

# UNITED CEREBRAL PALSY

## *Gift Acceptance Policy*

### **OBJECTIVES:**

To protect the interests of United Cerebral Palsy (UCP) and persons and entities that support UCP, this policy is designed to address all gifts to or for the use of UCP, including current and deferred gifts.

The objective of this policy is to encourage funding of UCP with gifts that have a real value and are in keeping with the needs and objectives of UCP. These gifts also should not encumber the organization with gifts that may expose the organization to undue exposure/risk, that may generate more cost than benefit, or that are restricted in a manner not in keeping with UCP's goals.

To optimize funding from individuals and entities, the organization must be capable of responding quickly, and in the affirmative whenever possible, to all gifts offered by prospective donors. Except where stated otherwise, these policies are intended as guidelines, and that flexibility must be maintained because some gift situations can be complex, and decisions made only after careful consideration of a number of interrelated factors. Therefore, the policies will in some instances require that the organization's CEO or Board consider the merits of a particular gift.

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## **POLICY:**

### ***Outright Gifts***

**Cash.** Gifts in the form of cash and checks will be accepted regardless of amount. All checks must be made payable to the organization and will in no event be made payable to an employee, agent, or volunteer for the credit of the organization. Cash and checks are counted as of the date received.

### **Publicly Traded Securities**

Securities that are traded on a recognized stock exchange or over-the-counter system, or other readily marketable securities, will be accepted by the organization. Generally, the organization will immediately sell such securities and the proceeds invested in accordance with UCP's investment policies. In no event will an employee or volunteer working on behalf of the organization commit to a donor that the organization will hold a particular security unless authorized to do so by the CEO.

Ordinarily, brokers engaged by the organization for that purpose will sell publicly traded securities. If a donor wishes for stock to be sold by his or her broker for the account of the organization, prior approval must be obtained from the CEO.

### **Restricted or Closely Held Securities (including Partnership or Limited Liability Company interests)**

Restricted securities are sometimes given as gifts, but because of the complexity in transferring ownership and because of limits on sale of the stock by the organization, such a gift needs full review by the CEO in advance of acceptance. If there is a potential situation where restricted securities may be given to the organization, it is incumbent upon the donor to make evident any restrictions on the sale or transfer of the security.

Securities that are not publicly traded may be accepted only after approval of the CEO, in consultation with UCP's Chief Financial Officer. The organization will

not generally accept as pledge payment closely held securities that are not regularly and easily sold.

Such securities may be subsequently disposed of only upon the approval of the CEO in consultation with UCP's Chief Financial Officer, but the donor must work cooperatively with the organization as necessary regarding the disposition of such securities.

The organization will make no commitment for the repurchase of such securities by the donor or others prior to a gift of securities.

### **Real Property**

The organization will accept no gift of real estate without prior approval of the CEO or a committee of the organization Board authorized to accept such gifts.

No gift of real estate will be accepted without first being appraised by a party chosen by the organization who will have no business or other relationship to the donor. The value of any real estate accepted will be determined based on appraised fair market value according to IRS regulations.

In general, real estate will not be accepted as a gift unless its gift value appears to be in excess of \$10,000 and there is reason to believe it is highly marketable. The CEO may make exceptions to this policy if conditions warrant.

Real estate will not be accepted to fund a charitable gift annuity or other life income gift, without seeking an opinion as to the permissibility of the laws of the states involved and approval of the CEO.

Special attention will be given to receipt of real estate encumbered by a mortgage, as the ownership of such property may give rise to unrelated business income for the organization and disqualification of certain split interest gifts unless handled in a proper manner. Acceptance of gifts of encumbered property is by exception rather than the rule.

The CEO may require that an environmental audit, inspection or impact study be made of any real estate being considered as a gift to the organization. Ordinarily, the cost of such studies is borne by the prospective donor. The organization will not accept any gift that would expose the organization to expense of cleanup, litigation, etc., that may result from the acceptance of such property.

Generally, the organization will immediately sell real estate, unless otherwise determined by the CEO. In no event will an employee or volunteer working on behalf of the organization commit to a donor that the organization will hold a particular property unless authorized to do so by the CEO of the organization.

The Director of Development will coordinate the sale, appraisal, and environmental impact study (if any).

### **Equipment or Personal Property to be used by UCP**

Equipment or other tangible personal property that can be used to meet the needs of UCP may be accepted by the CEO. These gifts will be valued at current appraised fair market value.

Only the organization Board or persons authorized by it may represent to a donor that the organization will hold property for a specific period of time.

