

# **Animal Rescue League of Berks County, Inc.**

## **Gift Acceptance Policy**

### **Purpose and Responsibility**

The guidelines presented in this document have been established to:

1. Ensure that informed and consistent decisions are made on the acceptance of gifts.
2. Ensure that appropriate administrative, legal, and accounting practices and procedures are followed.
3. Ensure equitable relations with all donors.
4. Ensure that the public image of the organization is maintained or even strengthened as a result of its gift acceptance policies and practices.

The Board of Directors will approve all policies, products and procedures relating to the organization's solicitation and gift acceptance program.

### **Gift Solicitation and Donor Relations**

The ARL is committed to serving and protecting the best interests of the donor in the gift solicitation, planning, and execution process. ARL does this by:

1. Encouraging donors to explore all aspects, opportunities, costs and alternatives with regard to gift planning decisions.
2. Maintaining confidentiality throughout the gift planning process and only sharing pertinent information to the extent it is necessary with professional counsel, ARL staff and volunteers.
3. Refraining from releasing information that is not public without the express written permission of the donor.
4. Encouraging donors to seek independent professional counsel to represent their interests.

Additionally, all staff, volunteers, and members of the ARL's Board of Directors will conduct themselves in accordance to the ARL's Code of Ethics.

1. Staff and volunteers will inform, guide and otherwise assist donors who wish to support the ARL's activities but in no way will pressure or unduly persuade them.
2. All information concerning prospective donors including names and addresses, names of beneficiaries, nature and value of states amounts of provisions etc. will be kept strictly confidential by staff, volunteers and members of the Board of Directors unless a donor grants permission to use selective information for purposed or referral, testimonial of example.
3. Donor requests to remain anonymous, to have their named removed from mailing lists, or to restrict solicitations will be honored.
4. ARL staff or volunteers will not enter into any transaction that could form the basis of a conflict of interest.

Before completion of a final gift agreement, the donor will be advised in writing to consult with his/her own attorney or accountant of professional advisor on matters relating to the tax and estate-planning aspects of the gift agreement.

### **General Policy Statements**

ARL only solicits and accepts gifts that are consistent with its mission and goals, supports its program services priorities, and does not conflict with its core values.

ARL will solicit and accept contributions from any individual company or organizations, including not for profits, foundations, governmental and educational organizations, so long as the source of the gift does not conflict with ARL's mission its core values and does not cause unfavorable perceptions among the organization's constituents.

ARL will not accept any gift that violates Internal Revenue Code requirements or any other federal, state or local laws.

ARL will not accept any gift that would improperly inure to the benefit of any individual or in a matter that would jeopardize the tax-exempt status of the ARL.

ARL also will not accept any gift that would result in the incurrence of excessive expense or administrative effort.

ARL will value and receipt all gifts in accordance to all applicable federal, state and local laws.

ARL will seek professional counsel in the exploration and execution of all planned gifts are required.

### **Gift Acceptance Guideline by Type of Gift**

#### **Outright gifts of cash, checks**

Outright gifts of cash will be accepted unless the origin of the cash is in question.

#### **Life Insurance**

Donors can name the ARL as beneficiary of their policies.

#### **Retirement Plans**

Gifts of outright cash, marketable securities, closely held stock or personal property held in retirements account must adhere to the policies for those types of gifts.

#### **Publicly Traded Securities**

Titles of securities deemed to be readily transferable will be accepted. Securities generally will be liquidated upon receipt. Any limitations on the transfer of warrants, stock option and stock appreciation rights will be reviewed by the Board of Directors on a case by case basis.

#### **Closely Held Stock**

Gifts of non-publicly traded securities (such as closely held stock, partnership interest or limited liability company units) may be accepted only after a thorough review by the Board of Directors and by such volunteers and/or professionals as the President and the Board deem appropriate.

As applicable, the following criteria must be met in order for the ARL to approve and/or accept gifts of non-publicly traded securities:

1. There must be a written donative instrument indicating the donor's intention to make the gifts and a statement of its purpose.
2. The donor must provide financial/valuation information on the stock including appraisals and/or statements of value and information on potential liabilities.
3. Copies of any governing instruments and agreements restricting transferability must be provided as well as information on other holdings.
4. The donor must properly assign the ownership of the securities to the ARL.

Gifts of securities that are not generally accepted include the following:

1. Securities that would create a liability.

2. Securities that by their nature may not be assigned (such as Series E Savings Bonds).
3. Securities that on investigation have no apparent value.

### **Real Estate**

For the purpose of these policy guidelines, real estate will be defined to include land and anything permanently affixed to the land that is donated or bequeathed to ARL regardless of type, locations, or restricted use of the funds to be derived there from.

All gifts of real estate must be evaluated and inspected by an authorized representative of the ARL and will be subject to approval by the Board of Directors prior to acceptance.

Gifts of real estate presented to the ARL must meet all city, county, state and federal environmental statutes regarding hazardous or toxic waste conditions. In addition, all gifts of real estate must be free of city, county, state or federal restrictions covering threatened or endangered species or other limited regulations regarding future land use.

