

Bloomerang.co - Gift Acceptance Policy Template

1. An important note on research and content

This sample policy is designed for a small animal welfare organization. The language in this template is a good starting point for your nonprofit, but it should be adapted to fit your organization's culture, strategy, and policies. It should also be thoroughly discussed and reviewed before being submitted to your board for approval. A larger organization will likely have more policies and stipulations around gift guidelines than the small animal welfare organization example used in this template. Your policy might be one page long or it might be twenty.

Organizations with planned giving programs should consult with legal counsel and draft a more extensive policy. This template may not be detailed enough.

Reference to the sample organization used in this template will be denoted as [animal welfare organization].

2. General content sources used in this template

- [Eisenhower Carlson](#)
- [Kathryn Miree & Associates](#)
- [Jacobson Jarvis](#)
- Sample Gift Acceptance Policy from [Volunteer Lawyers & Accountants for the Arts](#)

3. What is a gift acceptance policy and why do you need it?

At the end of the day, there's no downside to creating a gift acceptance policy for your nonprofit, but there can be a big upside. Your nonprofit could avoid a situation like the following:

You've just been hired onto the development team of a nonprofit that you're really excited about. Fast forward a few months and you're two thirds of the way into your fiscal year and you haven't even come close to meeting your fundraising goal. Then, out of the blue a donor calls and offers to give you a nice house in a great local neighborhood. You check out pictures of the home online. It looks great. Once you hear the estimated value of the home you know this gift would help you meet and exceed your fundraising goal. You agree to the gift. You take title to the home and immediately put it on the market, only to find out that it's infested with snakes. Yes, you heard correctly. The house was built on top of a garter snake den and it will cost thousands of dollars to bring in a professional to safely trap and remove all the snakes. Not only does this put you out thousands of dollars, but you you're stuck with a house of horrors on your hands that no one wants to buy. A gift acceptance policy could have prevented this.

How long or comprehensive your policy is depends on how your nonprofit operates and what kind of gifts you accept. If you're soliciting gifts other than unconditional cash gifts, you should put thought and time into a written gift acceptance policy.

According to Eisenhower Carlson, creating and upholding a gift acceptance policy will help your nonprofit in these four ways: maintain discipline, provide education, preserve donor relationships, and instill best practices.

4. How does your nonprofit define a "gift?"

Before you get too far into creating your policy, it's a good idea to take a step back to think about and define what a gift looks like for your nonprofit. A gift is more than just a monetary donation. For example, [animal welfare organization] also accepts donations in the form of supplies for the animals they care for. However, it's important for them to set guidelines on what kind of supplies are appropriate and even how many. They can only fit a certain number of supplies in their building before it becomes a fire hazard, and they've found that certain brands of food or medicine have caused reactions in several of the animals. By arming their employees with a policy that dictates what gifts they can accept, they'll be able to address any concerns before they become issues, while also showing the donor that there's a legitimate reason their gift is being rejected. The donor can physically see that a policy is in place to ensure the success of the organization, and ultimately that the animals are receiving the best care. At the end of the day, this should be what the donor and your organization care about the most, and the relationship with that particular donor doesn't need to get hostile if dealt with in an appropriate way with the policy front and center.

Pro tip: to help alleviate any issues or hostility if the donor's gift is rejected, it could be a good idea to include a high level list of what supplies or gifts your nonprofit can and cannot accept on your website or on signs in your building. Extra details, stipulations, or legalese will still be included in your gift acceptance policy and can be referenced if needed.

5. Mission of your organization

It can also be a good idea to include your organization's mission in your gift acceptance policy as it may need to be referenced as a basis for restrictions on gifts.

Sample mission statement: [Animal welfare organization's] mission is to create a better world through caring for and kindness towards animals.

6. Who makes decisions about the policy and what gifts are acceptable?

Depending on the size of your organization, you might consider the following groups, individuals, and committees be present when the gift acceptance policy is written and/or reviewed:

- Planned giving staff (to deal with estate or legacy gifts)
- Finance personnel
- Program administration staff (may receive donations or donation requests specifically dealing with program needs)
- Management
- The Board of Directors or any board committees responsible for development
- Gift Exceptions Committee (see below)

If your organization is larger, or tends to receive more unconventional or planned gifts, you may decide to create a Gift Exceptions Committee specifically to vet gifts and ensure that the policy is up-to-date and being upheld. If that is not the case with your organization, it can be your board of directors or planned giving committee's job to uphold the policy. In this example, [animal welfare organization] refers to its board to ensure the policy is current and gifts are being vetted when necessary.

7. A note about using legal counsel

Your gift acceptance policy should clearly state that your nonprofit encourages its donors to seek their own tax or legal counsel before making a gift, and that your nonprofit will make apparent any situation in which it must hire legal counsel to assist with a gift.

[Animal welfare organization] will seek advice from legal counsel in relation to gift acceptance when appropriate. Here are a few examples of times when review by counsel might be necessary:

- Administration of any estate in which [animal welfare organization] is named as a beneficiary
- Any transactions with potential conflicts of interest, including the use of Board members as sales agents in transactions, leases of gift property to staff or Board, etc.
- Any gifts of patents or intellectual property
- Certain gifts (like closely held stock transfers) that are subject to restrictions or buy-sell agreements
- Other circumstances in which use of counsel is deemed appropriate by [animal welfare organization's] Board of Directors.

*Fill in any points that make sense for your organization when establishing whether legal council is necessary.

