

# **JEWISH FEDERATION OF SOUTH PALM BEACH COUNTY**

## **PURPOSE AND ROLE OF GIFT ACCEPTANCE POLICIES**

A gift acceptance policy is a written compilation of guidelines and suggestions for all involved in the gift giving process, from front-line fundraisers to the Board of Directors. The policy will describe the standards necessary to evaluate various kinds of gifts for acceptance, and can allow for flexibility in handling each gift situation.

The primary benefit of formal gift acceptance policies is to maintain uniformity and discipline in gift acceptance and administration. The gift acceptance policy defines (i) the types of assets that are acceptable gifts, and (ii) the forms of gifts that are acceptable. These policies are put into effect to prevent the acceptance of gifts that will cost our organization time, money, and possibly its reputation.

Donors are a charitable organization's most valuable asset. Written gift acceptance policies can also be beneficial in helping to preserve relations with donors when a gift must be rejected. Written policies remove focus or blame from the contact person or entity, and make it clear that the rejection of a particular gift is the result of policies that have been considered and determined in the past.

### **Gift Definition**

A gift is defined as a voluntary transfer of assets from a person or organization to the Federation. Gifts usually take the form of cash, securities, real estate or personal property. Federation may unilaterally accept or decline any gift. The following criteria generally identify a gift:

- A gift is motivated by charitable intent.
- Gifts are irrevocable transfers of assets.
- Gifts are not subject to an exchange of consideration or other contractual duties between Federation and the donor.
- A gift is not completed until it has been accepted by Federation, or in the case of securities or bonds, upon redemption in Federation's account.

### **Policies**

No gift shall be accepted if (a) its value does not substantially exceed liabilities attributable thereto; (b) it is subject to burdensome and/or continuing liabilities; or (c) the acceptance thereof would be illegal, or result in unfavorable tax consequences to Federation.

No gift shall be accepted that contains any restriction or condition by the donor. For example, there may not be any restriction on transfer, any right of first refusal by the donor or any other person, or any requirement of an irrevocable relationship with any person or institution, such as a bank, broker, advisor or other professional.

## **GUIDELINES**

### **Federation should generally accept the following gifts, unless otherwise noted:**

- Cash
- Shares of stock listed on public exchanges, with values readily discernable, properly endorsed or accompanied by a properly executed stock power;
- Bonds or debentures in negotiable form and properly endorsed or accompanied by a properly executed stock power;
- Life insurance policies that are paid-up, or have a cash surrender value and area assigned to Federation as owner, in which the donor continues to make contributions for payment of the policy premiums and for which there are no outstanding loans. The rating of the issuing company may be considered before accepting such a gift.
- Life insurance policies for which Federation or Foundation shall apply for, and become, the owner of such policy for insurable donors; provided such donors are required to make future gifts sufficient to pay all subsequent policy premiums and the rating of the issuing company is satisfactory to the Federation.

### **Federation should generally NOT accept the following gifts unless otherwise noted:**

- Any gift subject to a donor's investment control.
- Securities subject to a condition compelling Federation to sell the securities to the issuing corporation.
- Assets subject to a condition that Federation hold the gift for a period of time for reasons personal to the donor and not required by securities or other laws.
- Any gift subject to a condition that it be returned if certain events, such as a sale or purchase, do not occur.
- Term life insurance policies.
- Any gift designated for a non-charitable purpose such as lobbying, or for the attainment of a private benefit.
- Any gift that is held in "suspense", the purpose of which is to be determined and directed by the donor at a later date.
- Any gift with ongoing carrying costs.
- Any gift with material difficulties and administrative time associated with disposition of the gift.

## **PROCEDURES**

When a donor makes an in-kind donation to a charitable organization, the donor must submit the following:

If the donation has a fair market value of more than \$500, IRS Form 8283 must be completed by the donor and submitted to donee (Federation), for signature on Part IV. Federation does not determine a fair market value until the asset is sold.

If a donation is valued at more than \$5,000, then Form 8283 must be accompanied by a certified appraisal of the gift. The independent certified appraiser must also complete Part III of Form 8283. If Federation disposes of the item within two years, Form 8282 will be filed with the IRS for items valued over \$500. (Value determined by the price of the sale)

### **Federation's internal procedures are as follows:**

The following types of donations will be forwarded to the appropriate department for inspection, documentation, and disposal:

- Art and Jewelry – Chief Financial Officer
- Automobiles – Assistant Vice President/FTS
- Boats and RV'S – Chief Financial Officer
- Piano and Musical Instruments - Chief Operating Officer
- Real Property – Chief Executive Officer and the Chief Financial Officer
- Life Insurance Policies - Jewish Community Foundation Director and the Chief Financial Officer

Donations for the purpose of establishing a Charitable Remainder Trust, Charitable Gift Annuity, annual Campaign Endowment, or as deposits to a Donor Advised Fund will be directed to and will be the responsibility of the Vice President and Director of the Jewish Community Foundation.