipt of real estate encumbered by a mortgage, as the ownership of such property may give rise to unrelated business income for the Foundation and disqualification of certain split interest gifts unless handled in a proper manner.

v. **Tangible Personal Property:**

1. Jewelry, artwork, collections, and other personal property shall not be accepted unless accompanied by a registered appraisal, qualified under terms of the Internal Revenue Code governing gifts of this type, stating that the property has a value in excess of \$1,000. Such property can only be accepted by the Gift Acceptance Committee.

vi. **Other Property:**

1. Any other property not specifically addressed herein, of any description, including but not limited to, mortgages, notes, copyrights, royalties, easements, whether real or personal, shall only be accepted with prior approval of the Gift Acceptance Committee.

• **Deferred Gifts:**

i. **Bequests**

1. Gifts through wills shall be actively encouraged by the Foundation.
2. In the event of inquiry by a prospective legator, representation as to the future acceptability of property proposed to be left to the Foundation in a will or through any other deferred gift arrangement shall only be made in accordance with the terms and provisions of paragraphs under general rules, i-iv, of this document.
3. Gifts from estates of deceased donors determined to be unacceptable shall be rejected solely by action of the Gift Acceptance Committee. This decision shall be communicated expeditiously to the appropriate representative of the estate. If anyone relevant to the deceased is dissatisfied with this decision, it shall be made known as soon as possible to the Gift Acceptance Committee.
4. In order to prevent unpleasant donor relations, attempts shall be made to realize the bequest's expectancies. Where possible, intended bequests of property other than cash or marketable securities should be made known to the Gift Acceptance Committee. This will allow every attempt is

made to encourage the donor to conform to the Dallastown Area Educational Foundation policy.

- **Other Deferred Gifts:**

- i. The Dallastown Area Educational Foundation may become the intended beneficiary of other typed of planning giving. The Foundation will not be involved in the establishment, administration or solicitation of such plans: Charitable Remainder Trusts, Pooled Income Funds, Charitable Gift Annuities, Life Estate Gifts and/or Gifts of Life Insurance. Prospective donors considering such plans are encouraged to contact a professional advisor should they desire to establish planned gifts of this nature.

- **Payments of Fees Related to Gifts to Dallastown Area Educational Foundation:**

- i. Finders Fees or Commission

1. The Dallastown Area Educational Foundation shall not pay any person as consideration for directing a gift to the Dallastown Area Educational Foundation. Such fees may or may not be legal and that in the case of irrevocable deferred gifts which involve management of assets, the payment of such fees may subject the Foundation to federal and state security regulations.

- ii. Professional Fees

1. The Foundation may pay fees for professional services rendered in connection with the completion of a gift to the Foundation. Such fees will be paid only with prior written approval by the Gift Acceptance Committee.
2. Such fees may be paid following discussion with donor.
3. Fees shall be reasonable and directly related to the completion of a gift. They shall be limited to appraisal fees, legal fees for the preparation of documents, accounting fees and fee of "fee for service" financial planners. In the case of financial planner, a written statement must be submitted confirming that compensation was only through fees for services rendered and not for the sale of products to clients. This distinction is vital in avoiding payment of commissions, which could be construed as triggering securities regulations.
4. In cases where the persons receiving fees were initially employed by the donor, and the Foundation is asked to pay the fees involved, the donor shall be notified that the payment of fees may result in taxable income to the donor in the amount of the fees paid.
5. In situations where advisors retained by the Foundation prepare documents or render advice to the Foundation and/or donor to the Foundation, it shall be disclosed to the donor that the professional involved is in the employ of the Foundation and is not acting on behalf of the donor. Any documents or advice rendered in the course of the relationship between the Foundation and the donor should be reviewed by counsel for the donor prior to the completion of the gift.

- **Restrictions:**

- i. Restrictions on Use and Investment of Gifts.

1. No restrictions on how gifts may be used by the Foundation will be honored without prior approval of the Gift Acceptance Committee.
2. A permanent endowment for approved purposes within the Foundations Endowment Fund may be established with a minimum gift of \$10,000.
3. The Foundation is organized exclusively as a non-profit 501(c)(3) organization. No part of its net earnings shall be used to benefit any individual. The assets gifted, devised or bequeathed to the Foundation shall not be used to attempt to influence legislation and the Foundation shall not participate or intervene in any political campaign on behalf of any candidate for public office. No restrictions placed upon the assets of the donor shall be honored which does not comply with charitable purposes within the meaning of Section 501 (c)(3) of the Internal Revenue Code of 1954, as amended (or any subsequent corresponding provisions of the Federal Internal Revenue Law.)