[Animal welfare organization] will encourage donors to seek their own tax or legal counsel before making a gift. Refer to section 9 in this template for more detail.

8. Donor communications & acknowledgement

Establishing a strong donor base and a good relationship with donors is a valuable asset to your nonprofit. You don't want to risk angering, alienating, or upsetting a donor by rejecting their gift, but sometimes it's necessary. This is where the written gift acceptance policy can come into play and help you preserve those relationships with current and prospective donors. Your development team can be prepared to handle negative reactions by showing a donor exactly where in the gift acceptance policy it states that their gift can't be accepted and why.

In the instance of creating a gift acceptance policy, it can also be a good idea to include a line or two about your donors' privacy to give them peace of mind. This might look something like this example from Kathryn Miree and Associates (it has been edited to fit our animal welfare sample organization):

[Animal welfare organization] holds all communications with donors and information concerning donors and prospective donors in strict confidence, subject to legally authorized and enforceable requests for information by government agencies and courts. All other requests for or releases of information concerning a donor or a prospective donor will be granted only if permission is first obtained from the donor.

Subsequently, listing out donor recognition and acknowledgement guidelines in your policy are a good idea and can make it easier for your organization to stick to those stipulations.

- All gifts made to [animal welfare organization] will receive an acknowledgement from the [animal welfare organization] development department within one week of receipt of the gift, if possible. An acknowledgement letter including a formal tax receipt for monetary donations will be sent to each donor when their gift is accepted.

*You might also include a note about any special treatment for first-time, monthly, or major donations made.

- [Animal welfare organization] uses their annual report as their premiere donor recognition tool. All donors contributing \$XXX amount or more will be recognized in the [animal welfare organization] annual report. If necessary, include a note about any special recognition for planned gifts or major gifts that go above and beyond.
- Donor anonymity requests will be honored.

9. Conflicts of interest

It's important for your nonprofit to avoid the conflict of interest that would occur if it functioned as a donor's advisor for gift giving. Donors and prospective donors should be encouraged to seek their own professional or financial advisors and legal counsel in matters relating to their gifts, taxes, estate planning, etc. You don't want to involve your nonprofit in any unauthorized practice of law, so it's important to include this language in your gift acceptance policy.

Here's an example 'Conflict of Interest' section from a sample policy by Kathryn Miree and Associates (it has been edited to fit our animal welfare sample organization):

[Animal welfare organization] does not provide personal legal, financial or other professional advice to donors or prospective donors. Donors and prospective donors are strongly urged to seek the assistance of their own professional advisors in matters relating to their gifts and the resulting tax and estate planning consequences.

10. Restrictions on gifts

[Animal welfare organization] reserves the right to refuse any gift that it deems too restrictive in purpose, or not in the organization's best interest. The acceptance of a questionable gift or any decision to fulfill a questionable request from a donor will be brought in front of the Gift Exceptions Committee if the organization has one, or the board of directors if not. Refer to section 6 in this template to determine which party will provide counsel for your organization. In the case of [animal welfare organization], the board's discussion should be guided by consistency with the mission and an attempt to preserve the organization's goodwill in their community. Please see section 5 in this template for a reminder of the organization's mission.

In addition, the following gifts will not be accepted by [animal welfare organization]:

- Any gifts that violate federal, state, or local law, statute, or ordinance
- Any gifts that contain unreasonable conditions or partial interest in property
- Any gifts that are made with conditions that state the proceeds will be spent by [animal welfare organization] for the personal benefit of a named individual
- Any gifts that could expose [animal welfare organization] to liability

11. Acceptable gifts

The following gifts may be considered for acceptance by [animal welfare organization]:

- Cash (check, credit/debit card, ACH, online payment processing, cash, etc.)
- Professional services (signage design, website development, event marketing, sponsorships, etc.)
- Life insurance, life insurance beneficiary designations, or bequests
- Tangible personal property, including in-kind gifts

*You might first want to consider if there are any undue restrictions associated with the property, any carrying costs, if the property is marketable, and whether it fulfills your mission.

Other acceptable gifts your nonprofit might consider adding to your policy:

- Publicly traded and closely held securities
- Intellectual property rights
- Charitable lead or remainder trusts

Once you add and go through each acceptable item on your list, it's a good idea to add extra detail and parameters on what exactly each acceptable gift means or looks like to your organization.

Here's an example of extra parameters for an acceptable "life insurance" gift from a sample policy by Kathryn Miree and Associates (it has been edited to fit our animal welfare sample organization):

[Animal welfare organization] must be named as both beneficiary and irrevocable owner of an insurance policy before a life insurance policy can be recorded as a gift. If the donor contributes future premium payments, [animal welfare organization] will include the entire amount of the additional premium payment as a gift in the year that it is made. If the donor does not elect to continue to make gifts to cover premium payments on the life insurance policy, [animal welfare organization] may:

- *continue to pay the premiums,*
- *convert the policy to paid up insurance, or*
- *surrender the policy for its current cash value*

Once the policy is accepted, life insurance holdings will be reviewed annually to determine whether it is best to continue to pay the premiums, convert the policy to paid up insurance, surrender the policy for its current cash value, or change the underlying investment structure.

12. Changes to your gift acceptance policy

The above policies and guidelines have been reviewed and approved by the [animal welfare organization's] Board of Directors. The [animal welfare organization] Board of Directors must approve any changes or amendments to this policy.

Approved on _____(mm,dd, yyyy)

Chair, [animal welfare organization] Board of Directors