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Why your nonprofit needs a gift acceptance policy

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Implementing a gift acceptance policy is essential to protecting the interests of your organization and preserving relationships with donors. Consider this example to understand why.

Imagine you're the curator of a small art museum whose mission is to preserve and celebrate the work of local artists. A longtime supporter contacts the organization by email to share that they want to donate a painting by a famous artist, which has been in their private collection for decades. The piece has great sentimental value to the donor. When you read this email, you're elated—it's such a noteworthy piece that it is sure to bring much-needed attention to your organization.

Before you respond to the donor, however, you do a bit of quick research on the painting and the artist. It turns out that neither the artist nor the artwork has any

connection locally, which means that accepting this piece into the museum's collection would be irrelevant to its mission to preserve and celebrate the work of local artists. You also learn that the cost to properly insure and care for this painting is far more than the organization can afford.

Based on these facts, you know that accepting this painting isn't permitted by the museum's collections management policy. Thankfully, the document clearly defines the policies that dictate which objects or items can and can't be acquired by the museum. You and the executive director are able to have a productive conversation with the donor and share the reasons why you are not able to accept this generous offer, and also to convey your appreciation of her generosity. While disappointed, the donor understands the reasoning and doesn't take it personally. She finds a more suitable organization to donate her painting to, and she continues to be a strong supporter of your museum.

It's easy to imagine how complicated this situation could become if the museum didn't have clear written policies in place. While collections management policies are specific to museums, every nonprofit organization can establish guidelines for determining whether or not to accept certain types of gifts.

Every organization will have its own unique gift acceptance policy, but here are some suggestions for elements to include in your nonprofit's gift acceptance policy.

Gift Acceptance Policy Elements

The mission of the organization

Your mission should be included as it will likely need to be referred to when determining whether or not to accept a particular gift.

The types of gifts that the organization will and will not accept

Acceptable gifts may include cash gifts (received via check, cash, credit card, ACH, etc.); bequests and other planned gifts; or in-kind gifts of goods or services.

Unacceptable gifts may include gifts that are not in the best interest of your organization or which contradict your mission; gifts that are in violation of local, state, or federal laws; or gifts that would place an undue burden on the organization.

Conflicts of interest

Your organization should not function as an advisor to a donor or potential donor, and so you need to make it clear that donors should seek out their own financial and legal advisors with regard to their charitable giving.

Gift dates

Your organization likely has a standard operating procedure with regard to how you handle gift dates, particularly for gifts that straddle a calendar year or a fiscal year (for example, a check that is dated December 31, 2018, but isn't postmarked until January 3, 2018, and is received by your office on January 6, 2018). It's important to include that information in your gift acceptance policy, too, in order to educate your donors in case their expectations aren't in line with your policy. As reference, [this resource](#) provides guidance on legally correct gift dates in different situations.

Gift Acceptance Policy Examples

As you work to put together a gift acceptance policy for your own organization, you can refer to [these examples](#) from the Nonprofit Risk Management Center, as well as [this more in-depth example](#) from the Association of Fundraising Professionals. Remember, every organization will have its own unique gift acceptance policy, and the length and level of detail within it will vary.

How to ensure your gift acceptance policy's success

Once your organization has gone through the process of developing and implementing a gift acceptance policy, here are four tips to ensure that it functions as a valuable resource in sustaining your organization:

1. **Monitor the policy.** The board should review the gift acceptance policy on an annual basis in order to reaffirm the policy and make necessary updates. Your board will need to approve any changes to the policy.
2. **Make the policy accessible.** You should make this policy accessible from your website so that donors are able to find it and you can easily point them to it if you need to. Remember that if you link to a PDF document, you'll need to make sure that you keep the link updated to point to the most recent version of the policy.
3. **Educate staff.** Non-fundraising staff may not be familiar with the ins and out of your policy, but it's important that all staff members are aware that such a policy exists.
4. **Educate new board members.** As part of their orientation, new board members should receive a copy of the organization's gift acceptance policy.

Conclusion

There's no doubt that it takes work to create a gift acceptance policy. But once it's in place, this important document will protect your organization's best interests as you raise funds to support your mission, and it will also be an asset as you cultivate and steward long-term donor relationships. It's worth the effort!



About the Author

Virginia is a member of LGL's customer support team. She has over 15 years of fundraising experience and continues to be active in development as she fundraises for Alamo Rescue Friends, a non-profit dog rescue organization she founded in 2010. Virginia loves sharing practical ways for fundraisers to be more efficient and effective in their work, no matter how much experience they have or how big or small their organization