### **Other Tangible Personal Property**

Jewelry, artwork, collections, and other personal property will not be accepted unless the organization has reason to believe the property has a value of at least \$5,000. Such other tangible personal property may only be accepted upon approval of the CEO, provided that the CEO may make a blanket exception for items of lesser value that may be used in an auction, special event or meeting.

The organization will accept no personal property unless there is reason to believe the property can be quickly disposed of. No personal property will be accepted that obligates the organization to ownership of it in perpetuity. No perishable property or property that will require special facilities or security to properly safeguard will be accepted without prior approval of the CEO.

Notwithstanding the foregoing, if there is reason to believe personal property has a value of \$5,000 or more, it may be accepted only after the CEO has received and reviewed an appraisal qualified under the terms of the Internal Revenue Code governing gifts of property of this type, and these gifts will be valued at current appraised fair market value.

Only the organization Board or persons authorized by it may represent to a donor that the organization will hold property for a specific period of time.

### **Other Property**

Other property of any description including mortgages, notes, copyrights and other forms of intellectual property (including patents), royalties, easements, whether real or personal, will be accepted only by action of the organization Board or persons duly authorized by it.

Appropriate inquiry will be made and the organization will give special consideration to the nature of any gift property and whether it is in keeping with the mission of UCP prior to the acceptance of any property.

## **Deferred Gifts**

The organization actively encourages gifts through wills (bequests), trusts, gift annuities, and other planned giving vehicles. All types of deferred gifts will be valued at fair market value, in accordance with sound actuarial principles, generally accepted accounting principles, and applicable tax regulations. The execution by the donor of a Charitable/Deferred Pledge Agreement is the preferred method of confirming the donor's commitment.

### **Bequests**

Representations as to the future acceptability of property proposed to be left to the organization in a will or through any other deferred gift arrangement will only be made in accordance with the terms and provisions above regarding outright gifts.

Gifts from the estates of deceased donors consisting of property that is not acceptable will be rejected only by action of the Board or persons authorized by it. The CEO will expeditiously communicate the decision of the organization Board to the legal representatives of the estate.

UCP will attempt to discover bequests expectancies wherever possible in order to reveal a situation that might benefit from positive interaction with the organization. Where possible, intended bequests of property other than cash or marketable securities should be brought to the attention of the CEO and every attempt made to encourage the donor involved to conform his or her plans to the organization's policy described in the section regarding Outright Gifts. Gifts by bequest are not valued or recorded until realized by the organization.

### **Charitable Remainder Trusts**

In general, the organization will not serve as sole trustee of a charitable remainder trust established for its benefit. Only the Board may waive this policy.

Careful consideration will be given to the age of the income beneficiary or beneficiaries, the anticipated period of time the trust will be in existence, the rate of payout of the trust, the property with which it is anticipated the trust will be funded, the extent of the remainder interest to be left to the organization, and other pertinent factors, prior to agreeing to serve as trustee of a charitable remainder trust.

When employed as a co-trustee, the organization Board will identify one or more corporate fiduciaries in which it has confidence. Only with the approval of the CEO, after consultation with UCP's Chief Financial Officer, may any corporate fiduciary be recommended to a donor. The donor will also be free to select his or

her own trustee in situations where the organization is not asked to serve as co-trustee.

The fees for management of a charitable remainder trust will be paid only by the trust, unless otherwise approved.

The CEO and other employees and volunteers acting on behalf of the organization should become familiar with the types of property generally accepted by corporate fiduciary as suitable contributions to charitable remainder trusts. Employees or others acting on behalf of the organization will not encourage donors to make gifts of any property to charitable remainder trusts which are not in keeping with such guidelines.

No representations will be made by an employee or other persons acting on behalf of the organization as to the manner in which charitable remainder trust assets will be managed or invested by a corporate fiduciary who may be recommended by the organization without prior approval of such representation by the fiduciary.

Charitable remainder trusts and all other deferred gifts will be encouraged as a method of making gifts to the organization while retaining income that may be needed by the donor or other persons chosen by the donor for any number of personal purposes. Such trusts will not be marketed as tax avoidance devices or as investment vehicles, and personnel will make clear to potential donors that the organization does not offer legal, tax, or investment advice. Income payments will be jointly determined by the organization and the donor at the time of establishment of the trust, in accordance with appropriate regulatory and tax standards.

### **Charitable Gift Annuities**

Charitable gift annuities written by the organization will follow the most recently approved annuity rates suggested by the American Council on Gift Annuities, and must be approved by the CEO, in consultation with UCP's Chief Financial Officer.

The minimum initial contribution for a gift annuity will be \$10,000. The minimum contribution for an additional gift annuity by an individual who has previously entered into a gift annuity agreement will be \$5,000.