The property may be subject to liens and required interaction with financial institutions. ARL will obtain the title features for review so as to limit any possible future liability. In addition, there may be pre-conditions that exist on a particular real estate title and all potential liens must be identified to be assured that the organization has proof of a clean transfer of title.

An evaluation of the return expected from a gift of real estate will include but not be limited to such factors as income potential, development characteristics, type of property interest, holding costs, management requirements, holding period and location restrictions of sale or existing easements.

The Board of Directors will accept only real estate which (a) can be used by the ARL or one of its supported organizations in furtherance of the ARL or the organization's charitable purpose; or (b) can be sold within a reasonable amount of time.

Prior to acceptance the following information should be provided by the donor and reviewed by the appropriate committee and/or professionals as determined by the President and Executive Director.

1. Map showing location of the property
2. Legal description of the property
3. Proof of ownership (deed)
4. Survey of subject property
5. List of improvements
6. Copies of current leases, if any
7. List of encumbrances, including deed restrictions or covenants, liens and any current expenses
8. Copy of current year's tax bill
9. Proof of payment of taxes and associations fees, if any
10. Copy of title policy or a recent title commitment including copies of all documents shown as exceptions to the title on the report.
11. Recent appraisal or other acceptable valuations, which will be attached to the Donor's IRS Form 8283
12. A written statement from the donor identifying any known waste disposal sites or spills of hazardous waste material on the property or a statement to the contrary.

13. Written statement from donor outlining purpose of gift and any gift restrictions

14. Environmental Impact Study-Level 1 Environmental Impact Study and Audit, if necessary, a Level 2 study and Audit, with all costs to be borne by the donor.

### **Tangible Personal Property**

Potential contributions include art collections antiques, jewelry, airplanes, automobiles, boats and other vehicles. The property will be reviewed for any lien or collateral claims against it. Arrangements for satisfaction of any such claims must be made prior to acceptance of the gift.

The valuation and marketability of tangible personal property gifts will be reviewed and determined on a case by case basis prior to gift acceptance by the Board of Directors.

## **Gift Acceptance Guideline by Form of Gift**

### **Charitable Trusts**

Cash and Marketable securities are preferred assets for funding charitable trusts. Real estate may also be used to establish a trust, in which case all the policies regarding real estate gifts will be followed.

Donors will be encouraged to use banks or other corporate fiduciaries as trustees for charitable trusts. However, if specifically requested by a donor, ARL may act as a trustee or will appoint a trustee on a case by case basis.

Before agreeing to serve as the trustee of a charitable trust, the ARL will determine the trust agreement or will contains the following provisions:

1. ARL is the sole or majority (greater than 50%) beneficiary.
2. ARL's remainder may not be decreased.
3. The donor may retain the right to terminate the ARL as trustee but must appoint a successor trustee that is a professional corporate trustee.
4. ARL retains the power to resign as trustee and appoint a successor trustee that must be a professional trustee.
5. There will not be more than two income beneficiaries.
6. A minimum gift of \$100,000 is required for the establishment of a charitable trust.
7. The fixed percentage paid by a charitable trust will be no less than 5% (as required by law) and not usually not more than 10% and will be approved by the Board of Directors.
8. Non-income producing property will be accepted to fund the trust only with the approval of the Board of Directors.
9. Any fees associated with the administration of a charitable trust or for the payment of investment advisors will be paid out of the trust.
10. ARL will have total discretion for the investment of trust assets when acting as a sole trustee and may appoint investment advisors.

### **Donated Materials and Services**

The ARL considers materials and services as contributions based on the following criteria:

1. The materials received/services performed are a normal part of the ARL's program and otherwise would be purchased or performed by staff.
2. The individual (s) providing services normally are compensated for such services.
3. The materials/services are substantially the same as those normally purchased by the organization.

#### **Endowed Annual Gifts**

A donor may endow his/her annual campaign gift with a gift to the endowment fund equal to an amount 20 times that of the desired annual commitments.

#### **Gift Annuity**

The ARL will accept a gift annuity if the annuity administration and liability can be placed with a third party such as a bank or insurance company. The donor will be advised of the minimum contribution for a gift annuity.

#### **Life Estates/Estate for Term if Years**

The ARL may accept a gift subject to a life estate agreement or a Term of years whereby the donor transfers the real estate to the ARL. Subject to previous policy statement and approval by the Board of Directors, the donor may retain the deed and the use of the property for life or the life of another. Any life estate agreement must clearly establish that the donor will assume responsibility for the cost of upkeep and maintenance, real estate taxes, insurance, capital repairs and other fees related to the property.

#### **Restricted Gifts**

Restricted gifts for an initiative or program will be accepted upon approval of the Executive Director or President. Prior to the acceptance of any restricted gift, however, senior management will discuss and determine if a donor's restriction is within the mission, etc. of the ARL and that the organization has the capacity to honor the donor's restriction. This includes an analysis of the organization's internal systems for capturing, processing and reporting program and financial information as well as an analysis of any program requirements.