### **Life Estate Gifts**

Gifts of real property to the organization under which the donor maintains a life interest in the property may be accepted upon the approval of the organization Board or a person authorized by it, where the organization Board is satisfied that

there has been full disclosure to the donor of the possible future ramifications of the transaction.

### **Gifts of Life Insurance**

The organization will encourage donors to name the organization to receive all or a portion of the benefits of life insurance policies that they have purchased on their lives. The organization will not, however, generally agree to accept gifts from donors for the purpose of purchasing life insurance on the donor's life.

No insurance products, companies, or agents may be endorsed for use in funding gifts to the organization.

In no event will UCP furnish lists of donors to anyone for the purpose of marketing life insurance for the benefit of donors and/or the organization. This policy is based on the fact that this practice represents a potential conflict of interest, may cause donor relations problems and may subject the organization to state insurance regulation should the activity be construed as involvement in the marketing of life insurance.

### ***Payment of Fees Related to Gifts to the organization***

#### **Finder's Fees or Commissions**

In general, the organization will not pay a fee to any person for directing a gift to the organization. The organization will not pay any commission or finder's fee of any type to any party in connection with the completion of a gift to the organization without prior written approval of the CEO and written notice to the donor of the amount and recipients of any such fee.

#### **Personal Fees and Referrals**

Normally, the organization will not pay for attorney's fees to prepare a trust in which the organization is named as a beneficiary. If an exception to this policy is made the donor will be informed in writing that s/he should have the documents reviewed by his or her own attorney and that the organization is not providing legal, tax, or investment advice to the donor. The organization will not pay any fees directly to any financial advisor on behalf of the donor.

The organization will refer donors to appropriate bar or professional associations for counsel or assistance. The organization may, at donor's request, provide information to allow the donor to make an independent decision regarding legal, tax, financial, and other advisors. Any such information will contain a disclaimer noting that the organization is not making a referral and does not endorse any particular advisor, and all decisions regarding selection of advisors are the responsibility of the donor.

## ***Gift Administration and Documentation; Restrictions on Gifts***

**General Guidelines.** The following applies to gifts in any form received by the organization:

- All gifts are acknowledged promptly in writing.
- No gift will be accepted if there is a question as to whether the donor is mentally competent to transfer the gift to the organization unless and until such time as competence can be properly and affirmatively established.
- Non-cash gifts will be valued in accordance with IRS requirements, and donors should be notified at the time of a gift that the organization will, as a matter of policy, cooperate fully in all matters related to the IRS reporting or investigations of charitable gifts.
- The organization reserves the right to decline gifts from individuals, institutions, corporations, or other sources that are deemed by the organization not to reflect UCP's mission.
- All gifts other than cash will be reviewed and structured to limit the future financial risk to the organization.

### **Gift Documentation**

Letters of intent, instruments of transfer, and pledge forms will be used when appropriate to identify the gift arrangement and assets being given, intended use, pledge payment schedules (where applicable) and the donor. These forms can be personalized to accommodate particular gift arrangements and can be used to reassure the donor that his or her special goals and circumstances will be observed.

### **Restrictions on Gifts**

While it is the right of any donor to restrict uses to which his or her gift will be put, the organization must accept only gifts whose intended uses are consistent with UCP's mission. Donors may direct their contributions for specific purposes that meet UCP's requirements, but the language used in creating a restriction should leave sufficient discretion to apply the gift to some other purpose if the designated purpose ceases to exist or is no longer feasible.

The organization may designate at any time, with the approval of the Board, programs, projects, facilities, or any other items for which it wishes to secure restricted gifts.



Gifts bearing restrictions other than the CEO must approve those previously approved by the organization Board before the organization receives them.

### **Donor Rights and Privileges**

- Donors will be recognized and honored for their support and included in the appropriate recognition societies.
- Donors will be advised of the impact of their gifts on UCP's projects and programs.
- Donors will be urged to have all deferred gift agreements reviewed by their own legal, tax, and financial advisors.
- Donors will be advised that obtaining a qualified appraisal to establish the fair market value of gifts is the responsibility of the donor, not of the organization.
- All gift arrangements will be kept in confidence and requests for anonymity carefully guarded, unless federal and state law or other legal authority requires disclosure.
- Before gift commitments are publicized, permission will be sought from the donor, or the donor will be advised of the organization's policies for recognitions and disclosure.
- The organization will seek to make the giving experience satisfying to the donor through a variety of appropriate appreciation and recognition techniques.

*Adopted by the Board of Trustees, June 22, 2005*